

CHILD POVERTY IN NORTHWEST ARKANSAS

FALLING BEHIND IN A REGION KNOWN FOR SUCCESS



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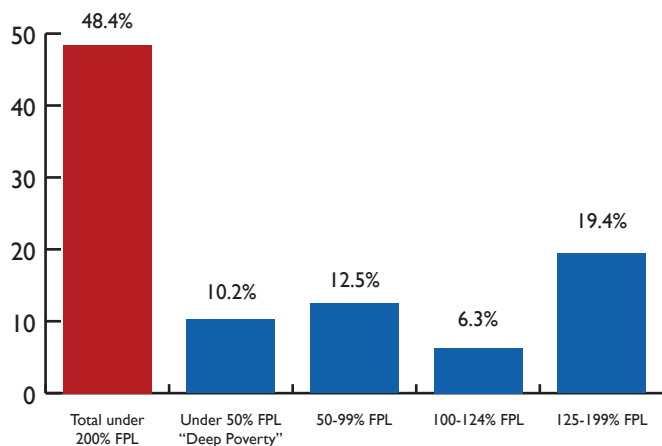


5 THINGS YOU SHOULD KNOW ABOUT CHILD POVERTY IN NORTHWEST ARKANSAS

1. The younger you are in Northwest Arkansas, the more likely you are to live in poverty. The poverty level for people over 65 is 7 percent. For children under 5, it's 27 percent.
2. Poverty is defined by federal guidelines and determines if a family can make ends meet based on their earnings. The guideline is woefully out of date, however, and does not take into account the spending requirements for today's families. Because these guidelines are so antiquated, many more families struggle to meet their basic needs than are counted using poverty alone.
3. Half of the children in Northwest Arkansas are growing up in a struggling, "low-income" household. Their parents make less than double the poverty level (less than \$39,580 for a family of three).
4. Children in poverty experience additional problems in educational and cognitive development and health outcomes. In order to overcome poverty, we need to focus on policies that help poor children succeed academically and improve their odds at getting an education. Good, proven examples of these include high-quality Pre-K and after-school programs.
5. Children of color are more likely to live in poverty, but the number of white children in poverty is much higher than African-American or Hispanic children. Poverty impacts the entire region.

ALMOST HALF OF NORTHWEST ARKANSAS CHILDREN GROW UP IN LOW-INCOME HOUSEHOLDS

Percent of children whose families are considered low-income

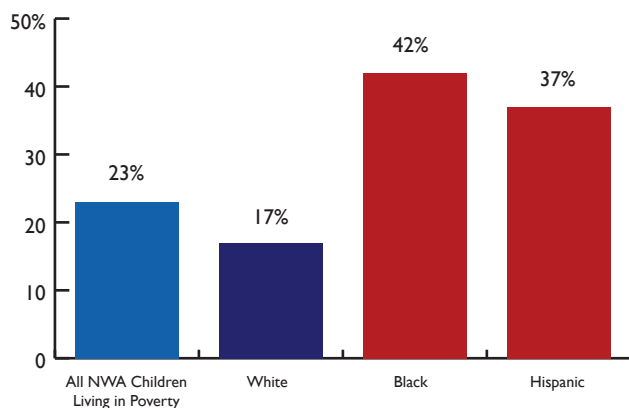


Families are considered to be low-income if they make less than 200 percent of the Federal Poverty Level (\$39,580 per year for a family of three).

SOURCE: U.S. Census American Community Survey

NORTHWEST ARKANSAS CHILDREN OF COLOR ARE MORE LIKELY TO LIVE IN POVERTY

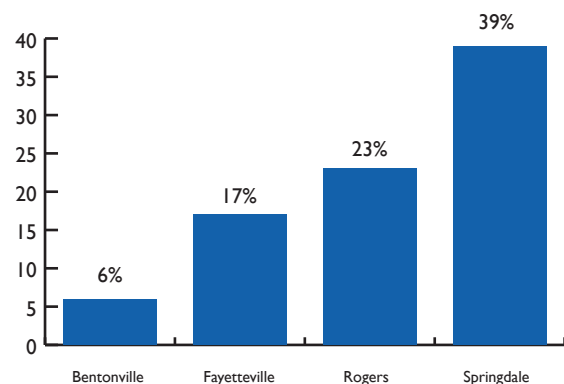
Percent of kids LIVING in poverty, by race



SOURCE: U.S. Census American Community Survey

POVERTY IS NOT EVENLY DISTRIBUTED

Percent of children in poverty, by city



SOURCE: U.S. Census American Community Survey

Even during relatively “good” economic times in Northwest Arkansas, child poverty has grown faster than the overall population. As our region has grown more successful, many of our children have fallen behind.

While the region’s poverty percentage is lower than that of most of the state, the number of children living in poverty in both Washington and Benton counties is higher than any county in the Arkansas Delta.

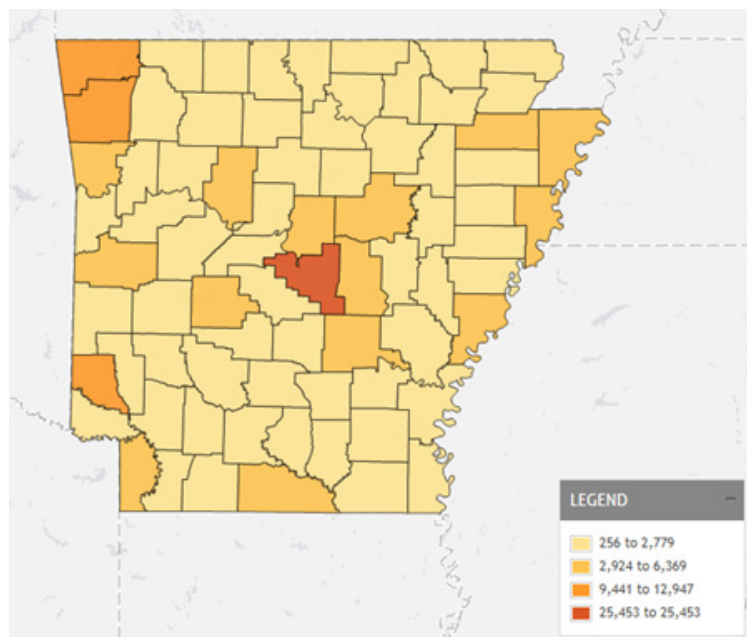
WHAT CAUSES POVERTY?

At its most basic level, poverty is the result of failing to earn an income high enough to meet all of a family’s basic needs. The causes of poverty, however, are much more complex and have many dimensions. Some explanations include:

Education and Skill Levels. All other factors being equal, workers with higher education and skill levels have greater abilities to compete for higher-paying jobs. Low education and skill levels are the result of many factors, including systems that fail to promote the healthy development of young children, policies that fail to adequately close educational achievement gaps for low-income and minority students, and inadequate support for a strong two- and four-year university system.

Geographic Location. Southern states have higher rates of poverty than other parts of the country, in part because of centuries of policy-driven inequality. A variety of factors attract business and industry: the quality of the workforce, quality of life considerations, quality of public services, access to markets, availability of capital, state tax policies that support the infrastructure and service needs of

NUMBER OF ARKANSAS CHILDREN LIVING IN POVERTY By county



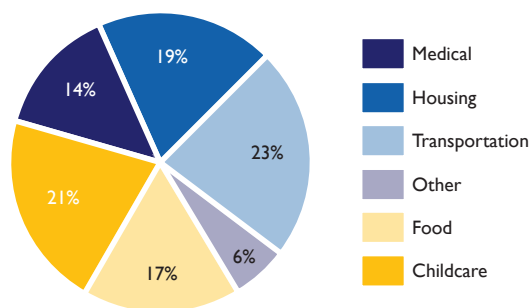
businesses, strong local leadership, accountable economic development policies, level of civic engagement, and more.

Community Support. Lack of adequate support for working families or policies that promote social and economic mobility can lead to poverty. Things like affordable child care, transportation, health insurance and policies that allow families to accumulate assets are critical to fighting poverty.

Family Structure. Children in single-parent families are more likely to live in poverty because their families typically have only one income and fewer financial resources.

MONTHLY EXPENSES IN ARKANSAS

Percentage of income spent by one adult supporting two children



SOURCE: <http://livingwage.mit.edu/states/05>

Incarceration. Families in high poverty – especially in urban areas – are more likely to be victims of crime.

2014 Poverty Guidelines for the 48 Contiguous States and the District of Columbia

Persons in family/ household	Poverty guideline
1	\$11,670
2	\$15,730
3	\$19,790
4	\$23,850
5	\$27,910
6	\$31,970
7	\$36,030
8	\$40,090

For families/households with more than 8 persons, add \$4,060 for each additional person.

Source: “2014 Poverty Guidelines” U.S. Department of Health & Human Services, Office of the Assistant Secretary for Planning and Evaluation

Inequality. The mobility/wealth gap is widening and decreasing the chances that hard work will move you up the economic ladder. Of the Arkansans earning below average incomes, less than 27 percent were able to make a significant income improvement over the period of a decade. That means people are stuck, and it’s hard to move up. Upward mobility is a staple of the American dream.

In interviews, Northwest Arkansas child-service agencies identified these barriers to families’ success:

- Transportation
- Financial stability
- Immigration status
- Stigma
- Cultural differences
- Language
- Lack of services/long waiting lists
- Failed communication

Most families earning up to \$39,580 per year (for a family of three) are struggling to pay for important life necessities. This can have a huge impact on kids, carrying on well into their adulthood. Some of the impacts include:

Educational and cognitive consequences. Studies have repeatedly shown that children living in poverty experience several negative educational outcomes like poor academic performance, low vocabularies, lower reading and achievement scores, higher drop-out rates and lower college graduation rates.

BY THE NUMBERS

\$19,790: POVERTY LEVEL
INCOME FOR A FAMILY OF THREE

26,439: NUMBER OF CHILDREN
LIVING IN POVERTY IN WASHINGTON AND
BENTON COUNTIES

48.4: PERCENT OF CHILDREN
GROWING UP IN HOUSEHOLDS THAT ARE
CONSIDERED “LOW-INCOME”

Negative health outcomes. Children in low-income families are more likely to have health problems. When living in poverty, children are sick for longer periods of time, less likely to receive quality care or preventative care, and less likely to have access to healthy food.

Stunted social and emotional development. Families living in poverty tend to have unstable home environments that can lead to behavioral problems in children. Children in these situations are more likely to act out, experience disobedience or aggression. Poverty is also associated with higher rates of teen pregnancy, low self-esteem, anxiety and unhappiness.

Adult Poverty. Poverty rarely has a short-term impact on a child. Children who experienced persistent poverty are more likely to be poor adults.

THE VALUE OF EDUCATION

One way to combat poverty is to invest in education. We know that higher levels of education allow Arkansans to get better jobs and provide for their families. One of the best ways to provide a pathway out of poverty is to provide educational opportunities, starting with pre-K.

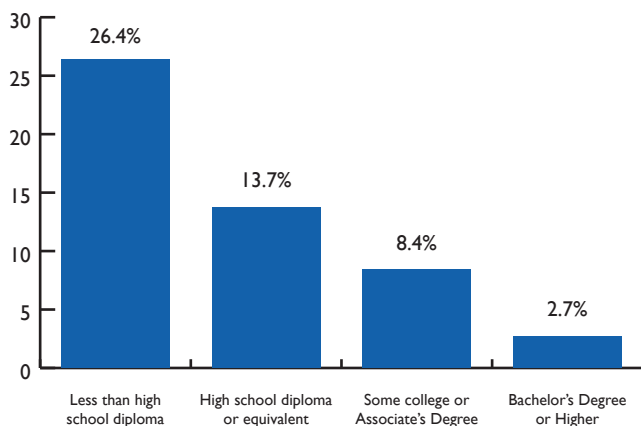
There are many different views on the best ways to reduce poverty. A complete discussion of strategies is beyond the scope of this brief. However, at AACF, we believe any effort to reduce poverty requires, at a minimum, a two-pronged approach:

- Policies that help poor children succeed academically and improve the odds they will be able to get an education that helps them find better-paying jobs. A good example is high-quality early childhood education, such as our state’s Arkansas Better Chance Pre-K program.
- Policies that increase household income and ensure that parents will have the necessary resources to meet all of the families’ basic needs. A good example is the federal earned-income tax credit. The state should establish a similar tax credit.

We have to start with education if we are going to reduce Arkansas’s high level of poverty over the long term. And the earlier we start with improved education, especially for children living in poverty, the better. Improving school readiness for low-income and at-risk kids so they don’t enter the early grades behind their more affluent peers is critical to their future success. Study after study has shown that participation in prekindergarten education has an enormously beneficial impact on a student’s educational outcome.

AS EDUCATION GOES UP, CHANCES OF LIVING IN POVERTY GO DOWN

Percent NWA residents living in poverty, by education level



SOURCE: U.S. Census American Community Survey

Children who participate in pre-K have higher math and reading scores in later grades and higher graduation rates. In particular, being able to read proficiently at grade level by the end of the third grade is a key predictor of future success. With the waiting list for entry into pre-K growing longer, we can't afford to underfund future economic opportunity for Arkansas students. Arkansas has done a great job of making pre-K available to our children; however, state funding for these programs has not increased one dime since 2008. How can we expect continued growth if we neglect early learning?

A few AACF recommendations for long-term solutions:

- Invest in early education. The Arkansas Better Chance Pre-K Program has been flat-funded since 2008.
- Invest in after-school and summer programs that are proven to close the achievement gap while also helping parents who are working hard. Schools and nonprofit organizations use a hodgepodge of funding to put these together. We can do better.
- Extend ARKids First benefits to children born in the Marshall Islands, most of whom live in Springdale. This is an easy fix that the state can do without legislation.
- We need a state-level DREAM Act, which would allow undocumented Arkansas high school graduates to pay in-state tuition rates at our state colleges and universities. It is not a special rate, but rather the same rate as other Arkansas high school graduates.
- Incarcerate fewer youthful offenders who are not dangerous. We can invest the money in community-based services, which are cheaper and more effective.
- Adequately fund our state's foster care system.

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