

BIG IDEAS FOR CHILDREN



INVESTING IN OUR NATION'S FUTURE



FIRST FOCUS

MAKING CHILDREN & FAMILIES THE PRIORITY

Out of the Desert:

An Integrated Approach to Ending Child Poverty

by Elisabeth Mason, J.D., and Julie Kashen

You're wandering barefoot in the desert. You desperately need at least three things: shade from the sun; a cool drink of water; and shoes to keep your feet from blistering. An off-road vehicle to get you to civilization wouldn't hurt either. As it happens, there are places in the desert where you can find all these things. Unfortunately, they are all in opposite directions from each other.

Ironic? Perhaps, but this is exactly the situation that exists for America's working poor and their children. Beset by a variety of obstacles, a vast array of work supports are theoretically at their disposal to help. The problem is they usually don't know that. And even if they do, it is damnably hard for them to get them all.

For a quarter-century, the myth has persisted that even if we had the will to end child poverty, we simply do not have the resources. The truth, however, is that the United States provides far more resources for poor families than these families actually receive. Study after study affirms the value of these services. When utilized, they help parents to find and keep jobs; weather unexpected economic setbacks; and improve their children's health, academic performance, and prospects for the future. The challenge is that the government deploys work supports inefficiently, ineffectively, and piecemeal. Need shade? Three miles that way. You want water, too? Sorry, that's six miles over the dunes in the other direction.

And so it goes. Applications for services often involve numerous visits to multiple

Elisabeth Mason, J.D., is a founder and the CEO of Single Stop USA. Prior to launching Single Stop USA, Elisabeth helped plan the Atlantic Philanthropies' billion dollar strategy for Disadvantaged Children and Youth and was a Managing Director at the Robin Hood Foundation. A lawyer by training, Elisabeth practiced at a major international law firm and was also a leading children's rights advocate in Latin America.

Julie Kashen is Vice President for Policy, Knowledge Management & Evaluation at SingleStop USA. Prior to joining SingleStop USA, Julie Kashen spent the majority of her career working in federal and state government, most recently as Deputy Director of Policy for Governor Jon S. Corzine (and Legislative Director to then-Senator Corzine) and Policy Advisor for labor and poverty-related issues for Senator Edward M. Kennedy on his Health, Education, Labor and Pensions Committee staff.

offices. One study shows that, on average, it takes five hours and two trips just to sign up for food stamps.¹ The reality is that low-wage workers, often parents with multiple jobs, don't have the luxury of compensatory time, can't always count on child care, and face substantial challenges accessing transportation.

Every year, at least \$65 billion in government services and support remain unclaimed by the working poor.² The Urban Institute, a non-partisan think tank, estimates that one in four working families receives no benefits at all, despite its eligibility.³ Twenty million struggling families live below 200 percent of the federal poverty level, yet a mere 7 percent of those eligible receive all four of the government's major benefits and tax credits: the Earned Income Tax Credit (EITC), food stamps, Medicaid, and child care assistance.⁴ In other words, 93 percent of families don't use all of the resources available to them.

At SingleStop USA, our big idea for kids is as simple as it is far-reaching: Every family should receive all the benefits and tax credits for which they are eligible – not haphazardly and with great difficulty – but together and all at once.

Since the forces and factors that perpetuate poverty are interconnected, solutions must be seamlessly integrated. Affordable health insurance, child care subsidies, legal services, tax credits, mortgage and financial counseling, and nutrition assistance should be more easily accessible and mutually reinforcing. Individually, these act as band-aids – necessary but insufficient. Applied in combination, they can begin to heal the underlying causes of intergenerational poverty, help low-income families work their way to self-sufficiency, and build stable environments for children to grow and learn.

Climbing up the economic ladder is the American dream, but down at the bottom it seems like there are not any rungs. The best families can do is hold on to the sides and maintain their position, but moving up seems impossible. Just imagine a working mother who cannot make ends meet. She has a minimum wage job, but still needs food stamps to feed her children who lack comprehensive health insurance. She often misses work to take her eldest, who has asthma, to the emergency room. Because of lost wages and missed bills, her family is facing eviction.

Now imagine how different her life would be if in addition to food stamps, she had access to preventative health care for her children and help paying her utilities. Not only could she afford heat, electricity, and phone service for her family, but she would also miss less work, and stay in a job long enough to move up the wage scale and climb out of poverty.

All the evidence affirms that existing work supports are powerful tools with which individuals can lift themselves and their children from poverty. The Center on Budget and Policy Priorities has illustrated that public benefits like the EITC, Medicaid, nutritional and child care subsidies, and affordable housing reduce the number of Americans living in poverty by half, and ameliorate the severity of poverty

for the working poor.⁵ Imagine the potential impact if these programs reached the millions of struggling families who both need and are eligible to use them.

Consider the EITC. Some low-wage earners don't file their taxes because the forms are difficult to understand – let alone complete – and they fear they will owe the government money. The reality is that many would receive a \$1,800 refund – and just a \$1,000 increase in family income has been shown to improve children's test scores by 2 percent in math and more than 3.5 percent in reading.⁶

The positive impacts of health insurance programs such as Medicaid are no less profound. One study has demonstrated that families with insurance are twice as likely to be able to save for the future.⁷ Another study has revealed that health insurance improves children's performance in school. In fact, publicly insured children are 25 percent more likely to have seen a physician in the past year than those who are uninsured, and 80 percent less likely to suffer from unmet medical needs that erode academic achievement.⁸

Studies have shown similar benefits to children and families from nutritional, child care, and housing subsidies. For example, nutritional subsidies not only put food on the table, but also increase a family's purchasing power by 40 percent.⁹ Child care subsidies allow parents to maintain stable employment and provide children a safe and secure environment while their parents work.¹⁰ And affordable, stable housing can help bring an end to the frequent household moves that drive down children's achievement in school and increase their likelihood of dropping out.¹¹

Nobody seriously believes that families in need of affordable health insurance might not also need help with groceries. Yet, these vital programs tend to reflect the political complexities of their independent histories, not common sense. They were created by different administrations, at different times, are managed by different agencies, and draw from different funding streams. One hand gives without knowing how, or whether, the other hand is reaching out to help.

The bottom line is that, contrary to the myth, public benefits do not trap poor families in dependency. They generate an enormous impact on the lives and aspirations of poor families and children. When accessed and delivered comprehensively, these resources stabilize families, allowing them to achieve self-sufficiency and ultimately free them to be independent.

A number of new initiatives are helping families access the work supports available for them to build a secure future. At SingleStop USA, we are among those pointing the way to effective, scalable solutions. In the next five years, SingleStop USA plans to help one million families access \$2 billion in supports they are eligible for, but do not currently collect. When families can access all the resources for which they are eligible, they can withstand the small setbacks – a sick child, car trouble, or temporary job loss – that too often become catastrophic. Compassion aside, this is sensible public policy. An ounce of prevention is worth a pound of cure. It is far

cheaper to help with housing, nutrition, and other necessities than to manage the crises – individual and shared – that emerge in their absence.

How does the SingleStop model work? Clients meet with counselors and use computerized benefits calculators, similar to Turbo Tax. Sophisticated software reveals a family's eligibility for a wide spectrum of benefits, tax credits, and other services – all in 15 minutes. Clients not only learn which services they may qualify for, but also how signing up for one benefit may influence their access to another.

Experienced case workers then use this information to provide individualized advice, guide clients through the application process, and help them to manage new resources. On-site legal and financial counselors also help clients stave off housing crises, consolidate debts, open savings accounts and better plan for their future.

The results are extraordinary. A recent internal program evaluation suggests that every dollar invested creates benefits worth \$13 for families.¹² A previous external study of the program – a McKinsey review of SingleStop's impact in 2005 – demonstrated similarly remarkable outcomes.¹³

Now government must do its part by replicating and expanding this work, and making a few simple reforms. First, policymakers must streamline eligibility requirements so that low-income families can more easily access multiple benefits. Second, they should simplify and create joint electronic applications for these multiple benefits. For example, some jurisdictions are piloting programs that enable applicants to request multiple benefits electronically and on one form. This type of web-based application still works best with the help of a caseworker, but the reduction in paperwork will significantly decrease administrative costs, and help families immensely.

Finally, government agencies should partner with community-based organizations to deliver benefits and services in convenient neighborhood locations where caseworkers can develop relationships with the families who need these resources the most.

The United States allocates billions of dollars every year to help provide the nation's children with food, child care, medical services, and other basic needs. Yet, one in six children – 13 million, an increase of about 1.2 million between 2000 and 2006 – still suffers from hunger, illness, and other scourges of American poverty.¹⁴

We do not lack the resources, or even the will, to help families build better futures for their kids. But for too long bureaucratic barriers have stood between families and the help they need. The promise of opportunity in America is only as good as our vision for our children and the will to achieve that vision. We have the shade, the water, the shoes, and the means to get out of the desert; we can't let them go to waste. With just a little innovation, we can make a life-saving difference for millions of families.

- ¹ *Customer Service in the Food Stamp Program*. Mathematica Policy Research, Inc. prepared for the U.S. Department of Agriculture, Food and Nutrition Service. Michael Ponza, James C. Ohls, Lorenzo Moreno, Amy Zambrowski and Rhoda Cohen, July 1999.
- ² *Single Stop Rollout Strategy Project – Final Report*. McKinsey & Company. February 2007.
- ³ *Is There a System Supporting Low-Income Working Families?* The Urban Institute. Shelia Zedlewski, Gina Adams, Lisa Dubay and Genevieve Kenney, February 2006. In this study, “benefits” specifically include EITC, child care subsidies, food stamps, and Medicaid/SCHIP.
- ⁴ *Current Population Survey, 2007 Annual Social and Economic Supplement*. U.S. Census Bureau, 2007 and Zedlewski, Adams, Dubay and Kenney.
- ⁵ *Public Benefits; Easing Poverty and Ensuring Medical Coverage*. Center on Budget and Policy Priorities. Arloc Sherman, 2005.
- ⁶ Statistics of Income Division, Individual Master File System. IRS, January 2007 and *The Impact of Family Income on Child Achievement*. Institute for Research on Poverty, Discussion Paper no. 1305-05 Gordon Dahl and Lance Lochner, August 2005.
- ⁷ *Making Ends Meet: Six Programs That Help Working Families and Employers*. Center for Law and Social Policy. Nisha Patel, Mark Greenberg, Steve Savner and Vicki Turetsky, June 2002.
- ⁸ *Improving Children’s Health: A Chartbook about the Roles of Medicaid and SCHIP*. Center on Budget and Policy Priorities. Leighton Ku, Mark Lin, and Matthew Broaddus, January 2007.
- ⁹ Patel, Greenberg, Savner, and Ture.
- ¹⁰ Patel, Greenberg, Savner, and Ture.
- ¹¹ “High Classroom Turnover: How Children Get Left Behind.” Citizens’ Commission on Civil Rights. Chester Hartman in *Rights at Risk: Equality in an Age of Terrorism*. , pp 227-244 Piche, Dianne M., Ed.; Taylor, William L., Ed.; Reed, Robin A., Ed., 2002.
- ¹² Robin Hood Foundation Internal Program Report based on internal metrics calculations.
- ¹³ McKinsey & Company.
- ¹⁴ *Income, Poverty and Health Insurance Coverage in the United States 2006* U.S. Census Bureau. Carmen DeNavas-Walt, Bernadette D. Proctor, Jessica Smith, August 2007