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Response to questions for the record from Chairman Gerald E. Connolly, Subcommittee on Government Operations

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While deeply appreciative for the opportunity to respond to follow-up questions from the subcommittee hearing last month, I am compelled to preface this response with an admonition. I respond to these questions, not as a policy expert or a statistician, but as a woman religious with years of listening to the needs of vulnerable people. This listening has honed my faith based moral sense of what action is needed in our nation. While evidence based policy-making is important—and I believe I include sufficient evidence below and in my original written testimony to make the case—lawmakers ultimately must be willing to move beyond their intellect when dealing with challenges like feeding children. An ethical approach to contending with these issues is rooted in a spirit of compassion and empathy for the families—the parents and the children—afflicted by poverty.

How children experience their first years of life is formative in equipping them with the skills and resources to be resilient. The experience of childhood is also pivotal to enable them to find a sense of purpose and imbuing meaning to contend with future challenges in life. How we care for and protect children living in poverty in America will be a determining factor in the future well-being of the nation. Based on current statistics about child poverty, we are in trouble (see my original testimony for statistics). We have ample evidence-based policy expertise to know how to alleviate the hardship of living in poverty so that working families with children can thrive and enjoy opportunities for economic mobility. We are choosing not to implement these programs or, alternatively, to underfund them thereby undermining their effectiveness.

Child poverty is not an intractable problem. Last week's Appropriations hearing before the subcommittee on Labor, Health and Human Services, Education, and Related Agencies featured concrete solutions to address child poverty. Witness Dolores Acevedo-Garcia, Professor of Human Development and Social Policy at Brandeis University brought two packages designed to reduce child poverty by 50% in 10 years. Additionally, Autumn Burke, Assemblywoman, 62nd Assembly District, California State Assembly, laid out a series of measures that had been adopted by a task force to reduce child poverty and presented the successful results of the measures. There was general agreement among the panelists that it is reasonable to expect that reductions in poverty would translate into comparable reductions in the fiscal costs that poverty incurs on society. I urge those lawmakers that are even a bit resistant to compassion-based

policy making to watch that hearing closely and see that, in the case of child poverty, the compassionate thing to do is also fiscally responsible.

I also want to lift up the hardships faced by single parent households living in poverty. Single parents can include single mothers, single fathers, single grandparent and single caretakers. The needs of working single parent households are particularly beset with logistical challenges that amplify the hardship of poverty wages that cannot sustain a family.

- 1) The 2020 poverty guideline issued by the Department of Health and Human Services is \$26,200 for a family of four. Is this amount sufficient to meet families' needs? Why or why not?

Under no circumstances is this income sufficient—at least not in the U.S. The Massachusetts Institute of Technology developed the Living Wage Calculator to estimate the cost of living in a community or region based on typical expenses. The tool helps determine a local wage rate that allows residents to meet minimum standards of living for their **basic** needs.

In 2019, Yahoo! Finance rated the top 25 least expensive cities to live in the U.S. and rated the Texas city of Harlingen as the cheapest place, overall. ⁱ According to the MIT Living Wage calculator, a single parent with three children living in Cameron County (where Harlingen is located) would need to earn \$65,291 before taxes to cover their basic expenses.ⁱⁱ A family of three with both parents working would need to earn \$50,509 to cover their expenses. This example alone demonstrates how out-of-sync our federal measures have become vis-à-vis the reality of living costs.

- 2) In your testimony, you focused on the long-term effects that poverty has on children. How do children experience poverty differently from adults?

The contextual factors of poverty amplify the experience of children growing up poor. The neighborhoods in which children grow up shape many aspects of their adult lives, including life expectancy, how healthy they will be, and how much money they will earn.ⁱⁱⁱ Nearly 10 million American children live in low-opportunity neighborhoods, with limited access to good schools, parks and healthy food and often experience discrimination as a result. Simply being born in these pockets of poverty puts these kids at a stark disadvantage. While adults may move through periods of hardship and bounce back, the experience for children can be formative.

The wellbeing of a child cannot be separated from the wellbeing of their household and their family unit. Children develop in an environment of relationships that begin in the home and they are uniquely sensitive to instability, disruption and the emotional wellbeing of those around them. As a Catholic Sister, I practiced Family Law for 18 years in Oakland California serving most of the low-income high conflict clients in our county. As such I learned that the single biggest cause of the breakup of a marriage is economics. Financial stress and the inability to pay the bills

on time puts tremendous stress, guilt and anger into any relationship. One poll from the Harvard School of Public Health found that more than four in 10 people “under a great deal of stress in the last month” reported that this stress made it harder to get along with family members (45%) and prevented them from spending time with family members (44%).^{iv} For children growing up in a poor home or neighborhood, caretakers with chronic or acute financial anxiety can further destabilize the environment and give rise to toxic stress, which can have lifelong impacts on children.^v

3) You have travelled across this country and seen poverty in different areas. What would you say are ways that poverty is different or similar across the nation?

Regardless of where they live, families living in poverty have something in common: their lives are regularly afflicted by obvious hardships and by invisible barriers. Across the board, U.S. families experience poverty as a relentless, crushing reality and a constant state of anxiety. People living in poverty in the U.S. share in their lack of access to needed goods and services and lack of options in decision-making. Nevertheless, rural and urban realities of poverty differ in their manifestations. Rural poverty has the added burden of isolation and loneliness and lack of internet access. Childcare—and especially affordable childcare—is even less available in rural communities than in urban settings. Healthcare is challenging in both settings, but access to a pediatrician in rural communities is unheard of. Finally, mental health practitioners are simply absent in most rural communities.

4) How is the effectiveness of government efforts to address poverty affected by the existence of a single definition or a single number defining poverty everywhere in the country?

A single measure—even if it were based on more realistic assumptions—will never fully account for the complex experiences of poverty. Geographic location is only one of many variables that affects the experience of a family living in poverty. The way in which our government applies the official poverty measure is effectively masking the true extent of material hardship for millions of Americans. Rather than seeking a single benchmark against which we artificially gauge material hardships, we must find better ways to measure and accommodate the complexity of needs and challenges for communities and families living in poverty.

Private industry is able to apply complex algorithms and data analysis to accommodate limitless needs and purposes for end users and markets for the distribution of goods and services. There is no reason our government cannot formulate a better system that more realistically reflects and serves the needs of low-income families. Our government needs to adjust regulations and computation to the 21st century in order to serve the current needs of our people.

5) Why is the social safety net crucial for children? What are the impacts on children if the government shrinks the social safety net?

The short answer is that if parents are stressed, children experience that stress as an impediment to healthy development. See preamble for more detailed response.

- 6) The Trump Administration’s proposal to apply the Chained CPI to the Poverty Line would cut many individuals from government programs, but some Republican members have touted it as helping to curb an ‘expansion of the welfare system.’ How would you respond?

This false narrative is tired and dangerously misleading. Temporary Assistance for Needy Families (TANF) passed in 1996 as welfare reform and basically did away with cash assistance for struggling families. The amount appropriated in 1996 is approximately the same dollar amount appropriated today. There has been no increase for inflation or increase in amount to reflect the needs of struggling families, even during the Great Recession.

TANF was to have many supports for parents to go to work. There was to be funding for education, childcare, transportation and much more. None of this materialized because Congress never fully funded their promise. The only thing that has been done is to cut cash aid.

Any expansion of the “welfare system” in recent years is the result of formula-based programs responding to flat wages and growing income inequality. SNAP and Medicaid have become the actual safety net for allowing children to eat and get needed healthcare as their parents struggle in an increasingly perilous low wage labor market. The real spending value of SNAP benefits has actually gone down in the past several years so claiming “expansion” of the program is disingenuous and misrepresents the root cause of more need.

The short answer is that if we care about our future as a nation, we will ensure that our children eat and that they have access to healthcare. It is the least that we can do.

- 7) During the SOTU address and in the hearing, the President and other Republican members stated that the economy and stock market are booming and lifting all citizens out of poverty. Does a good economy directly correlate with economic improvements for all people living in poverty? Why are people relying on SNAP and other government supports when there appears to be ample work available?

The State of the Union speech highlights the need for more precise data on U.S. economic growth.^{vi} GDP and the stock market are no longer reflective of the fortunes of most people. Rising inequality has created separate economies for the rich and poor, so using those measures to claim benefits to low income households is yet another way to mask the truth of their hardship. In December 2019, it was reported that 45% of American workers said that they had no retirement savings. This means that they have NO interest in the stock market and are not benefiting from the rise in the market.

Gross Domestic Product (GDP) is not a good measure of development for the lower one half of the wage-earning households. New research from four political scientists shows that reporters continue to treat GDP growth as a critical metric of economic progress despite the disconnect between the metric and the welfare of most Americans.^{vii} Because GDP growth most closely reflects rising incomes among the rich, the result is that economic news is most positive when the rich are benefitting. To reflect this reality, there are other measures that “disaggregate growth” to show how different quintiles of income earners experience that growth. For example, when growth is broken down in this way, we see that the lower 90% of income earners in the U.S. are actually seeing their income grow at slower than average rate. It is the top 10% that are reaping the benefits of a booming economy as measured by GDP.

Low unemployment rates also do not equate to living wages. Despite economic growth and the low unemployment rates we have not seen wages grow in any meaningful way in decades. Poverty wages are what cause the vast majority of people to depend on government support programs to make ends meet. It apparently bares stating the obvious here: that for low-income workers to be economically self-sufficient, they need to earn enough to support themselves. Our federal minimum wage of \$7.25 hour has not been increased in 10 years. As long as workers cannot earn enough to live, they will continue to need crucial federal safety net supports to survive, no matter how low the unemployment rate drops.

8) Are there changes you would make to the eligibility criteria for government programs to avoid a ‘cliff effect,’ in which recipients may have an incentive to earn less than they could to preserve their eligibility for benefits?

There are already key provisions in SNAP that help lessen the cliff effect when recipients’ incomes increase. SNAP’s benefit structure is designed to reward earnings over unearned income, incentivizing participants to work and to seek greater income through higher wages or more hours. These program levers should be preserved and potentially further fine-tuned.

As things stand, the vast majority of SNAP workers will see an increase in their total income (earnings plus SNAP) when their earnings increase, providing an incentive to take a job or work more or at a higher wage. Because of SNAP’s gradual phase-out and earnings disregards, SNAP recipients will almost always see an increase in their total income when their earnings go up modestly. For most households, each additional dollar of earned income results in SNAP benefits declining by only 24 to 36 cents.

SNAP also includes a key state option, categorical eligibility, that allows states to raise income cutoffs based on TANF eligibility. This option is widely used to prevent an abrupt end to benefits for households close to SNAP’s federal income thresholds. Since SNAP has a federal gross income limit of 130 percent of the Federal Poverty Level (FPL), the cutoff creates a benefit cliff for a small number of households that increase their earnings above that level. If their earnings do not

rise by more than their SNAP benefit loss, working more or at a higher wage leaves them worse off, overall.

Categorical Eligibility for States is a key way to prevent the disincentive of a benefit cliff for SNAP participants. There is currently a proposed rule from USDA to do away with State Categorical Eligibility (Docket ID Number FNS-2018-0037) which would put this cliff effect back into play for the 40 states that have opted to use the alternative approach.

I would recommend potentially adjusting some of the specifics of the SNAP design—tweaking around the edges—to see if it could be applied more effectively. I would also recommend the use technological capabilities to better target recipients with the same types of levers customized to their circumstances. Another option would be to hold recipients harmless for a period of years before phasing out benefits. But for heaven’s sake, first do no harm! The USDA should immediately do away with its misguided proposed rule!

9) How common is abuse by adult family members of programs like Free and Reduced Lunch programs or SNAP that are intended for children? Are there ways that we can better ensure these programs benefit children in need?

I was shocked by this question from Ranking Member Meadows. It evidenced his disconnect from the actual lived reality of children participating in the Lunch programs. His willingness to focus on a hypothetical scenario and the judgement built into that scenario is deeply disturbing. Rather than prioritize and lift up the benefits to children, he is focused on a misguided narrative that demonizes poor parents as prone to taking advantage of or neglecting their children. Any instance of this type of abuse of benefits in which a parent funnels food assistance away from their hungry child clearly could not stand.

I was told by a father in Milwaukee WI that it might be okay for a parent to eat once or twice a day, but growing children (especially his 14-year-old boy) needed much more than that. I have also talked with parents in rural Iowa who shared the same concern and were so grateful for the lunch program for their growing children. This is the TYPICAL response of parents and Representative Meadows would do well to talk with them.

Parents—even economically challenged parents—can be trusted to prioritize the well-being of their own children. This question is the quintessential example of how out of touch lawmakers make classist judgements about the motives and accountability of people—and parents—struggling in poverty.

ⁱ https://finance.yahoo.com/news/cheapest-us-cities-to-live-in-181331292.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2x1LmNvbS8&guce_referrer_sig=AQA-AAFthskY6OliaZdpsB715pKLxDf5Fed1baOBc_K64XBemfZnqgkOHN2OFx1oAXJ7tztwnkhJgSTWWrYpS44LSSpCnuy3hU9B-VIIRhcrczRtnvT8jJf2sGsXCjHClV9ZRcwMj1ezXguOZ1svP8MHblGB5Wv1PyU09qX_fl_eEGuoX

ⁱⁱ <https://livingwage.mit.edu/counties/48061>

ⁱⁱⁱ Acevedo-Garcia, Dolores, Clemens Noelke, Nancy McArdle. “The Geography of Child Opportunity: Why Neighborhoods Matter for Equity” *Brandeis and The Heller School for Social Policy and Management*, Jan 2020. http://new.diversitydatakids.org/sites/default/files/2020-01/ddk_the-geography-of-child-opportunity_2020.pdf

^{iv} “Burden of Stress in America Survey” conducted by NPR/Robert Wood Johnson Foundation/Harvard School of Public Health, Mar-Apr 2014. https://www.rwjf.org/en/library/articles-and-news/2014/07/new-npr-rwjf-harvard-school-of-public-health-poll-finds-health.html?cq_ck=1404312292262

^v “Unequal Stress: How Poverty Is Toxic for Children’s Brains”, *Poverty, the Brain, and Mental Health* symposium co-presented by Columbia Mailman School of Public Health, 10 May 2016 <https://www.mailman.columbia.edu/public-health-now/news/unequal-stress-how-poverty-toxic-children%E2%80%99s-brains>

^{vi} <https://equitablegrowth.org/state-of-the-union-speech-highlights-the-need-for-more-precise-data-on-u-s-economic-growth/>

^{vii} <https://equitablegrowth.org/working-papers/whose-news-class-biased-economic-reporting-in-the-united-states/>