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# Testimony of Sister Simone Campbell, SSS

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Hearing on Administration Actions that Threaten the Welfare of Children

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Thank you for the invitation to testify today. I am Sister Simone Campbell, Executive Director of NETWORK Lobby for Catholic Social Justice and the leader of Nuns on the Bus.

I come to this topic of the proposed changes to the official poverty measure (OPM) as a Catholic Sister rooted in the Christian Tradition and with special concern for the impacts on our nation's children. Our Pope Francis stated "The measure of the greatness of a society is found in the way it treats those most in need, those who have nothing apart from their poverty!" This is not an assessment unique to Pope Francis, however. Every Pope for the last 125 years has also challenged governments to exercise their responsibility in ensuring that the least in a society are provided for. There is a foundational call for Christians to recognize the unique value and to take special care of children. Jesus, in a rebuke to the disciples preventing children from approaching Him, said "...do not hinder them; for the kingdom of God belongs to such as these." (Mark 10:13-16)

As Pope Benedict points out, "life" ethics are not separate from social ethics and states: "This is not a question of purely individual morality." He criticizes the way that society "asserts values such as the dignity of the person...but then, on the other hand, radically acts to the contrary by allowing or tolerating a variety of ways in which human life is devalued and violated, especially where it is weak or marginalized." (PAR 15)

And this is not just a Christian concern, either. NETWORK Lobby works with a diverse interfaith community of advocates to lift up the importance of the common good, economic responsibility and the values of different faiths to protect and care for the marginalized—for poor, hungry, homeless, sick and vulnerable people in our society. Children living in poverty are among the most vulnerable and the least equipped to speak on behalf of their own well-being.

### The Role of Government:

In a pluralistic society, I know that not all share this same faith mandate. However, what we do share is the Constitution. It is the framework for our democracy. In that context, we as a society have tried to combine public and private efforts to address the poverty that challenges too many families. We have made some progress but our systems are still imperfect. The framers of our Constitution called on We the People continually to strive to form a more perfect union. That is what we must do if we are to lighten the yoke of poverty and provide a true path to prosperity.

Protecting children is about caring for the common good—today and into the future. Thanks to modern understanding of human development, we have a heightened awareness of how children are uniquely vulnerable to a variety of factors—physically, emotionally, psychologically.

<sup>1</sup> Grave, potentially lifelong impacts can result from malnutrition as children grow. Exposure to chemicals and stressors as children develop inhibit their health. Traumatic experiences and encounters early childhood can create lifelong scars. Children are also intensely responsive to the emotional well-being of their caretakers and are formed by their living situation and immediate surroundings. In so many ways, children are more susceptible to physical and psychological stressors and less able to respond or understand their experiences. Children are also uniquely vulnerable due to their near powerlessness and lack of representation in the political realm. They cannot vote, their experience is often overlooked as inconsequential. They face daunting trends for the future. Children are utterly dependent upon their caretakers, who may or may not include a parent.

This Trump Administration's choices—reflected in the regulatory rule-changes under scrutiny in these oversight hearings—make it harder for families to survive and to support thriving children. While the rules under review in this series of oversight hearings may seem like technical decisions, they are, at their core, moral decisions and must be treated as such.

I will speak specifically to the proposed change in the inflation rate used to adjust the official poverty measure. This seemingly innocuous, statistical adjustment will have very real, harmful impacts on our most vulnerable population—poor children. Subsequent hearings will share how other technical rule changes will inflict harm on the lives of these most exposed and defenseless members of society.

This proposed change in the calculation of the Consumer Price Index is based on the middle and upper class experience of “shopping around” to find the best price. It also is based on the capacity of wealthier families to buy in bulk. Lower income families have neither the extra money to buy a large quantity nor the space in cramped rental residences to store extra supplies. Creating a rule that subjects those in poverty to the experiences of wealthier people in our nation betrays the Constitutional mandate to promote the general welfare.

The OMB's proposal to change how poverty is measured is not only misguided, but is immoral. I am here to emphasize the lived reality of people in poverty and how this rule change not only ignores their reality, but would further sideline working families and the children they struggle to care for. Choosing to apply the Chained-CPI for setting poverty thresholds would not only further skew known shortfalls of the official CPI, but also would increasingly mask the extent to which Americans—and particularly American children—suffer in poverty.

#### Children Living in Poverty:

Children are one of the most poverty endangered population groups in the U.S. between 1990 and 2018.<sup>2</sup> Some estimates show that 1 in 5 children live in families with incomes below the federal poverty threshold. However, we know that this historical federal poverty level, set in the 1960's, is determined by assessing the cost of food and multiplying by three. When we apply more realistic standards for the cost of supporting a family, we find that more than 2 in 5 children live in low-income families.<sup>3</sup> Either estimate reveals an unacceptable level of poverty among children in the U.S.

Nearly 10 million American children live in low-opportunity neighborhoods, with limited access to good schools, parks and healthy food. Simply being born in these pockets of poverty puts these kids at a stark disadvantage. 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.<sup>4</sup>

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. Numerous studies show that lack of money is the leading cause of stress in relationships and that the single biggest cause of break-ups of marriages. 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%).<sup>5</sup> 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.<sup>6</sup>

### Poverty, the Lived Reality:

It is tempting to lump together all kinds of people to frame “poverty” in extremes and stereotypes. But people living in poverty are diverse and the challenges they face are varied. I am blessed to meet all kinds of people across the nation through NETWORK’s 2019 Rural Roundtable initiative and our varied Nuns on the Bus tours over the past several years. In our encounters with people across the country we find that, while individual struggles are unique, those living in or near poverty have something in common: limited options. Barriers range from a dearth of affordable housing stock to expensive childcare, from a lack of transportation to lack of internet access, from limited healthcare options to unemployment. With so many barriers, they do not have the luxury of choice when it comes to shopping and making economic decisions. People in poverty have to accept what is available and often pay more for it precisely because of these limitations.

In 2019, our organization held 17 roundtables in rural communities in 16 states. What we learned was that these rural communities have no options for shopping. In Tutwiler, Mississippi we were told that there was only the Dollar General and it had no fresh fruits and vegetables. If you wanted something else, there were no restaurants, fast food places, farmers markets. There was only “gas station chicken”—fried chicken prepared by the people who ran the gas station. There were no options or choices. Outside of Tiffin, Ohio, the story was the same. The rural residents referred to their Dollar General as the “shopping mall” because it carried a bit of everything and was their only option. In rural northern California, we learned that the Indian casino was even beginning to stock food items for surrounding residents since the casino provided the only transportation option in several surrounding counties. It was the only way for many families to get somewhere they could purchase food. These rural residents had no store, no choice.

### An Imperfect Measure:

It is important to recall that the whole point of measuring poverty in our society is so that we can assess and respond to the needs of our people. I would be the first to affirm the need to shift to a more realistic, accurate measure of poverty in the 21<sup>st</sup> Century. Our Official Poverty Measure (OPM) was developed in the 1960s and was based, at the time, on the cost of food as a proportion of family budgets. Since then, the poverty line has been updated each year for inflation using the CPI. But the OPM does not account for expenses like housing<sup>7</sup> and childcare, even though over time those costs have grown to represent the largest proportion of a family’s budget.<sup>8</sup>

The proposed changes to the OPM’s inflation rate will not address its shortcomings. If the Administration truly desires a more accurate measure, the Supplemental Poverty Measure (SPM) is a more modern measure that takes into account non-cash and tax-based benefits. It also considers the impact of out-of-pocket medical expenses, work expenses, and differences in the cost of living among different localities. While there are now several years’ worth of SPM data, it does not go back to the 1960s so does not allow a clean comparison of poverty over the past 50 years, but it nonetheless gives a better reflection of the lived experience of poverty today.

In fact, the current proposal to adopt the Chained CPI would make the measure LESS reflective of the lived experience in poverty and further mask the extent of poverty in the nation. The Chained-CPI estimates inflation at a lower rate than the primary CPI estimate currently used. If this new inflation measure is adopted, each year it would slightly decrease adjustments to the OPM. For example, since 2000, the primary CPI has risen by 45.7 percent and the chained CPI by only 39.7 percent, a difference of 6 percentage points.<sup>9</sup> So a seemingly small difference would add up over time, resulting in a noticeably lower statistical poverty rate without an actual change in household circumstances. Congresswoman Ocasio-Cortez's legislation, [H.R. 5069, the Recognizing Poverty Act](#), would be an improvement in how we measure poverty and is a policy that NETWORK would strongly support.

### Amplifying Low-Income Struggles:

This new rule will in all likelihood lead to a poverty measure that further underestimates the material hardship experienced in the U.S., thus exacerbating what is already a dire situation for our children. It is expensive to be poor and new studies show that it is costing more every year.<sup>10</sup> Various factors contribute to the dynamic, but inflation has a lot to do with it. Rich and poor households experience inflation differently. Research indicates that low-income households experience higher rates of inflation than those with middle or high-incomes.<sup>11</sup> Inflation inequality refers to this heavier burden of inflation on low-income families due to their lack of options to "shop around" and substitute lower-priced goods. Low-income households often lack access to a diverse set of retailers due to neighborhood conditions, barriers to transportation, or lack of access to the internet. This is exactly what people have told us repeatedly in our travels.

Therefore, the current measure of inflation already tends to under-estimate the cost burdens of being poor. If the OMB adopts the Chained CPI it will exacerbate this invisible squeeze on people living in poverty—and it will be compounded over time and concentrated among women, children and people of color. The Economic Policy Institute analyzed the hypothetical impacts on the OPM had the Chained CPI been adopted in December 1999 and demonstrated this disparity in people who would no longer qualify as poor under the changing thresholds.<sup>12</sup> Whereas Black people are 13 percent of the population, they are 18 percent of people who would no longer be officially "poor" under that scenario.<sup>13</sup> Similarly, Hispanic individuals are 18 percent of the population, but 31 percent of those no longer considered poor; women and girls are 51 percent of the population, but 57 percent of those no longer considered poor; and children under 18 are 23 percent of the population, but 35 percent of those no longer considered poor.<sup>14</sup>

The same groups mentioned above—people of color, women and children—are also disproportionately represented among those with low and moderate incomes above the poverty line who would lose access to benefits.<sup>15</sup> The Administration has glossed over the fact that these proposed changes will preclude hundreds of thousands of struggling families from receiving crucial, life-saving benefits. The poverty statistics generated by this adjusted measure would effectively mask the reality of U.S. poverty, increasing the threshold for accessing needed supports. The U.S. Department of Health and Human Services (HHS) poverty guidelines are based on the OPM. Therefore, changing the measure would affect how HHS determines eligibility and benefits for a broad array of crucial federal social safety net programs. Moreover, children are more likely than any other age group to participate in these means-tested programs.<sup>16</sup> Below are just a few of the programs proven to benefit children's

health, education and food security and to lift millions of children out of poverty each year. The change to the applied inflation measure would have very real impacts on children's access to these programs.

- *The Supplemental Nutrition Assistance Program (SNAP) and the Special Program for Women, Infants and Children (WIC)*

SNAP is the first line of defense against child hunger and food insecurity, a persistent problem for 17 percent of children in the United States.<sup>17</sup> It is estimated that 200,000 participants would lose eligibility for SNAP as a result of this rule change.<sup>18</sup>

WIC is an especially important program for ensuring children's health and wellbeing by supporting pregnant and postpartum women, infants and young children who are at risk of going hungry. The program serves nearly half of all infants born in the U.S. and targets some of the most vulnerable women and children in the country. More than three quarters of WIC's 7.6 million recipients are children under the age of five.<sup>19</sup> An estimate 40,000 children and infants could lose access in 10 years under this rule change.<sup>20</sup>

- *Medicaid and Children's Health Insurance Program (CHIP)*

Together, these programs provide crucial healthcare to more than one in three children in the United States. Adjusting the inflation measure as proposed could reduce access for 300,000 children in a decade.<sup>21</sup>

- *Community Health Centers (CHC's)*

CHC's provide accessible, lower-cost primary care to roughly 28 million people across the country, nearly a third of whom are children.<sup>22</sup> Applying the proposed changes could reduce the number of patients eligible for service.

#### Conclusion:

The data, the research, and the everyday experience of millions of Americans tell the same story. Programs like SNAP, CHIP, housing assistance and childcare assistance do a tremendous amount of good to help families make ends meet. They support parents who work. They reduce hunger and improve health for the children in their care. They stabilize families and improve children's school performance. In short, they make our nation better.

At the same time, too many children's futures are threatened because of the circumstances of their parents. We will never address the struggles of "the least of these" by masking the true extent of poverty in our nation. My faith tells me that individuals and their governments have a responsibility to act on behalf of the common good. Key to this responsibility is protecting the most vulnerable in our society. We should be pouring forth blessings onto our children, not amplifying the crushing socioeconomic burdens of so many living in poverty.

I applaud the OGR for hosting this series of hearings as a means of holding this Administration accountable for the impacts of its policies on our children, on our future. It is crucial to provide a forum to highlight how proposed rule changes and rollbacks will, if adopted, contribute to this Administration's curse on the well-being and futures of our most vulnerable population.

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- <sup>3</sup> National Center for Children in Poverty website <http://www.nccp.org/topics/childpoverty.html>
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