



FIRST FOCUS

MAKING CHILDREN & FAMILIES THE PRIORITY

ADDRESSING THE NEEDS OF VULNERABLE FAMILIES DURING AN ECONOMIC CRISIS

When the economy takes a downturn, it often hits the most vulnerable families the hardest. Unfortunately, funding for social services and assistance programs tends to drop during times of economic struggle, when they are needed most.

At present, as states struggle to balance budgets and make difficult decisions on budget cuts, programs for vulnerable children and families are facing cuts. According to the Center of Budget and Policy Priorities (CBPP), at least 25 states have enacted budget cuts to critical services, including public health programs, programs for the elderly and disabled, k-12 education, colleges and universities, state workforce, and child welfare services.¹ To date, states including Connecticut, Illinois, Ohio and Maryland have ordered budget cuts to child welfare programs.²

It is critical that we continue to invest in our existing child welfare system to better care for our most vulnerable children as we navigate the current economic downturn. As the economy weakens and state and local revenues dwindle, the need for public programs grows. The federal government can help by providing states with assistance in the form of additional emergency funding for child welfare services as part of a second economic stimulus package. Doing so will help states maintain essential child welfare programs and services.

This brief highlights the devastating impacts of poverty and economic shifts on vulnerable families, provides evidence for the increased risk of child abuse during an economic crisis, and identifies federal policies that can be implemented today to help states address the needs of high-risk families during this difficult economic period.

CHILD ABUSE & POVERTY

Poverty is especially harmful to children during the early years of life, and is often considered the single best predictor of child abuse and neglect. In fact, data compiled by the *Third National Incidence Study of Child Abuse and Neglect*, the most comprehensive federal source of information about the incidence of child abuse in the U.S. highlights the role of poverty in predicting child abuse and neglect. The data indicate that children from families with annual incomes below \$15,000 were over 22 times more likely to experience maltreatment than children from families whose incomes exceeded \$30,000. These children were also 18 times more likely to be sexually abused, almost 56 times more likely to be educationally neglected, and over 22 times more likely to be seriously injured.³

Importantly, research suggests that the relationship between poverty and child abuse is fairly complex and should be interpreted cautiously. It is important to note that not all parents who live in poverty abuse their children, and many who are wealthy do so. Poverty and child abuse are more likely interrelated because poverty often contributes to a number of other stressors that increase risk for abuse.

CHILD ABUSE RISK FACTORS

Research has identified a number of risk factors for child abuse. Parental substance abuse, parental stress and distress, marital conflict and domestic violence, poor parent-child relationships, community violence, unemployment, poverty and other socio-economic disadvantages, social isolation and lack of social support are some of the more commonly cited contributors.

The above-mentioned risk factors are not definitive predictors of child abuse or neglect. In fact, many parents experience one or more risk factors, and do not abuse their children. While many factors place families at risk for abusing their children, there are a host of other factors that may protect them from vulnerabilities and promote resilience. However, risk factors, especially co-occurring risk factors often contribute to child abuse and neglect.



STATE BUDGETS

According to CBPP, at least 41 states faced or are facing budget shortfalls for this year and/or next year. In addition, the following 31 states are facing mid-year shortfalls: Alabama, Arizona, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Illinois, Kansas, Kentucky, Maine, Maryland, Massachusetts, Mississippi, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Utah, Vermont, Virginia, and Wisconsin. The District of Columbia also faces a budget shortfall.⁴



POVERTY & RELATED RISK FACTORS FOR ABUSE

Poverty - especially when present with other risk factors (e.g., depression, substance abuse, and social isolation) can increase the likelihood of abuse. In fact, poverty often goes hand in hand with depression, substance abuse, domestic violence and other factors that place children at risk for abuse.^{567 8}

Poverty often contributes to stress - another significant risk factor for child abuse, and in times of economic crisis, vulnerable families experience considerable financial strain and day-to-day stress. A number of studies have found that the presence of stressful life events, parenting stress, and emotional distress contribute to physical abuse.

Not surprisingly, researchers have also found that neglectful families report more day-to-day stress than other families.⁹ In addition, certain stressful events (e.g., job loss) may place additional strain on parents, and exacerbate certain characteristics such as hostility or depression, which could further increase risk for abuse. Clearly, poverty and stress are interrelated, and research suggests each is a contributing factor to child abuse.

STATES' REPORTS ON RISK FACTORS FOR ABUSE

States have also identified poverty as a significant obstacle for families involved with the child welfare system. In a 1998 survey, 85 percent of states identified poverty and substance abuse as the top two challenges families reported facing to child protective service (CPS) agencies.¹⁰ In addition, a 2007 GAO report found that states reported dissatisfaction with a number of services for parents, and rated substance abuse services, housing and transportation - services low-income families have difficulty accessing - as their top areas of concern.¹¹

CHILD ABUSE & WELFARE REFORM

In a comprehensive review of available research, Oshana and Friedman (1994) provide evidence for a link between welfare reform policies and child abuse. The authors highlight data which suggest that strict lifetime welfare limits and strict sanctions for noncompliance with program rules are linked to higher rates of abuse.

In contrast, more generous welfare benefits are associated with much lower levels of neglect and fewer children in out-of-home placements. In addition, family caps appear to lower cases of substantiated abuse but increase out-of-home placements.¹²

THE LINK BETWEEN CHILD ABUSE & POVERTY

The link between child abuse and poverty can be explained in a number of ways. For instance, it is possible that experiencing poverty generates family stress, which, in turn, leads to a greater likelihood of abuse. Alternatively, perhaps parents living in poverty do not have access to the resources necessary and are unable to provide appropriate care for children. Or, perhaps other factors (e.g., substance abuse) make parents vulnerable and more likely to be both poor and abusive.

A number of researchers have also suggested that poor families may actually experience abuse at rates comparable to other families, but that abuse in poor families is actually reported to Child Protective Services (CPS) more frequently, in part because these families are more likely to come into contact with CPS and experience greater scrutiny from CPS and others.

Furthermore, a study of Chicago families on welfare found that families whose welfare benefits were reduced were more likely to become involved in the child welfare system than others.¹³ A study of California families entering welfare similarly found that those whose benefits were interrupted were more likely to become involved in the child welfare system than those with continuous benefits.¹⁴ In addition, an Urban Institute case study of the impact of welfare reforms on child abuse in 12 states¹⁵ found that overall numbers of reports increased, and caseworkers reported more cases of abandoned children, more referrals for inadequate care or supervision, and more reports of abuse in immigrant families who were acutely impacted by welfare reforms.

It is important to note that although welfare reform experiments suggest that tax and transfer policies that boost family income can positively impact child well-being, often, the success of such policies hinges on simultaneously linking families and children to early interventions and mental health services.¹⁶

CHILD ABUSE & ECONOMIC TURMOIL

Oshana and Friedman (1994) also point to a number of older studies that provide evidence for an increase in rates of child abuse in families experiencing economic hardship, compared to stable families. One such study found increases in child abuse were preceded by periods of significant job loss.¹⁷ Moreover, the authors cite data derived from the Longitudinal Studies of Child Abuse and Neglect (LONGSCAN) that indicates a decline in child abuse rates by roughly 1% to 3% each year since 1996. Researchers have suggested that the decline may have been linked to the robust economy during that period.¹⁸



RECENT NEWS REPORTS ON THE ECONOMY AND CHILD ABUSE

A number of recent news stories have highlighted an increase in child abuse rates and suggested a link to the recent economic downturn. For instance, in a story in the Press-Enterprise, a California newspaper, several advocates and practitioners voiced a concern about the increase in abuse rates. John Reid, Director of Childhelp, a national nonprofit noted "a rise in people calling in to report abuse to foster agencies." Debra Sutton, Director of Court Appointed Special Advocates (CASA) also described a "huge increase in foster care needs over a short period," and Sheila Anderson, president and CEO of the Child Abuse Prevention Council in Sacramento noted that "It takes a while for the data to catch up, but we have already had a report of at least one county with a 300 percent increase in cases this year."¹⁹ A recent Associated Press story reported that the number of calls coming into the Florida Department of Children and Families child abuse hotline is up this year. DCF officials explained that part of the reason for the increase may be the bad economy.²⁰ Similar stories have appeared in Wisconsin²¹, Colorado²² and Texas²³ newspapers.

FIRST FOCUS POLICY RECOMMENDATIONS

First Focus believes the federal government should take the following actions as part of a second economic stimulus bill in order to help states meet the needs of vulnerable families during the current fiscal crisis.

Temporarily increase the federal match for IV-E, also known as FFP (Federal Financial Participation). During an economic recession, children are more vulnerable to abuse and neglect yet states face declining resources to care for these children. We believe that a temporary increase to the FFP to Title IV of the Social Security Act would provide significant fiscal relief to states, in tandem with an FMAP increase to Medicaid. Congress should include an increase in the FFP for states in any economic stimulus package it considers. The assistance is vital in helping child welfare agencies meet the needs of families during a struggling economy.

Increase the Social Services Block Grant (SSBG). SSBG offers funds to states to provide social services that best suit the needs of the state. Services include protective services for children and families. In many states, SSBG is a critical resource for child welfare services, and represents 11% of all federal funding for child welfare services.²⁴ Specifically, states which are struggling with significant job loss and unemployment should receive additional SSBG funds to provide such services. SSBG has faced repeated cuts in the

past, and future cuts are likely. Congress should increase funding for SSBG, and in doing so, help states meet the needs of vulnerable families.

Increase funding for the Child Abuse Prevention and Treatment Act (CAPTA). CAPTA provides funding for community-based child abuse prevention. These grants support efforts to develop, operate, expand or enhance community initiatives aimed at preventing abuse and neglect, and provide a range of services designed to strengthen families. Unfortunately, CAPTA has been significantly underfunded in recent years. We believe current funding for the community-based prevention program at \$37 million is insufficient, and ask Congress to increase funding for CAPTA.

TITLE IV-E & FFP²⁵

For children that are Title IV-E eligible, the federal government reimburses the state for 50% to 83% of the costs and the state pays the balance. The FFP for Title IV-E foster care and adoption assistance is the same as Medicaid (Title XIX) or FMAP. A state's unique FMAP is based primarily on each state's per capita income. The higher the state's per capita income, the lower the FMAP.

For administration, the state currently makes its claim to the federal government for administrative reimbursement based on the total administrative cost, the results of the Random Moment Time Study (RMTS), the percentage of Title IV-E eligible children, and 50% FFP for administration. When states contract with private agencies to help them carry out public child welfare responsibilities, they claim reimbursement, based on the percentage of Title IV-E eligible children in foster care or adoption assistance times 50% FFP for administration.

For training, the state currently makes its claim for training reimbursement based on the total training cost, times the percentage of Title IV-E eligible children and times 75% FFP for training. The state is responsible for the balance or non-federal share.



ENDNOTES

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First Focus is a bipartisan advocacy organization that is committed to making children and their families a priority in federal policy and budget decisions. To learn more visit www.firstfocus.net.