Ending Child Poverty in America and Creating Opportunity for All

Senator Cory Booker

According to a preliminary analysis by Sophie Collyer and Chris Wimer at Columbia University's Center on Poverty & Social Policy, the impact of this plan would cut child poverty by nearly two-thirds — lifting 7.3 million kids out of poverty — nearly right away.

Meeting basic needs so that no child in America lives in poverty:

- **Create a “child allowance” for families with kids.** A child allowance has been widely adopted across the developed world, with great success; in countries across Europe, the child poverty rate is about half the rate of the U.S. — a disparity attributed at least partially to the existence of a child allowance for families with kids. The current Child Tax Credit is an effective anti-poverty tool, but it leaves behind more than one-third of all children—including half of all Black and Hispanic children and disproportionately children in rural areas—because their families earn too little to get the full benefit. In a missed opportunity to improve the credit, the Trump tax bill increased eligibility so that families making as much as $400,000/year could earn the full credit, while a full-time worker earning the federal minimum wage with two kids does not. Cory would fight to expand the Child Tax Credit and authorize a monthly payment program to provide families with a $300 monthly allowance for younger kids and a $250 monthly allowance for older kids up to age 18. In addition, Cory would make the credit indexed to inflation and fully refundable, which would mean that all eligible families receive the full credit amount. Researchers at Columbia University found that implementing a program along these lines would cut the child poverty rate by nearly half.

- **Eliminate child hunger.** The Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) helps about 40 million Americans with food on the table in a typical month. The program is well-targeted to those in greatest need: it lifted 1.3 million kids out of poverty in 2018, and nearly 70 percent of SNAP households are families with children. But current benefits are outdated and wholly inadequate: in 2017, the average SNAP recipient received about $126 a month in benefits — that equals just $1.40 per person per meal. According to a study by the Center on Budget and Policy Priorities, benefits are so meager that one-quarter of all SNAP participants exhaust all their benefits within just one week of receipt. While the Trump administration has repeatedly sought to cut benefits even further, Cory would increase the maximum SNAP benefit by 30 percent by adopting the more realistic “Low Cost Food Plan,” rescind the currently proposed Trump rules which gut “categorical eligibility” and strip food from people who can’t find steady work, expand access to summer meals for kids outside of the school year, including in rural communities, and expand the Summer Electronic Benefits Transfer for Children to ensure low-income kids are able to eat over weekends, vacations and summers. Cory would also relieve all school lunch debt and fight for universal free school lunch — because no child should go hungry at school.

- **Reform TANF so that it helps lift more children and families out of poverty.** Temporary Assistance for Needy Families (TANF) — the only federal program that provides cash assistance to families with children during hardships such as a job loss or a personal or family crisis — should be
a core component of our nation’s safety net. But it’s devastatingly inadequate. In 2017 TANF helped fewer than one in four families living in poverty – compared to two in three in 1996, when it was last “reformed” — and it helps even fewer families in states where child poverty rates are the highest. Many of the problems with our current system can be traced to changes that were enacted through misguided federal legislation in 1996. By making TANF a block grant to states, the program no longer guaranteed that families could receive cash assistance to afford the basics when they fall on hard times.

Funding for TANF has essentially been cut by a third of its value 1997 simply because the program wasn’t indexed to inflation. And because there are few rules to ensure that limited TANF dollars go to kids and families living in extreme poverty, along with misguided work requirements, the funding is not reaching all of those who need it most. For example, a 2016 report found that Michigan spent millions of dollars of TANF funds on college scholarships for kids in families making as much as $100,000 per year. Fixing TANF is an economic imperative; a well-funded and evidence-based TANF program would help families to weather economic challenges and provide them with opportunities to improve their circumstances. It would also serve as an automatic economic stabilizer during recessions, potentially shortening downturns and lifting our broader economy. To achieve these goals, Cory would revamp the broken TANF program by:

- Increasing TANF funding by 40 percent to restore the program to its 1996 inflation-adjusted levels and ensure that it stays at that level in the future;
- Requiring that states use the increased funding for cash assistance so that no child lives in a household without income and with no way to meet basic needs;
- Requiring that states use TANF funds to support children and families living in poverty; and
- Requiring that TANF funds provide opportunities for parents receiving TANF benefits to increase their education and skills, and access work supports like high-quality child care, so they can secure good jobs.

- **End child homelessness and ensure that kids have access to safe, affordable housing.** While over 43 million U.S. households rent their homes, there isn’t a single county in America where a full-time worker making the federal minimum wage can afford a two-bedroom apartment at fair-market rent. In California, even three full-time minimum wage jobs won’t get you there. For kids, housing instability can have wide-ranging impacts, resulting in high rates of absenteeism in school and lower test scores. Cory has put forward a sweeping plan to help families afford housing, including a renters credit to cap rental costs at 30 percent of household income — which alone would lift 9.4 million Americans, including millions of children, out of poverty. His plan would also fully fund the Housing Trust Fund to build, rehabilitate, and operate rental housing for individuals earning less than the federal poverty level; implement protections against discrimination, like those that helped his family move into his childhood home; and take the steps necessary to end homelessness, including by creating a National Eviction Right to Counsel Fund for those who face eviction, in recognition that access to legal representation makes a world of difference for families at risk of losing their homes. For more information, see Cory’s housing plan.
• **Implement child support policies that work for real families.** Half of all kids will spend at least part of their childhood with a single parent. Child support payments provide a critical source of support for children in single-parent families, and for households living below the poverty line that receive child support, these payments account for nearly half their income. Yet our current child support system sets up a lose-lose, with an array of unintended negative consequences. For many low-income or parents living in poverty who struggle to pay child support, whether due to low wages, a lack of stable work, the effects of incarceration including accrued child support debt, or other limitations, our child support system has the perverse effect of driving them away from their children, while doing little to provide those children with critical resources or help their noncustodial parents secure better employment that will enable them to sustain child support payments. In order to help unify families, lift children in single-family homes out of poverty, improve child well-being, and strengthen the economic security of low-income children and their parents, Cory would support efforts to ensure that child support orders are realistic by basing them on actual earnings and by reducing orders during periods of incarceration. He would also encourage reforms so that full child support payments go to families, rather than being diverted by states. Finally, he would reform enforcement practices that deprive low-income parents of their ability to secure jobs or build economic security, like suspending driver’s licenses in instances when the nonresident parent is low-income and has no credible means of payment.

**Making work a real pathway out of poverty:**

• **Make every job a job that can keep a family out of poverty.** For millions of Americans, work simply doesn’t pay. And the impact cuts across generations: research led by Raj Chetty, professor of economics at Harvard University, shows that just one in 13 kids born to parents in the bottom fifth of the income distribution will one day reach the top fifth. Last week, Cory released his plan to boost union membership and ensure that every job is a good job. Cory is an original cosponsor of the Raise the Wage Act, which would raise the minimum wage to $15/hour by 2024 and end the subminimum wage for tipped workers and workers with disabilities. According to the Economic Policy Institute, the bill would directly raise the wages of parents of more than 14 million kids, plus millions more who would benefit from upward pressure across the income scale. Cory would also update the Trump administration’s overtime standard that has left out over eight million workers from our nation’s overtime protections. Finally, he would at long last close the gender pay gap — because everyone should be entitled to equal pay for equal work. According to the Institute for Women’s Policy Research, achieving equal pay would cut the number of children with working mothers in poverty by nearly half. For more information, see Cory’s Justice and Opportunity for Workers plan.

• **Create a targeted national program to help parents living in poverty secure good jobs.** Even in periods of economic growth, many Americans are unable to find full-time employment; today, with a national unemployment rate of less than four percent, about 12 million Americans are unemployed or underemployed. Cory would create a national transitional jobs program targeted to individuals living in poverty, including the long-term unemployed, noncustodial parents under a child support order, and individuals participating in SNAP or TANF, with wages partially or fully subsidized using public funding. Rigorous evaluations have shown that well-designed programs
boost wages and employment, lower participation in public benefit programs, and improve short- and long-term outcomes for kids and families.

- **Put cash in the pockets of working families.** Cory would sign into law his Rise Credit, which would represent the biggest expansion and reimagining of the popular Earned Income Tax Credit (EITC) in history, providing up to $4,000 to working Americans making less than $90,000/year. It would also redefine what we mean as “work” to include low-income students and family caregivers — because traditional wage earners aren’t the only Americans who are working hard to support their families. According to the Institute on Taxation and Economic Policy, while 87 percent of the benefits of Trump’s tax cuts went to the top 40 percent wealthiest households, 86 percent of the Rise Credit would benefit the 60 percent lowest income households. All told, it would lift 5.4 million kids out of poverty, and cut overall poverty in our country by one-third.

- **Support low-income working families through affordable child care.** In more than half of states, center-based child care costs more than tuition at the local public university. Families under the poverty line with child care needs spend an average of 30 percent of their income on child care — forcing many parents to rely on lower-quality care, leave the workforce, or give up educational opportunities altogether. Building on the framework of the Child Care for Working Families Act, Cory would fight for legislation to make a sweeping federal investment in high quality child care to make it affordable for all working families. Cory knows that we also need to invest in our child care workers, who on average earn just $11 per hour. That’s why he will support increased funding to raise wages and improve benefits for these workers.

**Knocking down barriers to access:**

- **Decriminalize poverty and give a fair shot to kids with parents who are incarcerated.** We overwhelmingly incarcerate the most vulnerable in our country — persons with mental illness, addiction, or living in poverty. Parental incarceration is not only proven to impact kids’ cognitive development, educational achievement, and health outcomes, it also hinders parents’ ability to access economic opportunity. Cory has introduced several bills to break down barriers to employment for justice-involved individuals, including by automatically expunging the records of those who have served federal time for marijuana use and possession offenses; “ban the box,” which would prohibit federal employers and contractors from asking job applicants about their criminal history until the final stages of the interview process; allow people with criminal convictions to receive occupational licenses for jobs, such as hairdressers and taxi drivers; and remove the ban on public assistance and federal benefits for formerly incarcerated nonviolent drug offenders. Cory would also use federal funding to incentivize the elimination of excessive fines and fees in state and local criminal justice systems, and end what the ACLU calls “modern-day debtors prisons,” where individuals are incarcerated simply because they cannot afford to pay fines and fees for low-level offenses — destabilizing families and making it difficult, if not impossible, to maintain steady employment.

- **End “savings penalties” that keep workers from getting ahead.** As a country, we say that we want to move families from poverty to the middle class. And yet, we put up often insurmountable barriers to keep them from doing so. Many of our safety net programs limit eligibility to only those
with little to no assets, sometimes as low as $1,000 — requiring individuals to “spend down” whatever savings or assets they have in order to receive food, heating, or cash assistance — and punishing families who are trying to save and plan for the future. Consider this scenario: a single mom puts away $100 each month to save for a home or emergency expense — eventually growing to $3,000. If she loses her job, she may have to deplete her savings account in order to qualify for food, energy assistance, or disability benefits — even though she has no income and very modest savings. We should be encouraging, not penalizing, families to save. Cory would significantly raise asset limits from TANF, SNAP, Low Income Home Energy Assistance Program (LIHEAP), and SSI to help more low-income and low-wealth families achieve economic security.

- **Ensure all kids can benefit from public services, regardless of their families’ immigration status.** Almost one in 10 kids live with families in which at least one member is a noncitizen — in many cases making them ineligible for tax credits and limiting access to safety net programs. Every family living in the United States has the right to be healthy and to receive the benefits that their tax dollars support. Cory would eliminate eligibility requirements based on immigration status for all safety net programs, as well as enrollment in health coverage and subsidies available under the Affordable Care Act, and would allow individuals with any valid Individual Taxpayer Identification Number (ITIN) to access tax credits and refunds for which they are otherwise eligible. He would also use his executive authority to rescind President Trump’s “public charge rule” that targets immigrants for deportation if they use programs that reduce hunger, poverty, and sickness, forcing them to choose between basic needs and keeping their family together.

- **Update our poverty measures and expand access to all who are struggling.** If we are serious about helping kids and families in need, we should acknowledge what it means to live in poverty. For low-income families today, things like internet access and child care aren’t just “nice-to-haves” — they’re essential. But our federal poverty threshold, which affects eligibility for critical programs like Medicaid, SNAP, and WIC, is based on arbitrary assumptions and hasn’t been updated in decades, giving us an incomplete picture of poverty in America and leaving millions of struggling families without the support they need. Other wealthy countries set the poverty threshold as a share of prevailing incomes, rather than a technical definition of “poor;” the United Kingdom, for example, sets it at 60 percent of median household income — or the equivalent of $38,000 when applied to the U.S. To expand access to help to all those who need it, Cory would direct his administration to update the federal poverty line, starting by better incorporating the contemporary cost of living and by drawing on best practices from other developed nations.

- **Make sure families who qualify for safety net programs can actually access them.** According to a recent study, of the 46 million Americans living in poverty and eligible for help from the federal safety net, just 33 million do so — leaving 13 million disconnected from critical services and supports. Thanks to remarkable innovations in technology, we can navigate unfamiliar streets, watch movies, and bank online — all on our smartphones. And yet, we still require working parents to take hours off work to navigate unnecessarily complex bureaucracy to get basic benefits like food and health that help families get by. While President Trump and Republicans in Washington may see that as a feature, not a bug, Cory thinks that you shouldn’t need to jump through hoops to receive the assistance you are eligible for. Cory would instruct federal agencies to adopt a “two-generation approach” to serving kids and the adults in their lives at the same time. He
would provide grants and technical assistance to states and local service providers to update data systems, simplify and streamline application processes, and facilitate automatic eligibility determination and enrollment across multiple programs. Cory would also create a new metric to assess each state’s performance in enrolling children in the full package of benefits for which they are eligible, and hold states accountable for underperformance. Finally, Cory would address a less talked-about barrier to safety net enrollment — stigma — and would advance public education and streamlined service delivery mechanisms to ensure that everyone receives the help they need. Finally, Cory will take on predatory practices that target low-income families, including by cracking down on payday lenders and banning overdraft fees. He will also invest in evidence-based policies that not only deliver immediate impacts to poor kids and families, but change life trajectories for children and break cycles of poverty that have spanned generations. Cory’s plan to end child poverty would include sweeping investments in “Baby Bonds,” public education, paid family leave, home visiting, and guaranteed healthcare — essential work support and anti-poverty strategies proven to improve short- and long-term outcomes for kids and families.