Underwater: Our Families Cannot Stay Afloat
More than a quarter of families in Bucks and Montgomery Counties are likely to be underwater

29% of families raising children in Bucks County and 27% in Montgomery County are likely to be underwater.

Their children face long odds of upward mobility due to an education system that is barely treading water.
More than a quarter of a families earn less than $75,000 a year

More than 168,000 families make $75k or less per year

- Chester: 24%
- Delaware: 41%
- Montgomery: 27%
- Bucks: 29%
- Philadelphia: 70%

<$25k | $25-$49k | $50-$75k

PUBLIC CITIZENS FOR CHILDREN + YOUTH
A $75k income should solidify families’ middle class status

<table>
<thead>
<tr>
<th>Category</th>
<th>Montgomery</th>
<th>Bucks</th>
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</thead>
<tbody>
<tr>
<td>Child Care</td>
<td>$11,908</td>
<td>$11,440</td>
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<tr>
<td>Health Care</td>
<td>$15,721</td>
<td>$14,859</td>
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<tr>
<td>Food</td>
<td>$8,775</td>
<td>$10,800</td>
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<tr>
<td>Transportation</td>
<td>$10,800</td>
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<tr>
<td>Taxes</td>
<td>$15,895</td>
<td>$16,001</td>
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<tr>
<td>Utilities</td>
<td>$4,380</td>
<td>$4,380</td>
</tr>
<tr>
<td>Housing</td>
<td>$6,091</td>
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</tbody>
</table>

$28 left per week

$50 left per week

Income: $75k

...but these families have less than $50 a week after paying for the essentials
Families making $50k should be on the cusp of the middle class

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$30 left per week

Income: $50k

$40 left per week

...but they have just $40 or less per week left after covering the basics
Families in poverty are in debt from the basics alone

Income + Tax Credit Refunds: $21,230

Food $1,179
Child Care $1,612
Transportation $4,301
Housing & Utilities $14,532

-$8 per week

...$400 in the red each year
Cost of basic necessities in Bucks & Montco rose at least 27%...

...but incomes remained flat...
Child Care is the Largest Expense

Subsidized Child Care
- Eligible but Unserved: 6,550
- Enrolled: 4,300 (40%)

Public Pre-K
- Eligible but Unserved: 8,240
- Enrolled: 3,070 (27%)

Full Day Kindergarten
- Half Day Enrollment: 5,340
- Full Day Enrollment: 7,130 (57%)

...but public funding is too low to reach most families in need
Thousands of Bucks & Montco children have health problems...making out-of-pocket health care costs high for families.
And ALL costs are out-of-pocket for the families of the 6,680 uninsured children in Bucks & Montgomery Counties.

Montgomery: 3,422

Bucks: 3,258
On top of all this, families face other everyday costs

- HAIRCUTS
- Birthday Presents
- School Supplies
- Clothes
- Toys
- Home Repairs
- Class Trips
- School Pictures
- Car Repairs
- Sports Teams
- Shoes
- Summer Camps
- Movies
- Braces
- Games
Parents also lack room for children’s enrichment in their budget

For example:

- Tutoring
- Music Lessons
- Summer Camps

...so they must rely heavily on schools to get a leg up
Good schools are parents’ best option for their children’s upward mobility

“Schooling has a strong causal effect on earnings”
-James Heckman et al., *Journal of Political Economy*, 2018

“Better school quality...increase[s] adult incomes”
State mandated costs for pensions, charters, and special education grew 2.5x the rate of State funding

Growth for Bucks & Montgomery County School Districts, 2010-2016

$207,154,299

$522,865,823

$316 million shortfall

State Funding Growth

State Mandated Costs Growth
The State is shortchanging districts by **$222 Million**

<table>
<thead>
<tr>
<th>County</th>
<th>Additional Money if State Funding Were Adequate</th>
</tr>
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<tbody>
<tr>
<td>Bucks</td>
<td>$80 Million</td>
</tr>
<tr>
<td>Montgomery</td>
<td>$142 Million</td>
</tr>
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...nearly half – $106 million – due to districts with a 25% or more Black or Hispanic students
Inadequate State Funding Forces Districts to Raise Property Taxes to Stay Afloat

Over the past 10 years, almost every district has had to raise property taxes in most, if not every, year.

- **10 Prop Tax Increases**: 11 Districts
- **8-9 Prop Tax Increases**: 12 Districts
- **6-7 Prop Tax Increases**: 7 Districts
- **3-5 Prop Tax Increases**: 4 Districts

School property taxes typically make up a third to half of working and middle class families’ tax bill.
Meanwhile all but one district in Bucks & Montco have growing numbers of low income students since 2013.

...who are costlier to educate.
Most districts have less funding for teaching, despite local tax increases.

65% of districts, educating 27,900 Black and Hispanic children, _actually have less to spend on instruction_.

<table>
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<td>-$405</td>
<td>-$393</td>
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Every district with 25% or more Black or Hispanic students has less to spend on instruction compared to 2010.

Decrease in Instructional Spending per Student, 2010 to 2017 (inflation adjusted)

- Morrisville Borough: $-1,800
- Bristol Twmshp: $-1,600
- Norristown Area: $-1,400
- Bensalem Twmshp: $-1,200
- Abington: $-1,000
- Cheltenham Twmshp: $-800
- Bristol Borough: $-600
- Pottstown: $-400
As a Result, Students Struggle Academically

Majority of Students in Districts With Higher Shares of Low Income & Black and Hispanic Students Struggle on the PSSAs

- **Reading**: 40% (districts with >30% students low income), 43% (districts with >25% Black & Hispanic students), 61% (districts with >30% students low income), 64% (districts with >25% Black & Hispanic students)

Even in Higher Income Districts, an Alarming Share of Students are Failing

- **Reading**: 20%
- **Math**: 38%
Bold Action Must be Taken or the Cycle of Financial Stress Will Continue in Bucks & Montco

To reduce cost burdens on families:

• Increase funding for Child Care Works, Pre-K Counts and Head Start and implement full day kindergarten
• Expand eligibility for Child Care Works and the Children’s Health Insurance Program
• Create affordable housing and transportation strategies at the County level
• Expand the State’s Tax Forgiveness program and increase funding for public schools to offset property and other local taxes
To boost families’ incomes:

• Create a workforce development strategy to help people move into higher paying jobs

• Increase the State government’s payments to agencies that employ low-wage, government-funded professionals such as direct support professionals and child care workers, so that these professionals’ wages can be increased
Bold Action Must Be Taken (cont.)

To improve the financial outlook of public schools:

• Increase State K-12 basic education and special education funding – adequate State funding would bring $222 million in additional funds to Bucks & Montgomery County schools

• Restore the State’s charter school reimbursement for school districts – this would bring at least $11 million in additional funds to Bucks & Montgomery County schools