



TO: Assemblywoman Pamela Lampitt, Chair
Members, Assembly Women and Children Committee

FROM: Cecilia Zalkind, Executive Director
Advocates for Children of New Jersey (ACNJ)

DATE: January 27, 2016

RE: Testimony for the Committee Hearing on Poverty

Thank you for the opportunity to testify before the committee today on this important issue. As ACNJ reported in its *2015 Kids Count Report*, child poverty has grown in New Jersey since the economic downturn in 2008. It is a serious problem across our state with lifelong implications for children. I will address the issue of child poverty and then discuss the importance of child care to employment.

Child Poverty

- Statewide 17 percent of children – over 333,000 - live in poverty.
- Child poverty rates vary by county and city. For example, 38 percent of children in Salem live in poverty and 30 percent in Cumberland. In Newark, 44 percent of children live in poverty.
- Children of color are more likely to live in poverty. As reported in our 2015 *Race for Results* report, 28 percent of Black and 30 percent of Hispanic children live in poverty.
- The federal poverty level is a national standard - about \$23,000 a year for a family of 4. It does not take into account the high cost of living in New Jersey.
- More accurate measure of need is low-income: families with incomes 200 percent of poverty level or \$46,000 a year for a family of 4.
- Over one-third of children in New Jersey are considered low-income. More than one-half of Black children and 57 percent of Hispanic children live in low-income families.

These are the facts. We know that poverty affects every aspect of a child's life. The stress that poor families face in making ends meet can be toxic for young children

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and impact on their healthy development. Poor children may not have access to the same health care or housing. A child who is hungry cannot learn.

So what can we do to address this issue?

First, we can make sure that children get all the benefits they are entitled to receive to help offset the effects of poverty. School breakfast is one example. For the last four years, ACNJ has led the *Breakfast After the Bell Campaign* to ensure that more eligible children get breakfast in school. Since the campaign started in 2011, the number of eligible children receiving breakfast has increased 75 percent, from 135,813 children in 2010 to 237,062 in 2015. That means that 101,000 more children get breakfast every day. And it has been done at no cost to the state, bringing in an additional \$46 million in federal funding to cover the increase.

Despite this success, New Jersey is still reaching only 44 percent of eligible children. Legislation before this committee in the last session (A4030/S2669), called for a .10 per meal supplement to help districts serve breakfast after the bell.

Expanding access to high-quality preschool is a long-term solution to poverty. Research shows that children who experience high-quality preschool have better lifelong outcomes, including higher graduation rates, college and employment. ACNJ is a partner in the Pre-K Our Way Campaign to expand preschool to more low-income children, as required in the 2008 School Funding Reform Act. It is overdue for funding.

Child Care

- Accessible, affordable, quality child care is essential to parent employment. Sixty-six percent of children under age 6 live in families where both parents work.
- In a recent survey commissioned by ACNJ, business leaders ranked employee retention and absenteeism as their second most important challenge to doing business in New Jersey. Reliable child care can help.
- ACNJ's *2015 Kids Count* reports the average cost of center-based child care at \$11,534 for an infant and \$9,546 for a preschooler.
- A middle-income family with an infant and preschooler can spend 25 percent of its income on center-based child care. Low-income families can spend 44 percent of income on child care.
- New Jersey has a good child care subsidy program that enables low-income families to work. It serves about 50,000 children each month. However, it only reaches about 11 percent of eligible children.

- More stringent documentation requirements have made it more difficult for families, especially those with non-traditional hours, to qualify for subsidies.
- Child care programs that accept subsidies have not had a rate increase since 2008.

These facts highlight the importance of child care for families to work. They also describe the challenges that middle and low-income families face in finding affordable, quality child care and that child care centers face in serving children who receive child care subsidies. New Jersey has not increased child care funding for some time. An investment in child care can help families work, children develop and businesses thrive.

Here are three steps that the state can take to improve the affordability of child care so that parents can work:

- Relax some of the documentation requirements for child care vouchers, in light of changing work environment for low-income families. Consider families who work uneven hours, do not have a formal pay stub or have a series of temporary jobs.
- Increase the amount of funding that child care programs receive for vouchers. This will help programs survive and be more affordable for families.
- Consider a state child care tax credit. New Jersey is one of fourteen states that does not offer a child care tax credit. This would be helpful for middle and low-income families to afford child care. Some states have developed a package of credits that can benefit families, programs, employees and business. Louisiana is one example. Explore a similar program for New Jersey. ACNJ would be happy to provide further information on a child care tax credit for New Jersey.