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Too Many Working Parents Still Struggling to Make Ends Meet

Census Bureau reports that 11% of Connecticut children in poverty; one in ten residents are uninsured

Findings released today from two national surveys by the U.S. Census Bureau reveal that even full time work does not allow many families in Connecticut to escape poverty and support their children's basic needs, including health insurance coverage. Connecticut Voices for Children, a children's research-based advocacy organization, called for support of programs that help families in poverty-wage jobs to better afford housing, child care, health care, and other basic needs. Census data show that 10.8% of children under 18 (88,600) in the state in 2003 lived in families with incomes under of the Federal Poverty Level (\$18,810 for a family of four). This was an increase of approximately 5,200 children over 2002 levels, though this increase was not statistically significant. The 2003 Connecticut child poverty estimate represents no progress over the 1990 child poverty rate of 10.4%, despite a decade that saw a time of record-low unemployment and an aggressive effort to move welfare recipients into the workplace. The number of children in poverty is greater than the entire population of Norwalk. Among children under age 5, nearly 30,000 (14.0%) were in poverty. Among all residents, 8.1% (273,000) had income below the poverty level.

For many state residents, even full-time work does not guarantee an escape from poverty. The Census report indicated that 9% of Connecticut residents (105,000) worked full-time, year-round in 2003 and still earned less than \$20,000. Nearly two out of three poor families with children in Connecticut (62%) have a working parent, according to 2002 Census data.

The Census Bureau reported that 10.4% of Connecticut residents (357,000), including 8.3% of children under 18 (71,000), were without health insurance coverage for the entire previous 12-month period in 2003, essentially unchanged from the previous year. In Connecticut, 76% of residents were covered by employer-based or privately purchased insurance in 2003. Nationally, 15.4% of Americans were uninsured (45 million), a statistically significant increase over 2002 (15.2%). Nearly all of the recent growth in the number of uninsured nationally is among adults, due to a decrease in employer-sponsored coverage, according to the Kaiser Family Foundation. More than 80% of the uninsured come from working families, according to Kaiser.

“In the nation’s wealthiest state, why should parents who are working full-time be unable to provide decent housing, a good education, quality child care, and health care for their children?” said Douglas Hall, Policy Fellow at Connecticut Voices for Children. “Yet this is the crisis facing many parents holding jobs that pay poverty wages or don’t offer health insurance benefits. No matter how hard they work, there’s not enough income to meet their kids’ essential needs.”

To help bridge the gap between low-wages and essential expenses, and support low-wage workers and the uninsured, Connecticut Voices for Children recommends that Connecticut:

- Create a state-level earned income tax credit (EITC), similar to the federal EITC, which raises more families out of poverty than any other federal program.
- Raise the minimum wage and index it to inflation. While the minimum wage was originally calculated to allow a worker to escape poverty, the wage has not kept pace with inflation, and a full-time, year-round, minimum wage worker cannot move beyond poverty, much less support a family.
- Restore funding for Care4Kids, a state program that provides child care assistance to working families. In recent years, funding has been cut by 44% from its 2001 funding level. There are now approximately 4,000 families on the waiting list for Care4Kids.
- Increase state support for construction and renovation of housing that lower-wage workers can afford.
- Improve low-wage parents’ access to the training and education necessary for higher-paying jobs.

To ensure that Connecticut families can get the health care they need, Connecticut Voices for Children recommends strategies for improving the state’s HUSKY health insurance program:

- Expand eligibility for the state’s HUSKY health insurance program to cover more uninsured parents of children enrolled in HUSKY. Income eligibility for parents in the program was cut back in 2003.
- Support policies that simplify enrollment and keep eligible children enrolled.
- Support community-based outreach for HUSKY.

"Programs that help people, including working families, were very severely cut in the last budget crunch. As the economy recovers, we have a chance to reverse this trend and start to ensure that working parents can support their children. We should seize this opportunity," said Jane McNichol, Chair of One Connecticut, a coalition of over 100 human service, advocacy, labor and religious organizations.

Health insurance for low-wage parents does more than just improve health outcomes. Connecticut Voices argues that providing more access to preventive care by expanding HUSKY coverage to more parents of children who are now enrolled in HUSKY also could reduce costs for the health care system as a whole. “Uninsured families are more likely to go without preventive care and other needed services, leading to costly emergency visits and hospitalizations,” said Mary Alice Lee, Senior Policy Fellow at Connecticut Voices for Children. “These higher health care costs are shifted to safety net providers, other areas of the state budget, and low-income people themselves. It’s a much smarter investment to cover preventive care for uninsured children and their parents through HUSKY than asking all of us to pay for the consequences of leaving them uninsured.”

Recognizing the harmful impacts of child poverty, the Connecticut General Assembly, in the 2004 legislative session, established the Child Poverty Council, which is charged with developing a plan by January 2005 to reduce child poverty in half by 2014. The Council is chaired by Office of Policy and Management Secretary Marc Ryan and composed primarily of legislators and state agency commissioners. Shelley Geballe, Co-President of CT Voices (who sits on the Council’s working subcommittee), said, “The Child Poverty Council is a critical first step toward recognizing the causes and consequences of child poverty, and identifying the most strategic ways to reduce it. The research literature demonstrates convincingly that poverty impairs children’s health and cognitive development, particularly when the poverty is severe, long-lasting, or occurs in early childhood. If Connecticut is able to reduce child poverty by half, it will not only dramatically improve the life-chances of some of its most at risk children but also save millions on remedial programs. Few investments will have a greater return than this one.”

Connecticut’s child poverty rate compares favorably to other states, and is the fourth lowest in the United States. Nationally, 17.3% of children and 12.7% of all Americans were under the federal poverty level in 2003, essentially unchanged from 2002. Connecticut’s 2003 median household income was \$43,564, which ranked third highest among all states, behind New Jersey and New Hampshire. However, Connecticut’s rankings mask growing income disparities within the state.

National and state-level data on poverty, income, and health insurance coverage are available on the U.S. Census Web site at www.census.gov. The data cited by Connecticut Voices are drawn from the Current Population Survey (CPS) and American Community Survey (ACS). (See data notes below.)

Connecticut Voices for Children is a research-based policy and advocacy organization committed to promoting leadership, policy change, and investment on behalf of all of Connecticut’s children and youth. For more information on CT Voices, or to read Voices’ report, *Child and Family Poverty 1990 and 2000*, see www.ctkidslink.org.

Poverty/income indicator & data source	CT - % & # 2003	CT - % & # 2002	U.S. - % & # 2003	U.S. - % & # 2002
Persons with income less than Federal Poverty Level (ACS)	8.1% (272,911)	7.5% (249,271)	12.7% (35,846,289) significant increase	12.4% (34,763,085)
Children under 18 in families with income under FPL (ACS)	10.8% (88,593)	9.8% (83,413)	17.3% (12,342,089)	17.2% (12,166,967)
Persons working full-time, year-round, income under \$20,000 (ACS)	9% (104,461)	10% (107,191)	-----	18% (16,175,445)
Median household income (ACS) in 2003 dollars	\$56,803	\$57,539	\$43,564 significant decrease	\$44,049

Uninsured indicator & data source	CT - % & # 2003	CT - % & # 2002	U.S. - % & # 2003	U.S. - % & # 2002
Children uninsured, previous 12 months (CPS)	8.3% (71,000)	8.1% (71,000)	11.4% (8.4 million)	11.6% (8.5 million)
Persons uninsured, previous 12 months (CPS)	10.4% (357,000)	10.5% (356,000)	15.4% (45 million) significant increase	15.2% (43.6 million)

Source: U.S. Census Bureau (www.census.gov)

Unless specifically noted in the comparison charts above, there were not statistically significant changes in most indicators from 2002 to 2003.

Data are drawn from the Current Population Survey (CPS) and American Community Survey (ACS). CT Voices has primarily cited ACS data for poverty and income figures, since 2003 state-level CPS data on children in poverty is not currently available. CT Voices has used CPS data for estimates on the uninsured, since the ACS does not gather this data.

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