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CONTACT: Amanda Fox

amandacainfox@gmail.com

Tel. (347) 581-6498

**NEW REPORT: AMERICAN FAMILIES' ECONOMIC DECLINE PRECEDED RECESSION,
JEOPARDIZING BOTH MIDDLE CLASS AND LOW INCOME CHILDREN**

December 18, New York—American families endured a decade of economic decline from 2001-2011 that left a larger share of the nation's children in poverty than was the case in 1975, according to a new report by the Foundation for Child Development (FCD), one of the oldest private, independent grantmaking foundations in the nation. The report also finds a large increase in poverty, together with declines in secure parental employment and median family income that are not simply due to the current recession, but instead can be traced back to 2001.

FCD's National Child Well-Being Index (CWI), long considered the nation's most comprehensive measure of the quality-of-life of children and youth, is released annually to document trends in children's well-being since 1975. This year's report, for the first time, includes a focus on changes over the past ten years, illustrating how American children have fared during the first decade of the new century.

"The significant economic improvements families made in the 1990's have now all but disappeared," says Kenneth Land, author of the report. "Economic insecurity is spreading widely across both middle class and low-income families. Not only are we seeing growing numbers of children in poverty, but children in middle class families are also losing ground."

The FCD report finds that Family Economic Well-Being reached an historic 26 year high in 2000, but then began to reverse—more than six years before the recession began. The decade between 2001-2011 hit both middle class and low-income families hard—bringing declines in median family income and secure parental employment, as well as stagnation in PreKindergarten enrollment and unacceptably slow progress in educational attainment. According to the report, the likelihood of a child in the U.S. living in a family with an income below the official poverty line was higher for nine of ten years between 2001 and 2011 than it was in 1975.

"This collision course of rising economic insecurity and stalled growth in early childhood education places our youngest children's development in jeopardy," says FCD President Dr. Deborah Phillips. "We cannot just blame the recession. We have failed to make a national commitment to protect all children from poverty and economic instability, and to provide dependable support for effective early learning opportunities. The net result of this shortsightedness will be far greater cost to our economy and national well-being in the years ahead."

Key, specific findings include:

- **Poverty is up.** Over the past decade, the percentage of children living in families below the poverty line has increased from 15.6 percent in 2001 to 21.4 percent in 2011. One-third of this increase in child poverty occurred between 2001 and 2007—before the Great Recession.

- **Median family income is down:** Families with children ages 0–18 have sustained a large decline in median family income, from \$62,796 in 2001 to \$55,918 in 2011—a drop of \$6,300 (in real dollars).
- **Secure employment is down:** Parents today are less likely to be securely employed than they were in 2001. While 79 percent of children in 2001 were living in a household with at least one parent employed full time, that percentage fell to 71 percent in 2011, a 10 percent drop over the decade.
- **PreK enrollment progress has stalled.** Despite solid improvement in the 1990s, we have failed to sustain a pattern of growth in PreK enrollment in this past decade. The percentage of children ages 3–4 enrolled in PreKindergarten has changed little, from 52.4 in 2001 to 54 in 2011.
- **Educational Attainment progress is slow.** In the year 2000 (the most recent year prior to 2001 for which data are available), only 29 percent of children in the 4th grade were reading at grade level. By 2011, that number had grown modestly, to 34 percent. If this slow rate of improvement continues, it will take more than three decades—35 years—to reach the point where even 50 percent of young children are reading proficiently.
- **Health insurance coverage has increased only slightly.** We have consistently been unable to provide health insurance to nearly 1 in 10 children. Modest increases in coverage for children over the past decade (from 88.7 percent in 2001 to 90.6 percent in 2011) have been due exclusively to an expansion of publicly funded programs including Medicaid and CHIP, which continue to compensate for declines and gaps in private sector coverage.
- **Violent Crime is down:** The rate of teenagers who were victims of violent crime decreased from 55.5 out of 1,000 in 2001 to 20.9 out of 1,000 in 2011. The rate of teenagers who were violent crime offenders also decreased, from 19.3 per 1,000 in 2001 to 6.3 per 1,000 in 2011. The report notes that these findings are for teenagers who were young before our recent period of economic decline.

Recommendations

FCD urges policy makers to take action to protect the basic economic, educational, health, and nutritional supports we now provide for children.

FCD recommends that policy makers:

- ***Protect children from cuts*** in programs and tax benefits that affect their economic security, including the Child Tax Credit, the Earned Income Tax Credit, and notably their refundability provisions. These **must not** be on the bargaining table.
- ***Make substantial, reliable, and sustained investments in effective early education programs*** that have real potential to improve the reading, math, and social skills of our young children, such as PreK to 3rd programs.
- ***Continue to expand health care coverage***, and ensure that the provisions under the Affordable Care Act (ACA) are implemented to include every child.

ABOUT THE CWI

The Foundation for Child Development's annual Child and Youth Well-Being Index (CWI) is the nation's most comprehensive measure of trends in the quality-of-life of children and youth. It combines national data from 28 indicators across seven domains into a single number that reflects overall child well-being.

The CWI is a tool created to inform policymakers and the public about how well children are faring over time. It was created as a way to view children's quality-of-life by capturing indicators not included in the Gross Domestic Product (GDP), a purely economic measure.

ABOUT THE FOUNDATION FOR CHILD DEVELOPMENT

FCD is a national private philanthropy dedicated to the principle that all families should have the social and material resources to raise their children to be healthy, educated and productive members of their communities. www.fcd-us.org.