

## Key Findings

- **Child poverty has increased 55 percent since 2008.**
- **Nearly 47 percent of these children are living below half the poverty line.**
- **The number of children living in low-income families has increased 28 percent since 2008.**
- **56 percent more children received Food Stamps (SNAP) from FY2009-10 to FY2012-13.**
- **46 percent of individuals benefiting from Food Stamps are children (SNAP).**
- **27 percent increase in the share of students eligible for free- and reduced-price school meals from 2008-2012.**
- **Just one in four eligible low-income students received school breakfast in 2012.**

## The Bottom Line Is Children Economic and Food Security In Chester County



In Chester County, like many communities across America, the trend of a widening gap between those at the high- and low-ends of the income spectrum continues. Recovery from the recession has been slow and uneven, making it difficult for some to find jobs that provide family-sustaining wages. As the cost of living continues to rise, many families with children are caught between a rock and a hard place.

When children are suffering from hunger and food insecurity the impact is immediate and lasting. In 2010, *Hunger in America* found that nationally, “the value of

increased poor educational outcomes and lost lifetime earnings as a result of hunger and food insecurity was \$19.2 billion.”<sup>1</sup>

With a greater number of families facing a day-to-day struggle to stretch their budgets to cover expenses, Chester County needs to consider how federal safety net programs intended to protect and support children can reach more families who need them. Ensuring that children grow up healthy and prepared will help assure both the short- and long-term economic stability of the county.

This report is Public Citizens for Children and Youth’s analysis of the economic well-being of children and their access to key supports. We provide data on child poverty, family income, child hunger, and programs that respond to these issues, including food stamps (SNAP), school meals, and tax credits for low-income families.

Data reflect trends and do not alone determine child outcomes, as individual children may overcome great disadvantages. But we know all too well that children born into poverty are highly likely to remain poor as adults, contributing to the growing inequity in our communities. Our intention is to provide information for action, so that thousands of Chester County families can better meet the needs of their children.

## **The Basics**

Chester County is home to 120,634 children, just under one-quarter of the county’s 494,133 residents. Thirty-one percent (37,437) are under age six, 34 percent (41,000) are age six through 11, and 35 percent (42,197) are age 12 through 17.

Throughout this report, we use census figures to show the financial status of children’s families using the terms deep poverty, poverty and low-income.<sup>2</sup> These terms<sup>3</sup> equate to the following:

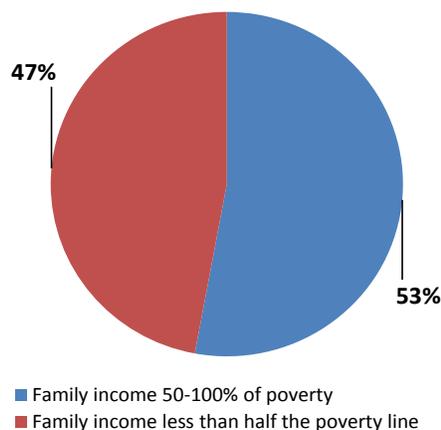
**Terms Used to Describe Family Income**

Family Size	<i>Deep Poverty:</i> <i>Income below</i> <i>50% poverty</i>	<i>Poverty: Income</i> <i>below 100%</i> <i>poverty</i>	<i>Low-Income:</i> <i>185% poverty</i>
2	\$7,755	\$15,510	\$28,694
3	\$9,765	\$19,530	\$36,131
4	\$11,775	\$23,550	\$43,568
5	\$13,785	\$27,570	\$51,005

## **Chester County Children and Family Economic Security**

Chester County children, particularly young children, are more likely to be in poverty than adults. Nearly 13 percent of children under the age of six live in poverty. The poverty rate for all children (8.5 percent) is nearly 50 percent higher than that of seniors.<sup>4</sup>

**Nearly Half of Chester County Children In Poverty Are In Deep Poverty**

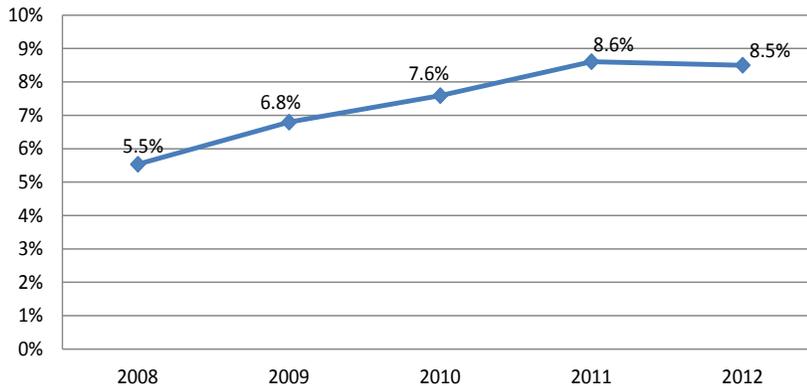


## Child Poverty In Chester County Is On The Rise

Not only are children more likely to be poor than adults, the share of Chester County children living in poverty has grown 55 percent higher than it was in 2008. Over 10,250 of the County's children are living in poverty.<sup>5</sup> At the lowest end of the income scale, nearly half of the Chester County children who are in poverty are extremely poor. Over 4,800 of the county's children

live in "deep poverty" (less than half the poverty line, or \$11,775 annually, for a family of four).<sup>6</sup> Overcoming challenges created by poverty is an uphill climb, with the journey all the more steep for children who experience deep poverty. The prolonged and difficult economic struggle they endure can result in more severe long-term ramifications as these children grow into adulthood.

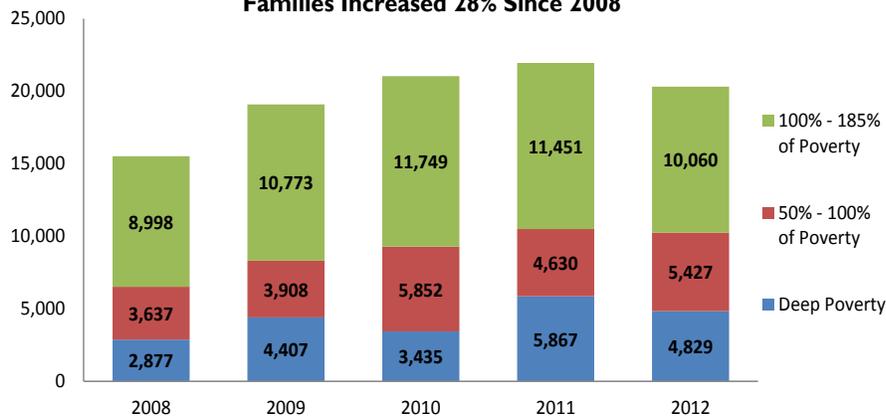
**Chester County Child Poverty Has Increased Over 50% Since 2008**



Over 20,000 Chester county children now live in low-income families, an increase of 28 percent since 2008.<sup>7</sup> This means a larger share of Chester County families are losing ground and facing greater challenges in meeting children's basic needs – food,

clothing, and shelter. This trend is occurring in a wide range of communities across the county, as can be seen in the rising share of students eligible for free and reduced-price school meals in affluent and less affluent school districts alike.<sup>8</sup>

**The Number of Children In Low-Income Families Increased 28% Since 2008**



## **Child Hunger Impacts 13 Percent Of Chester County Children**

One of the most tragic results of poverty is hunger. Insufficient nutrition is one of the most basic and formidable challenges that stands in the way of children's well-being. Not having enough nutritious food compromises a child's healthy development—both physically and psychologically.

According to the USDA, food insecurity occurs when people do not have access to enough food to maintain an active and healthy lifestyle. In Chester County, food insecurity impacts 13 percent of children.<sup>9</sup>

Children suffer not only the immediate consequences of hunger, but are more likely than their food secure peers to experience higher rates of educational problems including missed days of school, suspension and the need to repeat a grade. These and other adverse outcomes lead to a greater

likelihood of school failure or dropping out. Ultimately, food insecurity exacts a huge cost as it contributes to a greater likelihood of limited employability, lessened workforce productivity, poorer job performance, and \$260,000 lower lifetime earnings.<sup>10</sup>

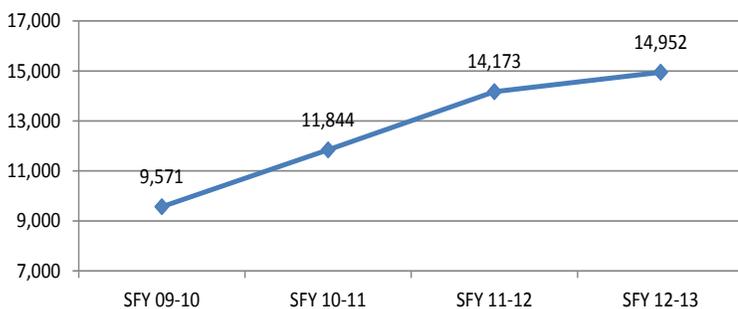
To protect children from the damage insufficient access to nutritious food can cause, there are several federal programs that provide them basic nutrition. These programs can help lessen the blow of a widespread recession, but only if children are able to access their benefits. The following is an analysis of Chester County children's participation in the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) and school meals.

## **Supplemental Nutrition Assistance Program (SNAP) Helped Meet Rising Needs**

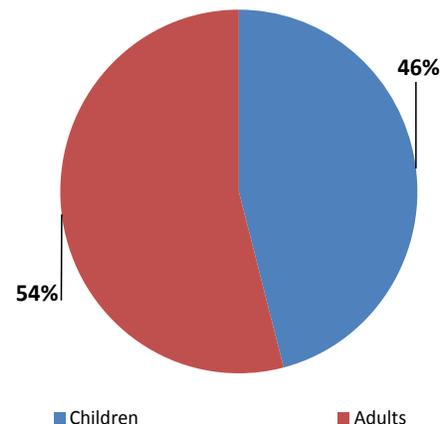
From FY 2009-10 to FY 2012-13, the number of Chester County children served by SNAP increased 56 percent.<sup>11</sup> SNAP met increasing need and provided crucial dollars for groceries for many families that faced unemployment, reduced hours, reduced wages, or some combination of those challenges brought on by the recession. In addition, in 2009 Pennsylvania joined a majority of states in adopting federal options, which were made available in 2002, that allow the program to be more responsive

to families whose high housing, medical and child care costs take a large share of their monthly income.<sup>12</sup> SNAP has benefitted not only these families, but also helps support the Chester County economy. Each dollar of SNAP is estimated to generate \$1.73 in economic activity.<sup>13</sup> Children make up less than one-quarter of the county's population, yet they represent 46 percent of those receiving help from SNAP.<sup>14</sup>

**The Number of Chester County Children Enrolled In SNAP Increased 56% From FY 2009-10 to 2012-13**



**Children Are Less Than 24% of Chester County Population, But Are 46% Of Its SNAP Recipients**



As of November 1, 2013, the critical help provided by SNAP benefits was reduced due to the accelerated expiration of the temporary benefits increase provided by the American Recovery and Reinvestment Act.<sup>15</sup> A family of four lost about \$36 per month, which equates roughly to 21 meals per month.<sup>16</sup> This reduction directly harms the nearly 12,000 Chester County children served by the program each month,<sup>17</sup> whose families can purchase less –

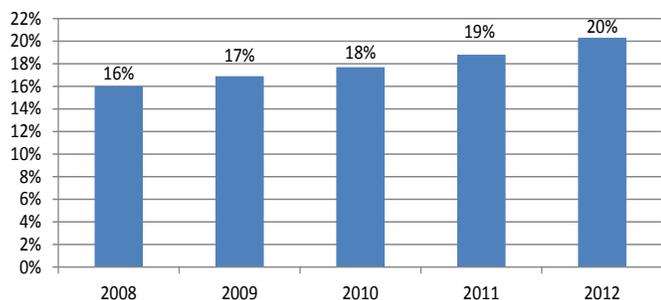
and potentially less nutritious – food, as well as the County’s economy. In the coming year, Chester County will lose an estimated \$2.6 million in food stamp benefits – \$4.5 million in economic impact – as a result of the SNAP cuts.<sup>18</sup> Despite the reduction in SNAP benefits that has already occurred, Congress is currently negotiating additional cuts to the program that will further imperil the health and well-being of Chester County’s children.

### **Eligibility For School Meals Increased But Breakfast Participation Lags**

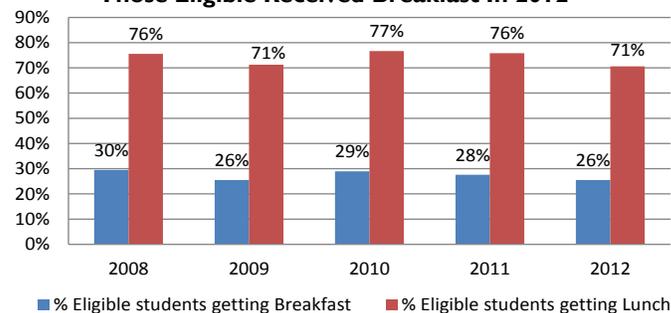
For families living on tight budgets, the National School Lunch Program (NSLP) and School Breakfast Program (SBP) make it possible for eligible students to receive a free or reduced-price nutritious breakfast and lunch each school day. USDA research indicates that children who participate in school lunch have superior nutritional intakes compared to those who do not, and that school breakfast supports health and learning for low-income children.

Increased eligibility, however, does not equate to increased access. Despite the large increase in the share of Chester County students eligible for free or reduced-price school meals, county-wide participation in breakfast and lunch decreased between 2008 and 2012. And, while over 70 percent of qualified low-income students participated in school lunch, far fewer – just 26 percent – received school breakfast in 2012.

**The Share of Chester County Students Eligible For Free Or Reduced-Price Meals Increased 27% Between 2008 and 2012**



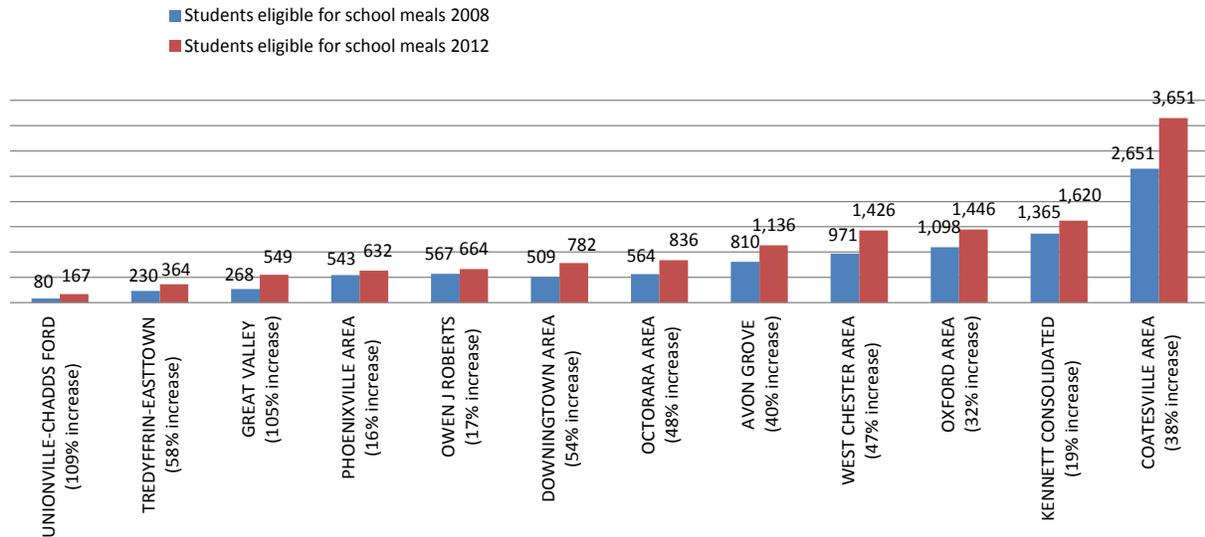
**Chester County Student Participation In School Meals Declined From 2008 to 2012; Just 26% Of Those Eligible Received Breakfast In 2012**



As one might expect from the rising share of Chester County children living in low-income families, there has been a 27 percent increase in the share of students eligible for free- and reduced-price school meals between 2008 and 2012.<sup>20</sup> This increase represents 3,785 additional students qualifying for school meals at a free or minimal cost. In addition, the large increases in the number of children enrolled in SNAP (detailed on p.4) have helped schools identify more students who are eligible for school meals without need for burdensome paperwork.<sup>21</sup>

The county-wide growth in student eligibility occurred in each and every Chester County school district, with even more affluent districts experiencing large increases in the share of their students who qualified for school meals.<sup>23</sup> For instance, both Great Valley and Unionville-Chadds Ford School Districts more than doubled the number of their students who qualified for school meals, while Avon Grove, Downingtown, Tredyffrin-Easttown and West Chester School Districts also increased over 40 percent.

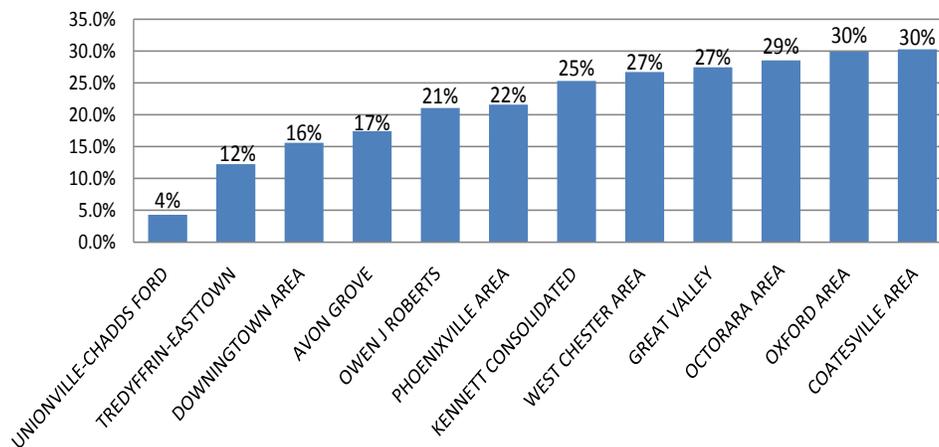
### All Chester County School Districts Had Increases In The Share Of Students Eligible For Free and Reduced-Price Meals From 2008 to 2012



Individual districts also vary widely on reaching eligible students with breakfast without a single district serving more than 30 percent of students who qualify – including Coatesville, Kennet Consolidated, and Oxford Area School Districts despite the fact that each has greater than 30 percent of students eligible. Schools can adopt different approaches to breakfast, such as changing the time, location, and method of service, to help reach more students.<sup>24</sup>

Parents also have a role to play, and unfortunately too many may be concerned about the stigma associated with enrolling their children in free or reduced-price school meal programs and as a result forego this critical public child nutrition program. In all, districts throughout the county have significant room for improvement.<sup>25</sup>

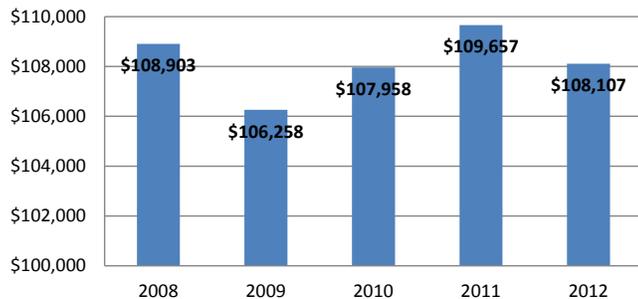
### In All 12 Chester County School Districts, Less Than 1 in 3 Eligible Students Participates In School Breakfast



## Family Income

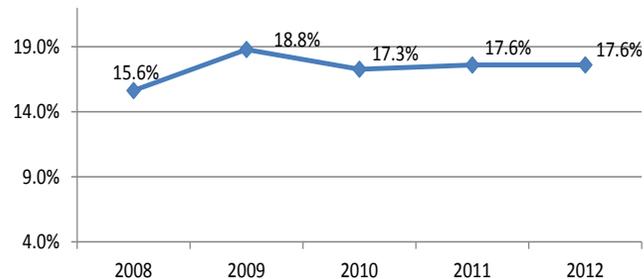
The increase in Chester County children living both in poverty and in low-income families is obviously linked to family income. The County's median family income remains slightly below 2008 levels.<sup>26</sup>

**Chester County Median Family Income Remains Slightly Below 2008 Levels**



While families in the top half of earners are faring well, those at the lower end of the income scale are still struggling to make economic progress. In 2008, 16 percent of families in Chester County were earning less than \$45,000; by 2012 the share was higher at 18 percent.<sup>27</sup> Meanwhile the cost of living – housing, food, utilities, child care, health care, transportation – continued to rise while family income failed to keep pace.

**The Share of Chester County Families Making Less Than \$45,000 Remains Above 2008 Levels**



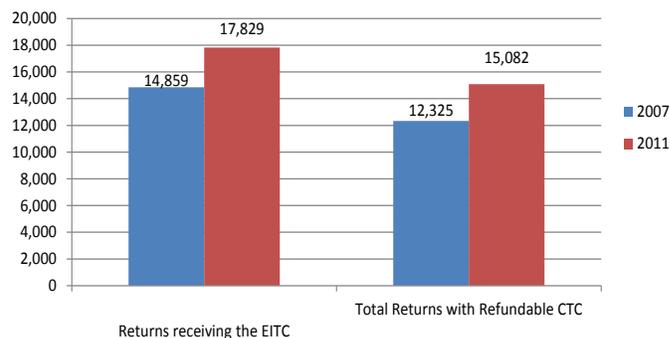
Over the past two decades, the price of a house has risen faster than income.<sup>28</sup> Given this, it is no surprise that among Chester County renters and homeowners earning \$75,000 or less annually, housing costs consume a large share of family budgets. An astronomic 85 percent of renters spend more than 30 percent of their income on housing, and just under half of homeowners (46 percent) spend this amount. Each dollar a family needs to simply keep a roof over their heads means they have less money available for other basic necessities for their children.

## Earned Income and Child Tax Credits Help Lift Families Out Of Poverty

Families earning low wages can only stretch their budgets so far. While Food Stamps (SNAP) and school meals help families fight hunger, the Earned Income Tax Credit (EITC) and the refundable portion of the Child Tax Credit (CTC) provide critical dollars to those who are working but whose earnings do not keep pace with the rising cost of living. In 2009, Congress made improvements to these credits, recognizing both the greater share of families relying on low-wage employment and the rising expense of raising children.<sup>29</sup> These credits are incredibly effective as anti-poverty measures, having lifted an estimated 116,000 Pennsylvania children out of poverty annually from 2009-2011.<sup>30</sup>

The share of Chester County families receiving the EITC increased by 20 percent between 2007 and 2011.

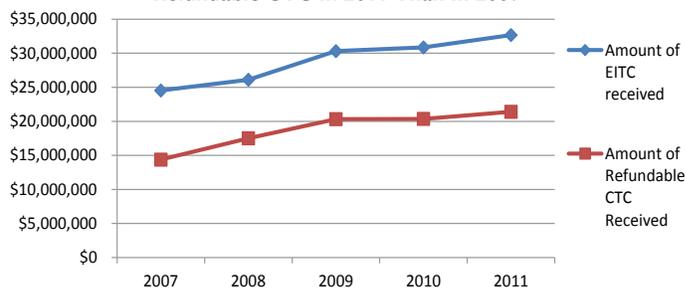
**Chester County Families Had a 20% Increase In Receipt Of The EITC, and a 22% Increase In Receipt Of The Refundable Portion Of The CTC From 2007-2011**



The number of families receiving the refundable portion of the CTC also increased, by 22 percent.<sup>31</sup> In 2011, nearly 18,000 Chester County families received an average of \$1,832 in EITC. Over 15,000 families received the refundable portion of the CTC, with an average refund of \$1,419.

The amount of EITC received by Chester County families increased over 33 percent from 2007 to 2011, and the amount of CTC by 49 percent. These credits are also critical to the Chester County economy, as low- and moderate-income families are more likely than high-income families to spend their refunds on immediate needs. The Congressional Budget Office confirmed that the provisions affecting low- and middle-income families

**Chester County Families Received 33% More Dollars In EITC and 49% More Dollars In Refundable CTC In 2011 Than In 2007**



were much more effective in supporting the struggling economy than those for high-income families. The EITC infused nearly \$33 million into Chester County in 2011, and the refundable portion of the CTC over \$21 million.

## **Conclusion and Recommendations**

Forces well beyond the control of Chester County brought about the recession and have caused serious repercussions for its families and economy. While recovery from the economic downturn is underway, a rising number of Chester County children are growing up with obstacles to achieving a healthy future. The slow pace of recovery is an enemy to children, as delays in meeting their basic needs can have long-term impact on their growth, development and learning.

The widespread fallout from the recession shows that federal safety net programs are likely to play an important role in family economic security. As tens of thousands of Chester County families continue to strive for better futures for their children, it is critical that the County work in partnership with social service agencies, community groups, schools and parents to advance these essential strategies to support positive outcomes for children:

- Dramatically increase participation in school breakfast by engaging the entire school community and adopting strategies that highlight nutrition and academic benefits and reduce stigma.
- Pursue outside support and resources for increasing breakfast participation by enrolling in the Pennsylvania School Breakfast Challenge (deadline for entry is Dec. 20, see: [www.paschoolbreakfast.org](http://www.paschoolbreakfast.org))
- Connect all eligible families to Food Stamps (SNAP) by both increasing awareness of the program and removing barriers to enrollment.
- Increase efforts to connect all eligible families to income and work supports such as the Earned Income Tax Credit and Child Tax Credit.
- Build county-wide understanding and support for these programs so that they are strengthened and not cut further at the federal level.

Chester County leadership can't single-handedly solve poverty, but they can help their families tap the lifesaving supports offered by the federal safety net programs. Investing in strategies to help families improve their economic well-being and achieve stability will pay future dividends not only for children but for communities throughout Chester County.

## Endnotes

1. Hunger in America, the Suffering We All Pay for, Center for American Progress, 2011
2. While 200% of poverty is widely accepted as the level of income families need to make ends meet, we are using 185% of the poverty line as the threshold to align with the eligibility line for school meals.
3. Source: 2013 HHS Poverty Guidelines for the 48 Contiguous States and the District of Columbia, published in the Federal Register, January 24, 2013. <http://aspe.hhs.gov/poverty/13poverty.cfm> Income reflects annual income
4. Source: U.S. Census Bureau, American Community Survey, 2012,
5. Source: U.S. Census Bureau, American Community Survey, 2008–2012, Table 17024: Ratio of Poverty to Income
6. Source: U.S. Census Bureau, American Community Survey, 2008–2012, Table 17024: Ratio of Poverty to Income
7. PCCY's Bottom Line is Children – Chester County Public Education report: <https://www.pccy.org/userfiles/file/BottomLineCountyReports/Chester/Education/PCCYBLEducationChesterCo2013.pdf>
8. Source: U.S. Census Bureau, American Community Survey, 2008–2012, Table 17024: Ratio of Poverty to Income
9. 2013 child food insecurity rates from Feeding America's "Map the Meal Gap," using data from the 2001–2011 Current Population Survey, 2011 American Community Survey, and 2011 data from the Bureau of Labor Statistics on unemployment rates.
10. Center for American Progress, "Hunger in America: Suffering We All Pay For," Donald S. Shepard, Elizabeth Setren, and Donna Cooper, October, 2011, <http://www.americanprogress.org/issues/poverty/report/2011/10/05/10504/hunger-in-america/>
11. We should note the eligibility change, which started in 2009. But it clearly took a little time for word to get out and families to sign up, as the increase was fueled in part by the recession and in part by the increase in gross income limit.
12. Pennsylvania now has a gross income limit of 160 percent of poverty, which is below the maximum of 200 percent set by some states and above a minimum of 130 percent utilized by a minority of states. Applicants still must provide extensive documentation of their income, assets and expenses to show their net income is below the poverty line before benefits are approved.
13. The maximum grant for a family of four was \$668 per month, or \$1.85 per meal per person. That family's grant has been reduced to \$632. <http://www.cbpp.org/cms/?fa=view&id=3899>
14. Economic activity estimate based on a study by industry research firm Moody's Economy.com, see: <http://frac.org/initiatives/american-recovery-and-reinvestment-act/snapfood-stamps-provide-real-stimulus/>
15. Source: Based on Pennsylvania Department of Public Welfare, Bureau of Program Support, Division of Statistical Analysis, Assistance Eligibility Statistics, unduplicated number of children and adults served, SFY 2012–13.
16. The temporary increase to SNAP that was passed in the Recovery Act as a means of both responding to family need and boosting the economy expired on Nov. 1, 2013.
17. The maximum grant for a family of four was \$668 per month, or \$1.85 per meal per person. That family's grant has been reduced to \$632. <http://www.cbpp.org/cms/?fa=view&id=3899>
18. Pennsylvania Department of Public Welfare, Bureau of Program Support, Division of Statistical Analysis, Assistance Eligibility Statistics, September, 2013.
19. Loss in SNAP per county estimates provided by Center on Budget and Policy Priorities (CBPP) using data from the 2011 USDA Administrative Data, PA county participation data, and USDA's June 2013 Thrifty Food Plan. Economic impact based on loss of SNAP benefits multiplied by \$1.73 estimated economic activity previously cited. <http://frac.org/federal-foodnutrition-programs/school-breakfast-program/>
20. <http://frac.org/federal-foodnutrition-programs/school-breakfast-program/>
21. The eligibility line for free meals is set at 130% of poverty, for reduced-price meals it is 185% of poverty.
22. Through a process called direct certification students who receive SNAP, as well as other benefits (including Medical Assistance in PA), are certified as eligible for free school meals without need for separate application. This is because their families have reported their income and met strict verification requirements for those programs.
23. Source: Pennsylvania Department of Education, Division of Food and Nutrition, Building Data Reports, October 2008–2012. [http://www.portal.state.pa.us/portal/server.pt/community/national\\_school\\_lunch](http://www.portal.state.pa.us/portal/server.pt/community/national_school_lunch)
24. Source: Pennsylvania Department of Education, Division of Food and Nutrition, Building Data Reports, October 2008–2012. [http://www.portal.state.pa.us/portal/server.pt/community/national\\_school\\_lunch](http://www.portal.state.pa.us/portal/server.pt/community/national_school_lunch)
25. See more on choosing the right breakfast service model for your school at: [http://s.bsd.net/phillyhunger/default/page/-/Handout\\_ChoosingAModel.pdf](http://s.bsd.net/phillyhunger/default/page/-/Handout_ChoosingAModel.pdf)
26. Source: Pennsylvania Department of Education, Division of Food and Nutrition, Building Data Reports, October 2012. [http://www.portal.state.pa.us/portal/server.pt/community/national\\_school\\_lunch](http://www.portal.state.pa.us/portal/server.pt/community/national_school_lunch)
27. Source: U.S. Census Bureau, American Community Survey, 2008–2012, Table S1903: Median Income in the Past 12 Months
28. Source: U.S. Census Bureau, American Community Survey, 2008–2012, Table B19101: Family Income in the Past 12 Months
29. The three largest components of middle-class expenses that have increased faster than income are: the cost of college, the cost of health care and the cost of a house. See: <http://ideas.time.com/2013/10/17/10-reasons-texas-is-our-future/#ixzz2iT8IKfcb>
30. The improvements included making the CTC "refundable" at lower income levels so that more working families with incomes below the poverty line are eligible; substantially reducing the "marriage penalty" that some couples faced under the EITC, and slightly expanding the EITC for families with three children to reflect the greater expenses (the credit had been capped at one level for all families with two or more children).
31. Brookings Institution analysis of Supplemental Poverty Measure Public Use Data [www.taxcreditsforworkingfamilies.org/?page\\_id=7231](http://www.taxcreditsforworkingfamilies.org/?page_id=7231)
32. Data source: 2011 IRS, Brookings Institution, Metropolitan Policy Program: <http://www.brookings.edu/research/interactives/eitc>



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