

# State of Connecticut GENERAL ASSEMBLY



## **Commission on Children**

Chairman Dodd, Ranking Member Alexander and members of the Subcommittee,

Thank you for the honor to testify before you. My name is Elaine Zimmerman and I am the Executive Director of the Connecticut Commission on Children. Today I will speak to the current situation facing children. I will use Connecticut as an example, but these issues face the nation.

Connecticut sought to learn what the impact of the recession was on children. As we did after 9/11 and then again after Katrina, we reached out to families to learn how the current and uncharted context, both sociological and economic, is impacting the child. We researched the recession and family life. Little on children was emerging at the time. There were two core studies: one by First Focus in Washington, D.C. and one by Ken Land at Duke University. We brought them both to our state.

Michael Linden and Bruce Lesley, from First Focus, shared that the recession will send between 2.6 million and 3.3 million children into poverty, costing American taxpayers \$1.7 trillion. They estimated conservatively that the economic impact on Connecticut would be \$800 million annually, with 35,000 children falling into poverty.

Their research shows that children will not recover when the economy recovers. The last two recessions reveal that children who fall into poverty during a recession fare far worse, even well into adulthood, than their peers who avoided poverty despite the downturn in the economy. These children will live in households with lower overall incomes, they will earn less themselves, and they will have a greater chance at living in or near poverty. They will achieve lower levels of education and will be less likely to be gainfully employed.

Children who experience recession-induced poverty will report poorer health than their peers who did not fall in poverty during the recession. This difference will persist into their adult lives. What we do now will influence a near decade for children.

Dr. Kenneth Land from Duke University, working in concert with the Foundation for Child Development, reported that virtually all the progress made in children's economic well-being since 1975 is likely to be wiped out by the downturn. Specifically, findings revealed:

**A decline in safety**—Children are expected to fare worse due to higher rates of violent crime where youth are both victims and perpetrators. This is based on historic recessionary trends.

**A rise in poverty**—The percentage of children in poverty is expected to peak at 21 percent, comparable to that of previous economic recessions.

**Education decline**—Fewer children will be able to participate in pre-kindergarten programs.

**Decline in social connectedness**—More low and middle income families will move or become homeless. Children will experience substantial negative impacts on their peer and other neighborhood social relations due to the severity of the housing crisis.

**Decline in family income**—For all families, median annual family income is expected to decline from \$59,200 in 2007 to about \$55,700 in 2010.

**Significant toll on communities of color**—The child well-being indicators show that African-American and Latino children are generally more susceptible to the consequences of economic fluctuations. When the economy is doing well, their well-being gains are more dramatic. When the economy slumps, they are harder hit than their white counterparts.

This is now validated in *The State of Working America* by the Economic Policy Institute, showing black middle-class neighborhoods hollowed out. Black unemployment has risen with job loss, savings are drained and retirement accounts are being used to make do now, rather than for the later years. The gap between black and white unemployment had been shrinking for decades. But the latest recession has thrown it back to the early '90s.

#### **One State Story**

Already, the evidence in Connecticut is staggering. More children are hungry, homeless, and living in families under tremendous stress. Fully 28 percent of the state's children have parents with no full-time, year-round employment. Home foreclosures have pushed many families into the rental market, which in turn is driving up rents — despite falling incomes and rising unemployment. As a result, many families won't find housing at all.

In just one year, Connecticut homeless shelters reported a 30 percent increase in the number of families they had to turn away due to lack of space. Few things hurt children more than housing instability and homelessness. Just in terms of academic performance, they increase the chances of repeating a grade or dropping out of high school.

One out of five Connecticut children under the age of 12 - 102,000 youngsters – is hungry or at risk of hunger. Food insecurity affects child development. The increased odds for cognitive, behavioral, and other development delays have implications for educational achievement.

In the past two years, increasing rates of infant mortality and low birth-weight infants, along with dropping rates of mothers receiving timely prenatal care during the first trimester, suggest that a once-positive Connecticut trend may be reversing direction, erasing three decades of improvement. Low birth-weight costs our state \$195 million per year in preventable hospitalizations.

The Commission on Children suggested the Speaker of the House make this a legislative priority. Connecticut Speaker Christopher Donovan (D-Meriden) established a legislative Task Force on Children and the Recession, to be chaired by State Representatives Diana Urban and Karen Jarmoc. The bipartisan Task Force includes legislators, economists, business, families, philanthropy, health-care, state agencies, and child experts.

Specifically, the Task Force on Children and the Recession:

- Identifies trends and research resulting from the recession related to housing,
   employment, homelessness, child care, unemployment and makes recommendations to
   the Speaker on appropriate budget and policy action;
- Recommends efficiencies and offers ways to streamline services and access points for families;
- Reports quarterly to the Speaker and leadership of the Legislature on key findings; and
- Identifies appropriate federal opportunities.

After the Task Force learned the research findings from Ken Land and Bruce Lesley, we went to the community. Did the community echo what the research said? We aligned our hearings with our Congressional Districts so that our Congressional leaders could partner and help with policy and state response. They all attended.

We looked at topics that included streamlining services, employment, family strengthening during a time of stress, food and nutrition, housing and homelessness, youth, and planning for college. We asked how communities can help. What should be waived during this two-year crisis to help families and children? Can we keep the American dream?

Hearings were held in seven sites—rural, urban, and suburban. The recession is a cross-class crisis impacting children in every geographic area of our state. The first hearing was led by Congressman John Larson's Youth Cabinet.

The hearings revealed:

• Increasing job loss, homelessness, and hunger are part of our state's portfolio.

Latasha Fitzwilliams, twenty years of age, said, "I concentrate each day on not eating... in our refrigerator right now there are two things: a half-bottle of juice and a box of eggs."

Teachers are observing children steal food off desks, out of hunger. One community college president described strangers coming to her staff meetings to take food from the back table.

## • A generation of tired young adults.

Bulaong Ramize of Wesleyan University said, "Along with being a student, I have four jobs on campus. Most of the students at my school work at least two jobs to help pay their way through college. I have friends who've taken semesters off to go back home to help their families...it does affect our grades. Are we really going to be the driving force if by the time we graduate, we're already tired of working?"

## New obligations to take care of siblings and parents alike.

High school junior Kara Googins said, "I come from a middle class family. We bought a house before the recession started and both of my parents had jobs. My mom lost her job almost three months ago. Now my main concern is finding a job. I've applied for jobs, but there aren't any for students after school. I'm worried that one day, I'll come home from school and my dad won't have a job either. It's just difficult because high school students shouldn't have to deal with supporting their families."

#### • Scattered services and workers not aware of what is available.

Families reported again and again having to go one place for one service and another place for another. They had to wait and return up to three days just to sign up for services. Some gave up.

State employees did not know the services for families in other sectors. In some instances they sent families to federal offices when the state provided the services.

## • Homelessness and a housing crisis for the middle class.

Sixty percent of the adults in homeless families have 12<sup>th</sup>-grade educations or higher. Homeless shelters in our state are above capacity. Many middle class families are just a step away from falling into foreclosure or losing a job. Others have already fallen into a loss of home or job.

## • Families trying to cope without resorting to illegal activity.

Rhonda, a Bridgeport mother of three, testified before us about having to tell one of her daughters that she could not go to college because the family could not afford the \$40 application fee. She went to describe how, faced with eviction from her apartment because she could no longer afford the rent, she pleaded with government agencies for assistance. One said she'd qualify—if she had a drug, alcohol, or mental problem. Rhonda had none of those. "Right now," she tearfully told the Task Force, "you do not know how bad I want to use drugs just to help my family."

## • Family stressors up with more neglect and violence.

Families are working more and seeing their children less. Children are stressed, but their parents are more stressed. So they do not know who to talk to.

We are seeing more children left alone while parents work or hunt for jobs. There is an increase in domestic violence. Connecticut has seen an influx of murders in the home. There is an increase in teen dating violence.

## Youth floundering for opportunity.

Youth unemployment rate is the highest since just after World War II. Youth are competing with adults for the same jobs. This is disheartening to both generations. Joblessness for 16- to 24-year-old black male youth and young adults has reached "Great Depression proportions." Nationally, it was 34.5 percent—more than three times the rate for the general U.S. population.

### More runaways. More homeless youth.

Youth told us again and again how they were feeling they should leave home. They sought to be one less burden on a struggling family. More youth are saying they cannot see their way to

college. Some are leaving home to relieve parents of the extra costs. *The New York Times* reports government officials seeing an increasing number of children leaving home for life on the streets, including children under 13 years of age.

### Growing demand for lower-cost higher education

The President of the Connecticut State University system and the state's Commissioner of Higher Education describe more and more middle class students leaving the private higher-education system for the public system. And many in the public system, who are lower-income, are leaving to care for family. The loans are just not enough and the family financial burdens are too great.

## • Family health care faltering

The number of low birth-weight babies is on the rise. From 2006 to 2008, our state averaged 255 infant deaths per year. Of those, three quarters occurred before the 28<sup>th</sup> day of life, and half of those were linked to low birth-weight, which is strongly connected to lack of food and stressors.

This is not a poverty issue as we have known it. Twenty-five percent of those going to food pantries are working. There is simply not enough cash to buy food throughout the week. People are working more and making less. (Many are working three different jobs, all at a lower wage than what they had been making previously.) Fathers, mothers, and grandparents need all the support they can get to access additional food for the children, find child care, and learn about employment.

The recession is like any sudden emergency—you need leadership fast and resilient to work across agency and boundary to put out the fire, wherever the flame is. We cannot stop the recession from its course. But we can make sure we understand its impact on children and buffer the impact fast and capably.

After approximately a year of inquiry, the Task Force reported its findings and worked with the Legislature to create a policy response. Public Act No. 10-133, passed overwhelmingly in the Connecticut House and unanimously in the Connecticut Senate. It declares a recession an emergency for children. When the unemployment rate is 8%, an emergency response will kick in. The legislation calls for:

- streamlined services, with a single point of entry.
- a coordinated leadership team from key departments, so no child receives fragmented services.
- ensuring all children are fed, year-round.
- making child care be available for families so they can look for work and train for jobs.
- stopping the trend towards low birth-weight babies by using proven interventions.
- giving youth opportunities for leadership and connection in community.
- providing more education. If there are no jobs, help people go to school, including welfare recipients.
- work across funding streams and silos. Allow whatever needs to be waived to help operations smoothly help families.
- maximize federal opportunities in employment and training, such as the TANF Emergency Fund.
- ensure accountability and efficiency. This is not a time for lackluster programs or bureaucracy.
- improve coordination and integration of services for families.
- deter homelessness through rental assistance programs.

## Other key lessons:

Bolster leadership and civics in such hard times. We need to bring parents in and give them the leadership tools they need so they can tell us what is and is not working. With so many cuts and fissures in the system, we need those who care the most about children to inform public policy. Parent engagement and family civics are key.

<u>Create systems for children, not jut single policies.</u> Our systems do not work well---we have single policies, one silo after another. For example, if we have a good preschool law, but no coordinated system of early care and education, our system is pecked with holes.

<u>Prevent the problems from happening in the first place</u>. Know what works. Know what is proven and cost effective. Complete cost benefit analysis. Get rid of what is not working for what is proven. And then bring to scale.

#### Federal funds to support families in this recession are key

The federal government is key in bolstering policies proven to help families in times of fiscal uncertainty. Again and again families stressed the need for help from government. The TANF Emergency Fund is just one example of a federal initiative to states that helps with jobs, building employment partnerships with industry, the state, and workers. We have used the funds to create new job training opportunities in both manufacturing and the service sector.

Connecticut has endeavored to address a few additional policy areas pertinent to the family and the recession.

Our child poverty legislation sets a goal to reduce poverty by 50% within a decade.
 National experts were brought together, across party and interest area, to tell us what was proven in reducing child poverty, what could be replicated and what was most efficient.
 They recommended the policy focus on a) family income and earnings potential, b) education, c) income safety nets and d) family structure and support.

We took their recommendations and created an economic model analysis. The Urban Institute found that we could reduce child poverty by 35% if we: 1) provided child care subsidies to families with incomes of less than 50% of the state median; 2) provided education and training programs to result in associates degrees for half the adults with high school diplomas; 3) helped high school dropouts get their GEDs; 4) increased employment by 6% for the unemployed; 5) increased participation in safety net programs

by 85% such as food stamps, subsidized housing and LIHEAP; 6) ensured child support payments.

- 2. Prevention policy-Connecticut now requires an annual prevention budget, a shift in expenditures from crisis to prevention for children. The Governor reports out in her state of the state on our prevention budget. She writes up an annual report on what programs work best in prevention for children and which programs are properly coordinated across sector and funding stream. Connecticut released a children's stock portfolio that details a return on investment specific to our state. We treat prevention as a cost savings strategy, with proven outcomes, for children and youth.
- 3. Parent Leadership Training Institute and Parent Trust

Connecticut offers parents a toolkit in leadership for children. Parents want to partner for the next generation, but lack the civic skills to do so. Once they have the skills, it's amazing what one parent can do. We now have over 2000 graduates who are on school boards, city councils, advisory committees. After about 7 years of this, parents shifted in our state to assets at the policy table- both state and local. They have contributed 1.5 million volunteer hours.

## 4. Results based accountability

State leaders in all three branches of government are trained in an accountability paradigm. The Appropriations Committee does not entertain a request without a presentation based on population trends, indicators and impact. If there is not a context, analysis, or clear strategy to reverse or bolster trends, the work and proposal will not be received.

Connecticut is the only state in the nation to report to the public on its social state and quality of life. Annually, the public is objectively apprised through data analysis on how we are faring in key subject areas that cross age and region. From wages to health care to housing, we can observe the social state of Connecticut. Eleven indicators are offered separately, as well as integrated into a single digit number, so that we can trace our

overall direction and success as a state. We look only at indicators that have a trend line of two decades.

#### **Summary**

This generation of youth and young adults is complex. They were born into a broadening world democracy. They learned their numbers and letters as we became a true global economy. There was a sea change in technology and communications with the internet. They are ahead of us on diversity and integration in how they think and live. Their landscape is naturally vast - much vaster than the scope and range we grew up with.

Then they witnessed those threatened by a democratic world, blow up our World Trade Centers. They watched people jump out windows and felt a nation in shock.

Then just as the nation seemed to calm, a city became a flood. They saw children and youth on rooftops with signs pleading for help. They then began to think that their country could not protect them from disaster.

Just when that crisis calmed down a bit, they watched our financial leaders rob its own customers and tip our financial boat over. They have watched the public believe and then give up on government. They have seen a recession dim the last two years and all that they promised and international fiscal crisis scrape away their sense of future.

This is an exceptional generation-complex, deep, exposed, not naive. What they will do with all this information- who they will be as adults will be ripe for historians. But now we must make sure to lead for them - promise what is possible and to help them join us in leadership. They are a generation of leaders. Their skill set is beyond ours. A sea change has occurred and it is part of their every day psyche.

But the resources and programs necessary for them must remain intact so they can be all they can be. You may have read Don Peck's disturbing article in the March issue of *The Atlantic*, entitled "How a New Jobless Era will Transform America."

Peck writes, "The great recession may be over, but this era of high joblessness is probably just beginning. Before it ends, it will likely change the life course and character of a generation of young adults. It may already be plunging many inner cities in to a despair not seen for decades. Ultimately, it is likely to warp our policies, our culture and the character of our society for years to come."

If only one-third of what he says is accurate, we need to prepare now for this generation. Make sure they stay connected. Invest in their future. Fund only what works. Create coherent policies and a coordinated system. Reduce child poverty. As children and youth are often forgotten in national crisis, make sure they are not a second thought-too late, too fleeting.

Thank you.