The Trump Plan to Cut Benefit Programs Threatens Children

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**Introduction and summary**

Kelly is a Pennsylvania mother of two young boys. Kelly grew up in a family that did not earn enough to cover their basic needs, and as a child, she knew what it was like to go to school hungry and to not be able to see a doctor when she was sick. As a mother, Kelly works tirelessly to ensure that her sons can grow up with more than she had when she was young: She worked full time as a restaurant server for more than a decade and now works as a receptionist at a local barbershop. Despite picking up extra shifts, working on weekends, and returning to work shortly after the births of her sons, she has struggled to make ends meet. Like millions of other working parents, Kelly has turned to programs that help her meet her family’s most basic needs. Thanks to Medicaid, the Children’s Health Insurance Program (CHIP), the Low Income Home Energy Assistance Program (LIHEAP), and the Supplemental Nutrition Assistance Program (SNAP), Kelly’s sons are healthy and thriving.¹

Young children under age 6 are more likely than any other age group to be poor, with nearly one-quarter of children living in poverty and nearly half living in low-income families.² Children are also the largest age cohort participating in public benefit programs such as SNAP, Medicaid, and Temporary Assistance for Needy Families (TANF), and research shows that these programs that help families meet their basic needs are effective at lifting families like Kelly’s out of poverty and promoting child well-being.³ When benefit programs such as nutrition assistance, Medicaid, and tax credits are taken into consideration, the child poverty rate in the United States is reduced by half.⁴

Reducing poverty and providing access to the basics such as food, housing, and medical care is of the utmost importance for young children. Research shows that poverty has deep and lasting negative effects on child development by introducing stressors that affect the foundations of brain architecture as they are being laid. Much like a house needs a solid, well-constructed foundation, children’s developing brains require a strong base.⁵ Programs such as Medicaid and CHIP, SNAP and the Special Supplemental Nutrition Program for Women,
Infants, and Children (WIC), TANF, housing assistance, LIHEAP, tax credits, and Supplemental Security Income should be understood as smart, evidence-informed policies that give children a promising start in life.

Unfortunately, instead of addressing the needs of low-income and middle-class families through policies such as paid leave, child care, and increasing the minimum wage, the Trump administration and House Speaker Paul Ryan (R-WI) are pushing for deep cuts to programs that help families afford the basics, all to pay for a $1.5 trillion tax cut that largely benefits wealthy individuals and corporations. In addition to cutting funding for these programs, President Donald Trump and Republicans in Congress are poised to increase barriers to accessing benefit programs through increasing administrative burdens and imposing work requirements.

Even when children are not the direct targets, they will be significantly affected by these cuts and increased barriers to access. Children, parents, and other family members share resources, live under the same roof, and eat the same meals. Thus, threatening family economic security will inherently affect children. Benefit cuts and additional red tape will increase poverty and food insecurity while decreasing health insurance coverage rates for people of all ages. The Trump administration and its congressional allies give lip service to catchphrases such as workforce development, but their plan will actually undermine families with young children who are working to reach the middle class.
Benefits programs have had profound effects on reducing child poverty and deep child poverty—children whose families have incomes below 50 percent of the federal poverty level. Using a poverty measure that considers public benefits and is based on a broad definition of necessary expenditures—such as food, clothing, shelter, and utilities—researchers estimate that in 2016, benefit programs cut child poverty from 25 percent to 16 percent. In other words, nearly 1 in 4 children would live in poverty if programs such as the Supplemental Nutrition Assistance Program, Medicaid, and refundable tax credits did not exist.

Benefit programs are even more effective at reducing the share of children in deep poverty. In fact, benefit programs slashed the deep child poverty rate by two-thirds in 2012, from 17 percent to 5 percent.

The federal government could do more to reach a greater number of children and to ensure the efficacy of these programs. Children of color and children in immigrant or mixed status families face barriers to accessing programs, including English language proficiency, concerns about the safety of undocumented family members, and racial prejudices; therefore, they do not fully benefit from the protective effects of these programs. Benefit levels are often too low to purchase healthy food and afford stable housing. But further reducing access to these programs would roll back decades of progress in reducing child poverty, exposing more children and families to the toxic stress associated with living in poverty.

Additionally, children need nutritious food to fuel their growing brains, a safe bed to sleep in at night, and a competent health professional to monitor their development. It goes without saying that children rely on their families to provide these necessities and that parents, children, and other family members share resources, including meals and homes. As such, children’s healthy development is inextricably linked to their families’ economic well-being. Because families in poverty may struggle to secure these needs, programs that provide these basics are critically important for children.
Children's development is linked to parents’ well-being in deeper ways as well. This is because children’s brains develop rapidly in early childhood through a process that is highly sensitive to their social and physical environment. Children’s brains form more than 1 million new neural connections per second in early childhood, which are reinforced by repeated use. Responsive, reliable interactions between adults and young children strengthen these connections.9 When parents are stressed about meeting their families’ basic needs, they may lack the emotional and physical energy to provide the attentive and sensitive caregiving that helps children thrive. Having unresponsive or inconsistent exchanges with adults activates young children’s stress response and floods their developing brains with harmful stress hormones.10 By improving families’ economic circumstances and emotional health, benefits programs provide children with a buffer to poverty’s negative effects.
Children are the face of public benefit programs

Young children make up a significant portion of benefit program participants. In the United States, 1 child in 5 lives in poverty. Many young families struggle because parents are typically beginning their careers—and thus earning relatively low wages—when children are young. Between diapers, food, child care, and other essentials, parents’ already limited resources are stretched thin. The critical programs discussed below provide children and families with the resources they need and help mitigate the effects of living in poverty.

Health care

By investing in Medicaid and the Children’s Health Insurance Program, the United States has achieved nearly universal health insurance coverage for children. In 2015, 96 percent of U.S. children had health insurance and 43 percent received publicly funded health insurance, primarily through Medicaid. Medicaid also covers half of births in the United States, insures more than half of children with disabilities, and provides essential long-term support services for children with disabilities. Health insurance coverage in early childhood has significant and lasting health, educational, and economic outcomes for both children and families.

In addition to health care when children are sick, Medicaid ensures that children have access to preventive health care and screenings through the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit to help ensure that children’s healthy development is on track. This benefit provides access to developmental, dental, vision, and hearing screenings and connects children with follow-up treatment when necessary. Access to screenings and early treatment is particularly important for infants, toddlers, and children with disabilities of all ages, as research shows that receiving early intervention services such as speech, occupational, and physical therapy improves outcomes for children when they are older.

Without health insurance and benefits such as EPSDT, many children would not be able to see a doctor for well-child checkups and many parents would be unable to seek medical treatment when their child is sick or injured. EPSDT plays an
important role in early diagnoses and treatment, and without it, many children could have disabilities or developmental delays that go undiagnosed, affecting their development over the long term.

**Nutrition assistance**

Food insecurity in infancy and early childhood undermines healthy social-emotional and cognitive development.¹⁸ Yet 1 in 6 households with children is food insecure, more than 1.5 times the rate of households without children.¹⁹ The United States has several nutrition assistance programs to address childhood food insecurity. The largest—SNAP—provides food assistance to more than 40 million people of all ages.²⁰ Fourteen percent of SNAP participants are children under age 5.²¹ The second largest—the National School Lunch Program—provides low-cost or free lunches to more than 30.4 million children each day.²² Pregnant women, postpartum women, and children under age 5 are eligible for the Special Supplemental Nutrition Program for Women, Infants, and Children, which provides nutritious food, baby formula, health education, and health care referrals to promote healthy outcomes for young children.²³

Without access to SNAP and other nutrition assistance programs, the rate of food insecurity would be 13 percentage points higher for households with children.²⁴ What’s more, research shows that these programs are linked to positive outcomes, including decreases in infant mortality, low birthweight, and other serious physical health problems such as anemia.²⁵

**Housing assistance**

Housing costs are one of the largest burdens in a family’s budget. More than 60 percent of children live in low-income households that spend more than 30 percent of monthly income on rent or related housing expenses.²⁶ Families who cannot afford safe and stable housing are often forced to settle for substandard living arrangements that have health hazards, such as damaged plumbing, lead paint, or gas leaks.²⁷ In 2016, more than 10.5 million children lived in crowded housing, where there was more than one person for every room.²⁸

Federal rental assistance in the United States helps make housing affordable for 10 million people, including 4 million children.²⁹ Three key federal programs—Section 8 Project-based Rental Assistance, Housing Choice Vouchers, and Public Housing—help low-income families access housing that is safe and affordable. Of those households that are helped by federal rental assistance, about 35 percent include children.³⁰ Housing stability for children in the first five years of life is
associated with positive outcomes, including increased school readiness due to fewer attention problems.\textsuperscript{31} However, funding for subsidized housing has not kept pace with the rising need. Presently, only 1 in 5 eligible households with children receive federal rental assistance.\textsuperscript{32}

Another critical program helps families cover the cost of heating and cooling their homes. One in 5 households receiving energy assistance through the Low Income Home Energy Assistance Program includes at least one child under age 5.\textsuperscript{33} Having consistent protection from exposure to extreme temperatures is particularly critical for young children, who are less able to regulate their body temperatures than adults: Access to LIHEAP has been shown to help improve health outcomes and to reduce the odds of emergency hospitalization for infants and toddlers.\textsuperscript{34}

While housing assistance programs and LIHEAP have yet to be funded at levels that allow these programs to address the full need, fewer households—especially those with children—would have access to safe housing and utilities if programs were cut further.

\textit{Income assistance}

Temporary Assistance for Needy Families is a block grant to states that supports a broad range of employment and family services. Just one-quarter of funds supports cash assistance to families, and the remainder supplements state spending on services such as job training, child care, child welfare, prekindergarten, and adolescent pregnancy prevention.\textsuperscript{35}

Children make up three-quarters of all TANF cash assistance recipients. Half of all TANF cases are child-only, meaning that the child is the only person in the household who receives the benefit.\textsuperscript{36} Income assistance through TANF is designed to help families provide the basics for their children, such as food, clothing, diapers, and housing. Cash assistance during early childhood is associated with improved child outcomes later in life.\textsuperscript{37}

However, since becoming a block grant in 1996, funding for TANF has eroded significantly and has not kept pace with inflation.\textsuperscript{38} As a result, in 2015, only 16 percent of children living in poverty received assistance through TANF.\textsuperscript{39} Furthermore, even when families receive TANF cash assistance, the amount is too small to lift families out of poverty: In the median state in 2017, a family of three received about $430 per month.\textsuperscript{40} If TANF were cut, this benefit would likely shrink by an even greater degree.
Tax credits

Refundable tax credits are powerful mechanisms for promoting financial stability and economic mobility for working families. Research shows that tax credits are associated with improved infant health and reduced mental health problems among working mothers.41

The Earned Income Tax Credit (EITC) is a federal tax credit for working parents with low or moderate earnings. Depending on the number of children in the household, the EITC can provide up to $6,318 annually.42 In addition, the Child Tax Credit (CTC) provided up to $1,000 per child in 2017—but unlike the EITC, the CTC is not fully refundable, so many low-income families do not qualify for the full credit.43 Together, the EITC and the CTC lifted 9.8 million people—including 5.1 million children—out of poverty in 2015.44 Thanks to these credits, 8 million children are in households with more financial resources than they would have without this assistance.45

Social Security and Supplemental Security Income

Children—and other individuals—with disabilities often need additional supports and resources to lead their day-to-day lives, which comes at an additional expense for their families. Supplemental Security Income (SSI) is a program that helps promote economic security for low-income individuals with disabilities, including children with disabilities.46 The program provides income support—an average benefit of $650 per month for children—to the families of about 1.2 million children with disabilities to help families defray the cost of disability-related services.47

Social Security, in addition to providing retirement benefits, also provides survivors and disability benefits that are especially critical for children. Millions of children receive Social Security benefits because they have a retired or deceased parent or a parent who has become disabled and can no longer work. In total, 6.5 million children under age 18 receive Social Security directly or by living with a family member who receives it.48 Of the 3 million children who directly receive Social Security, about half of them receive it through the Social Security Disability Insurance (SSDI) program.49

Social Security and SSI are critical for keeping families with young children out of poverty.50 Research shows that SSI cuts poverty nearly in half for children with disabilities and that access to the program helps improve longer-term economic and employment outcomes for children.51 Social Security helped lift
more than 1 million children out of poverty in 2016. Without access to Social Security and SSI, the child poverty rate would substantially increase, especially among children with disabilities.
Rather than protect programs that support families’ ability to meet their basic needs during children’s formative years, President Trump and House Speaker Paul Ryan are cutting program funding and creating barriers to accessing services. For example, the Trump administration has already approved new rules that make it harder for families to access Medicaid under the guise of so-called work requirements in certain states and has proposed imposing time limits and restrictions on other programs, such as nutrition assistance and housing assistance. In some instances, the Trump administration has proposed cuts that specifically target children. For example, Trump’s fiscal year 2019 budget proposes slashing SSI benefits for families that include multiple people with disabilities, including more than 300,000 families with at least one child.

Taking away benefits through so-called work requirements would hit families with young children hard. Although 83 percent of children younger than age 6 in low-income families have at least one parent in the labor force, many parents experience periods of unemployment or unstable work. Low-wage work is increasingly unpredictable and irregular. From week to week, circumstances outside of the employee’s control may result in fluctuating hours. Workers may spend many hours “on call”—be asked to stand by in case they are needed. Unlike in many professional positions, however, these workers are not paid a salary unless they are asked to work. And despite spending many hours either at work or on call, some of these parents may find that they fall short of new work requirements.

When children are young, their intensive physical and emotional needs often create a barrier to stable, full-time employment for parents, especially because many low-wage workers lack access to paid leave. Parents may need to miss work to care for a sick child or cut back on their hours, and, as a result, they may not meet their state’s requirements even if they are working. Some may leave the workforce altogether to be a full-time caregiver.
Introducing red tape to benefit programs will reduce children’s access to critical services when they most need them, even if children themselves are not the target. For example, Medicaid work requirements for parents could increase the likelihood of parents and children being uninsured, as the two are closely linked. In fact, 99 percent of children whose parents are insured have coverage, compared with just 80 percent of children whose parents are uninsured. What’s more, adults losing health insurance can decrease family economic security and compromise adult health, which by extension hurts children. These policies can lead to long-term negative outcomes for a generation of children.
The language of benefits cuts

House Speaker Ryan, the Trump administration, and congressional allies have been pushing an agenda to reduce access to public benefit programs to pay for massive tax cuts for corporations and the wealthy. These attacks have been promoted as “welfare reform,” “workforce development,” “streamlining programs,” or “state flexibility”—all of which are code for cuts. Regardless of terminology, there are several ways that President Trump is seeking to make cuts to critical programs that help hardworking families with young children afford the basics.

- **Funding cuts**: Through the appropriations and budgeting process, Trump and Republicans in Congress have proposed deep funding cuts to public benefit programs. In addition to targeted cuts, President Trump’s budget includes an unspecified 28 percent cut to nondefense discretionary spending—significant cuts that will be felt by families across the country.

- **Block grants**: A block grant results from collapsing multiple programs into one or limiting the amount of funding for a program that it was previously designed to meet. Funding for block grants erodes over time, and based on historical data, a proposal to convert existing funding streams to block grant programs should be interpreted as cutting them by one-third.

- **Work requirements**: As discussed above, the nature of many parents’ work may not meet so-called state work requirements, and it can be burdensome for low-income parents to prove their employment status. Children are not expected to have jobs under these requirements but are at risk of losing access to the programs they need. For example, parents are subject to recently imposed SNAP work requirements, and a reduction in the amount of food a family can afford means that there is less for everyone, including children.

- **Intimidation and public charge**: Immigrant parents of U.S.-born children increasingly face intimidation and other barriers to accessing programs such as the Children’s Health Insurance Program, energy assistance, and Head Start. President Trump’s tax bill already cut tax credits for immigrant children. The administration also proposed “public charge” regulations that deny program beneficiaries admission to the United States or lawful permanent residency. The U.S. Department of Homeland Security is forcing families to choose between enrolling in programs that help meet their children’s most basic needs and ensuring their family’s ability to stay in the country.
Despite the determination and work ethic of parents such as Kelly, too many young children in the United States grow up in families struggling to make ends meet. Without proper supports, these children will experience stressors that affect their long-term development. Fortunately, it is possible to dramatically cut child poverty and ensure that children have a strong start in life. It simply requires protecting families’ access to programs that help them meet their basic needs and have been shown to positively affect child outcomes.

Yet instead of addressing the needs of families, President Trump and his congressional allies plan to slash funding to these critical programs and increase barriers to accessing benefit programs. If Congress and the administration were serious about supporting families and promoting work, they would focus on passing the following bills, which have already been introduced in Congress and which would help families find and maintain employment and achieve financial security:

- **Raise the Wage Act of 2017:** The Raise the Wage Act of 2017 would phase in a $15-per-hour federal minimum wage over the next seven years, more than doubling the current $7.25-per-hour minimum wage and eliminating policies that allow employers to pay tipped workers less. Raising the minimum wage to $15 per hour would increase wages for the parents of 19 million children. Moreover, passing this legislation would mean that for the first time ever, a full-time minimum wage worker would earn above the federal poverty level for a family of four.65

- **Closing the Meal Gap Act of 2017:** The Closing the Meal Gap Act of 2017, introduced by Rep. Alma Adams (D-NC),66 would increase the minimum monthly SNAP benefit to $2567 and improve benefits by basing them on a more appropriate low-cost food plan. It would also require that jobless adults are offered a position in a SNAP employment and training program before their benefits can be time limited.

- **Child Care for Working Families Act:** Families with children especially need affordable, high-quality child care so that adults can work. This bill, intro-
duced in September 2017 by Sen. Patty Murray (D-WA) and Rep. Bobby Scott (D-VA), would ensure that all low-income and middle-class families have access to affordable child care. The Center for American Progress estimates that this legislation would create 700,000 new early childhood sector jobs and allow 1.6 million parents to enter the workforce.68

• **Family and Medical Insurance Leave (FAMILY) Act:** This legislation, introduced by Sen. Kirsten Gillibrand (D-NY) and Rep. Rosa DeLauro (D-CT) would provide up to 12 weeks of paid leave to qualifying workers that need time off for the birth or adoption of a new child, the serious illness of a family member, or a worker’s own medical condition.69 Providing comprehensive paid family leave is an important anti-poverty measure, as approximately 1 in 4 of all poverty spells begins with the birth of a new child.70

• **Schedules That Work Act:** Unpredictable work schedules are a barrier to stable income and employment, particularly for parents of young children managing work schedules and access to child care. This legislation would establish national fair scheduling standards and allow workers to make schedule requests, require that employees receive schedules 14 days in advance, and require that employees are compensated for time when they are on call or work nonconsecutive hours.71

• **Paycheck Fairness Act and Pay Equity for All Act of 2017:** Female full-time workers earn 80 cents for every dollar men earn. The wage gap is even greater for women of color, with African American women and Latinas making 63 cents and 54 cents, respectively, for every dollar that white men earn.72 Ensuring wage parity across genders would cut poverty in half for working women and their families.73 The Paycheck Fairness Act would strengthen equal pay protections, including protecting workers from retaliation for discussing salaries with colleagues.74 The Pay Equity for All Act would prohibit employers from asking for salary history during the hiring process, which exacerbates existing pay inequities.75 Together, these bills would improve pay practices and enforcement policies and root out discrimination in the workplace.

• **American Family Act of 2017:** The American Family Act of 2017, introduced by Sen. Sherrod Brown (D-OH) and Sen. Michael Bennet (D-CO), would expand the Child Tax Credit to $3,600 for children birth to age 5 and $3,000 for children ages 6 to 18. The benefit would be paid monthly and would be fully refundable in order to allow low-income families to benefit fully. This proposal would reduce the child poverty rate by half.76
Conclusion

Regardless of political party, reducing child poverty and providing all people in the United States with the ability to meet their basic needs should be a core goal of any policy to come out of Washington. Elected officials who profess to care about the well-being of children and families must reject efforts to cut benefits programs. A real agenda for working families must strengthen work supports such as paid leave and child care and improve income supports for those trying to reach the middle class.
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