

ECONOMIC SELF-SUFFICIENCY

*Vision
Statement*

All children in Indiana deserve to grow up in a household that is able to provide adequately for their family's needs.

THE CHILDREN'S COALITION OF INDIANA WILL ADVOCATE AND SUPPORT THE FOLLOWING:

Advocacy

- ◆ Support policies, programs, and services that allow working families to obtain self-sufficiency and overcome barriers to employment.
- ◆ Elimination of barriers that limit access to public assistance for those in need - such as inflexible work requirements, full-family sanctions, or bans for ex-offenders.
- ◆ Expansion of education and vocational training programs to allow the working poor a chance to develop skills that will enable them to earn higher incomes, receive health benefits, and advance to higher level positions.
- ◆ Determine financial need / eligibility with a measure that factors in current estimated levels of economic self-sufficiency.

*Legislative
Action*

- ◆ Increase Federal and State funding for the CCDF voucher program to reduce child care expenses for working, low-income parents.
- ◆ Adequately fund both food banks and nutrition assistance programs, and increase incentives (e.g. tax credits) for corporations and citizens who invest in them.
- ◆ Support legislation to expand utility payment and weatherization assistance for more low-income households.
- ◆ Maximize the number of eligible families receiving the State and Federal Earned Income Tax Credit (EITC) and increase the amount of credit available in the State.
- ◆ Support the creation of a Child and Dependent Care Tax Credit for Indiana families.
- ◆ Continue to monitor the effects of FSSA Modernization and address documented problems with initial and ongoing eligibility determination.
- ◆ Support the creation of a Commission on Child Poverty.

*Administrative
Action*

- ◆ Adjust funding of public assistance programs with increases in inflation to ensure that the needs of those in poverty are adequately met.
- ◆ Redefine the goal of TANF program as reduction of poverty, rather than reduction of caseloads.
- ◆ Enforce timely collection and disbursement of child support payments.

*Implications
of
Non-Action*

- ◆ Families will be unable to achieve self-sufficiency through employment due to low wages and high costs of living.
- ◆ Children in poverty or in low-income families will be vulnerable to unsafe environments, injuries, poor health, lower academic achievement, or fatalities.
- ◆ An increasing number of children and families will be engaged in the child welfare system as a result of the neglect due to lack of food, shelter, or appropriate clothing.

Rationale: Economic Self-Sufficiency

Federal Poverty Level:

In the last 10 years, poverty rates in the U.S. and in Indiana have increased substantially. From 2000 to 2008 poverty in America grew by 5.2 million people. More Hoosiers live in poverty now than in any recent year - a total of 13.1% in 2008²¹. This rate was only 6.7% in 1999 - meaning that in 7 years, we have nearly doubled the percentage of Hoosiers who are poor²¹. But poverty statistics tell only part of the story. Advocates for the poor suggest the Federal Poverty Level is antiquated, ineffective, and fails to accurately demonstrate the true levels of need within society.²² The guideline - based on the cost of food - fails to recognize factors such as the costs of housing, utilities, child care, transportation, or health care. Most families need incomes twice the Federal Poverty Level to meet their needs.²³

Self-Sufficiency Standard:

A more realistic indicator of need would be a Self-Sufficiency Standard, as suggested by the Indiana Community Action Association. The Self-Sufficiency Calculator factors in the cost of living - so the family of four above would need to earn at least 200% FPG or \$44,100 to meet their basic needs²⁴. Anything below that amount, and the family would experience some shortages²⁴. Many individuals are considered low-income, with incomes slightly above the Poverty Level, yet with earnings still too meager to meet basic needs²⁴. These families face serious risks when unexpected expenses occur such as car repairs, medical bills, or utility increases²⁴. In times of financial shortage, families must make sacrifices in order to maintain basic necessities such as housing, utilities, or transportation. Research has shown that most families will cut food costs before other expenses, increasing the likelihood of their experiencing hunger or malnutrition. Underfed children experience lower academic achievement and poor test scores and are more likely to be hospitalized - incurring further expenses for families²⁴.

Welfare Reform:

At the same time, public support for families who are not economically self-sufficient has become more limited. Welfare was reformed with the intent of decreasing families' reliance on public assistance and moving them toward employment. Welfare reform has moved many off of public assistance, but not necessarily because they have overcome poverty. The system is difficult to navigate due to confusing eligibility guidelines, multiple appointments, large amounts of required documentation, etc which discourages individuals from participating in programs that they qualify for. Funding for welfare continues to face drastic cuts - meaning that fewer and fewer families are eligible each year.²⁴ In addition, fiscal support for programs designed to support the transition from welfare is also diminishing. Resources such as vocational training, child care, housing, financial aid for college, and Medicaid enable working families to move past welfare - without them, some might never escape poverty. Families are expected to accomplish increased success with decreased resources.²⁵ While the intent of welfare reform was moving people towards independence, the reality is that too many are earning meager wages and struggling to provide for their families.

Poverty and Children:

Children are at the highest risk for poverty. Of the 40 million U.S. citizens living in poverty today, 13 million of them are children. Compared to all other developed nations, the U.S. child poverty rate is second only to Mexico. Sadly, 17.9% of all Indiana children currently live in poverty²¹. For children experiencing poverty, the effects can be devastating. Children living in poverty are at a greater risk for developmental delays, poor physical and mental health, abuse or neglect, and future reliance upon social services in adulthood. In addition, youth in poverty are more likely to drop out of school, engage in criminal behavior, be involved in juvenile corrections, and become teen parents²². Every child should have his or her basic needs met, including shelter, child care, food, and health care.

²¹ IIFWF. (2009). *The status of working families in Indiana: 2009*.

²² Indianapolis Star. (9/17/2006). *The Poor Among Us: Poverty in Indiana*.

²³ ICHHI. (2005). *Ensuring a Hunger-Free Indiana*.

²⁴ Indianapolis Star. (9/17/2006). *The Poor Among Us: Poverty in Indiana*.

²⁵ Center for Law and Social Policy. (2006). *Ten Years after Welfare Reform, Its Time to Make Work for Families*.