Children's Hospital of Philadelphia
PolicyLab

The Great Recession Continues to Impact America's Children

Population Health Sciences

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On Tuesday, February 3rd, PolicyLab and First Focus released a report, *The Effect of The Great Recession on Child Well-Being*, at a Congressional briefing sponsored by Senator Bob Casey.

What We Found

While the Great Recession technically ended in June 2009, many families continue to feel the effects. 14.7 million children were living below the poverty line in 2013, a significant increase from 12.8 million children before the recession. Poverty is a particularly serious problem for children, who suffer negative effects for the rest of their lives after living in poverty for even a short time.

Consistent with findings from a 2010 PolicyLab report on the impact of recessions in general on child well-being, our review of evidence from the Great Recession identifies two primary patterns with respect to its effects on child well-being. First, while there has been some modest recovery in well-being for our nation's families and children, poverty, food insecurity, and housing instability remain higher than pre-recession levels. Second, a range of social safety net programs like the Children's Health Insurance Program (CHIP) and Supplemental Nutrition Assistance Program (SNAP) provided critical support to many vulnerable children and families, and mitigated the effects of the Great Recession.

Here are some of the main takeaways on the four domains of child well-being – health, food security, housing stability, and child maltreatment – and the effect of the Great Recession on each:

- **Health Status**: the number of children with health insurance coverage increased despite the Great Recession, thanks in large part to pre-recession investments in government programs like CHIP that aimed to achieve universal coverage for children as well as new evidence that many states actually expanded CHIP eligibility during the Great Recession years. The most recent data show that 7 percent of children are uninsured. However, challenges remain, based on the need for Congress to extend funding for CHIP beyond 2015, and the fact that the Affordable Care Act created some coverage gaps for families with children (referred to by many as the "family glitch"). Importantly, the generation of children that emerges from the Great Recession faces an elevated risk of a broad range of health problems associated with poverty, pointing towards a need for continued vigilance with regard to these safety net programs.
- **Food Security**: the number of children now living in food insecure households is dramatically higher than before the recession. Approximately one in three American children—more than 22 million in the nation—receive supplemental nutrition assistance benefits. Participation in programs like SNAP and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) peaked after the end of the recession, indicating that low-income households may have experienced a slower pace of recovery. A recent decline in participation rates may indicate a recovering economy, but it is still too early to tell. New research affirms earlier findings demonstrating the positive impact of these food assistance programs on child health and well-being, further emphasizing the importance of continuing such programs.
- **Housing**: the Great Recession will be remembered for the unprecedented rates of foreclosures and the increasing trend towards housing instability. More than one in three children are living in households that are considered "cost burdened," meaning they spend more than 30 percent of their income on housing. Over 2.3 million children lost their home in the Great Recession's foreclosure crisis, and up to 6 million more children are at risk of losing their homes to foreclosure. Child homelessness is on the rise. The

federal rental assistance programs that helped many families keep their homes during the Great Recession worked, but their budgets have been reduced in the past few years, raising a cause for concern about children in families still struggling to secure housing, as well as the capacity of the existing housing programs to respond to any new economic downturns.
- **Child maltreatment** (i.e., abuse and neglect): recent national child welfare data suggest that overall maltreatment rates continued to fall despite the recession, though rates of neglect increased and have accounted for a greater share of all maltreatment cases nationwide. However, a growing body of research, including PolicyLab research done by Joanne Wood, differs from national data sources indicating that the incidence of (or at least the risk of) child maltreatment increased during the Great Recession. These conflicting reports suggest additional analysis may be needed to reconcile these divergent reports. Total child welfare spending increased incrementally during the Great Recession, thanks in large part to federal stimulus funds, but spending has slowed in the years since. There is also considerable variability in child welfare funding from state to state and from year to year.

So What Can We Do?

Looking ahead, America faces a looming challenge, given continuing fiscal pressure and millions more Americans facing poverty, food insecurity, and housing instability than before the Great Recession. Perhaps the most significant challenge for federal, state, and local government policymakers is that economic recovery from the Great Recession is slow and uneven.

As the economy continues to recover, many safety net programs are facing budget cuts. If the United States were to enter another economic downturn, it is not at all clear that the safety net programs, if suddenly needed again, would as effectively shield vulnerable children and families as they did during the Great Recession. In fact, it is possible that recovery for our poorest Americans could stall or, perhaps, even shift into reverse as a result of reduced investments in certain safety net programs and the decline in government spending on children.

Looking ahead, we must confront the growth in income inequality that has occurred in the last few decades, with more Americans living closer to the poverty line than ever before. Roughly 22% of households with children live in poverty, but even more strikingly, 45% of children live in low-income households. A true recovery would reverse the trends of growing poverty and widening income gaps. We can achieve recovery by investing in our safety net programs in times of stability, as well as by making bold investments in education, vocational training, and job creation to ensure better opportunities for children and young adults.

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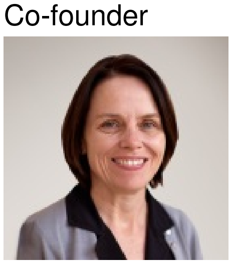

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