Left Behind: Poverty & the Federal Budget

1 in 5 U. S. children live in poverty.

Learn what the federal budget can do to help.

October 1, 2015

Lindsay Koshgarian
National Priorities Project

www.nationalpriorities.org
Poverty is too high. 
And it doesn’t strike at random.

Photo by Mike Licht
https://flic.kr/p/7ui153
Poverty in 2014

- 14.8 percent, or 1 in 6
- 46.7 million people

Among children:
- 21.7 percent, or 1 in 5
- 15.7 million children
What is the “poverty level”?

Sources: U.S. Census Bureau, Historical Poverty Tables & American Community Survey, 2014
Poverty doesn’t strike equally

Source: American Community Survey 2014
The Economy is not enough

Source: American Community Survey 2014
Anti-poverty programs work.
Anti-Poverty Programs Work!

Source: US Census Bureau Poverty Tables
Earned Income Tax Credit: $67 Billion in 2013
Where does your tax dollar go?

<table>
<thead>
<tr>
<th>$12,922 Average Tax Paid</th>
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<tbody>
<tr>
<td>$3,505 for Pentagon and related</td>
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<tr>
<td>• $759 for military personnel</td>
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<tr>
<td>• $88 for nuclear weapons</td>
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<tr>
<td>$1,537 for Medicaid</td>
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<tr>
<td>$756 for veterans’ benefits</td>
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<tr>
<td>$389 for SNAP (food stamps)</td>
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<td>$329 for Education</td>
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<tr>
<td>$83 for TANF (welfare)</td>
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<td>$47 for CHIP (children’s health insurance)</td>
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<td>$43 for Diplomatic and consular programs</td>
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<tr>
<td>$34 for Federal Prison System</td>
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<td>$11 for Energy efficiency and renewable energy</td>
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</table>
15% of the home mortgage interest deduction went to the top 1% of earners in 2013.
The time to do something is now.

Photo by Storm Crypt
https://flic.kr/p/3VGtmE
New Budget Deadline: December 11, 2015
70 Days Left

Photo by Storm Crypt
https://flic.kr/p/3VGtmE
Find out More

www.nationalpriorities.org

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Economic Growth Leaves the Poorest Americans Behind

Deborah Weinstein
October 1, 2015
At the current rate, cutting poverty in half would take until the year 2040. Getting child poverty to the same level would take until 2049.
The economy alone won’t lift enough people out of poverty. **But** effective public programs work.

In 2014, government programs lifted millions of Americans out of poverty:

- **EITC/CTC (tax credits)**
  - Roughly 10 million Americans

- **EITC/CTC (tax credits)**
  - Including 5 million children

- **Housing subsidies**
  - 2.8 million Americans

Image by National Priorities Project
What the economy does...

Top 5%: Average incomes rose from $325,000 in 2010 to $346,000 in 2014.

Bottom Fifth: Average incomes dropped from $12,280 to $11,900.
22 million
How many fewer poor people if we cut poverty in half by 2020

2 million
How many fewer poor people if we keep reducing poverty at the current rate

20 million needlessly poor
Poverty costs too much

Children who have
• Head Start
• Nutritious food
• Secure housing
• Health care
Families who have
• Stable jobs
• Secure income

contribute to
shared economic growth

• After the SNAP cut in 2013, households with babies and toddlers were 23% more likely to be “food insecure” (thus more subject to bad health, falling behind in school)

-- Children’s HealthWatch
And yet...

Instead of investing, we’ve been cutting (FY’s ’10-’15):

- Job training for adults, youth: -18%
- K-12 low-income school aid: -10%
- Juvenile Justice state grants: -45%
- Substance abuse treatment: -28%
- Public housing capital funds: -32%
- Home heating aid: -40%
Still Deeper, in 2013

*Sequestration:*

- 67,000 rental vouchers still lost
- 57,000 children denied Head Start
- Millions of meals to home-bound seniors not delivered

*SNAP (food stamps) cut:*

Amount per meal dropped from $1.70 to $1.40
Is another round of cuts coming?

Stopgap spending now in effect through Dec. 11.

Congress may let sequestration and other bad choices cut Head Start, housing, nutrition programs, job training, public health, education, tax credits...

Will Congress make a deal to raise spending above sequester caps, so there can be modest investments?

Or...
The wrong direction:

Under Congress’s proposed budget, the Earned Income Tax Credit and the Child Tax Credit improvements will be allowed to expire, pushing 16 million people, including 8 million children, into, or deeper into poverty.

Congress will also cut as many as 50,000 existing Housing Choice vouchers.

Even today, only 1 in 4 qualifying renters receive rental assistance due to lack of government funds.

Image by National Priorities Project
Tell Congress to Stop Cutting

They’ve agreed to stop cuts before – and now President Obama has said over and over he will veto bills that stick with sequester cuts.

If they hear from constituents now, We may get a better deal.

There are 15.7 million children living in poverty in America.

Ending extra tax breaks for hedge fund managers would save about $1.4 billion per year...

...nearly enough to fund the $1.5 billion to cover full day, full year program for all children in Head Start.
Ways to Weigh in:

Reports in these states:

Arkansas (October 12)
Colorado (October 2)
Connecticut
Florida
Illinois
Kentucky (October 7)
Maine (October 7)
Michigan
Nevada
New Hampshire (Sept. 25)
Ohio
Pennsylvania (October 22)
Tennessee
Washington (October 7)
Wisconsin
Virginia

How Congress will make New Hampshire poorer:

- Nearly 1 out of 10 Granite Staters is living in poverty.
- For children, it’s 1 out of 8.
- In 2014, tax credits lifted millions of Americans out of poverty.
  - In New Hampshire, that’s 16,000 people, incl. 8,000 children.
- Under Congress’s proposed budget, the Earned Income Tax Credit and the Child Tax Credit improvements will be allowed to expire, pushing 37,000 people in New Hampshire, including 17,000 children, into or deeper into poverty.
- Congress will also cut as many as 230 existing Housing Choice vouchers.
  - Even today, more than 1 in 5 low-income renters in New Hampshire are paying more than 50% of their income on rent.
Networks in those states?
Share the report by
• Tweeting, emailing about it
• Using and sharing your Reps’ and Senators’ Twitter handles to send them the report
• Writing letters to the editor or blogging about it

Contact Kelly Wilkins, kwilkins@chn.org, for all the info you’ll need.

And wherever you are:

Let your Rep and Senators know you want them to stop the cuts and start investing:
• Easy email at www.chn.org
• Write your own blog, op-ed, letter
• Attend town meeting, forum…
Thanks!

Please sign up to get our emails at
www.chn.org
Or contact
Debbie Weinstein
dweinstein@chn.org