

Senator Elizabeth Warren
Opening Statement at Middle Class Prosperity Project Forum on “The Effects of
Poverty on Children’s Opportunities”
December 3, 2015

*****Statement as Prepared*****

I’m glad to join Congressman Cummings for today’s Middle Class Prosperity Project forum on child poverty.

Today more than half of all children in public school live below the poverty line. More than sixteen million children live in poor families. Three million of these children live in families surviving on less than \$2 a day. You heard that right. In one of the richest countries in world, three million children are living in families trying to survive on \$2 a day.

The luck of the draw can be brutal for American children who are born to poor parents. They are more likely to have low birth weights, more cognitive delays, more behavioral problems, and worse performance in school. These early disadvantages never go away, even as kids grow up. They are less likely to graduate from high school, more likely to be poor themselves as adults, and more likely to be unemployed.

America is supposed to be a land of opportunity—a place where anyone can get ahead so long as they work hard and play by the rules. But the numbers tell a different story. Research shows that more and more, where you are born plays a powerful role in whether you succeed.

This is a grim story, but it comes with good news: it has been a hard and painful path, but we are learning how to cut child poverty. According to new research from the Columbia University Population Research Center, over the past 4 decades, safety net programs such as food stamps, cash assistance, unemployment insurance, housing and energy assistance, and others have reduced the child poverty rate by about 40%.

The Earned Income Tax Credit and the Child Tax Credit alone keep more than 5 million children out of poverty and lessen the impact of poverty for another 8 million children. In 2009, we expanded these programs on a temporary basis, raising more than a million children out of poverty.

Together, these two tax credits are doing more to reduce child poverty than any other federal program. And they do it by helping parents work, which gives children an up-close-and-personal example of how to make it in America.

We know how to reduce child poverty. First, make the 2009 Earned Income Tax Credit and Child Tax Credit expansions permanent. These are programs that have proven their worth and they deserve to be part of our long-term strategy to help more parents make it into the workforce and build real economic security for their families.

Second, index the Child Tax Credit for inflation. The cost of living has gone up, but the numbers haven't changed since 2001 so the value of the credit has eroded by an average of \$340. Indexing will ensure that the CTC continues to work for families in the future and gives low-wage parents the same purchasing power that others get.

Unfortunately, Republicans in Congress aren't really interested in making the 2009 expansions of the CTC and the EITC permanent. Instead, Republicans are focused on something else – hundreds of billions of dollars in permanent tax giveaways for corporations.

Before Congress goes home for the holidays, we're likely to vote to approve those corporate giveaways. We do it nearly every year – hand over billions in tax breaks for big businesses that don't need them. Meanwhile, if Congress doesn't act on these two programs, the progress we've made since the 2009 expansions will eventually disappear. A million children will be pushed back into poverty, and another 6.7 million who are already poor will plunge even deeper into poverty. More than 13 million families with nearly 25 million children will lose an average of \$1,073 each year. For families struggling to make ends meet, when every dollar counts, that's a lot of money.

I don't kid myself. It will take a lot more than tax credits to eliminate child poverty in America. We need to raise the minimum wage so that no one who works full time lives in poverty. We need universal childcare. We need schedules that work for families so a mom can know if her hours are canceled before she arranges daycare and drives halfway across town for work.

There are a lot of moving parts to ending child poverty for good, but we have two programs right in front of us that work, and we need to protect those programs.

It is shameful that in 2015, in the richest country on Earth, millions of kids are growing up in abject poverty. The lessons have been painful, but we know how to give these children a better start in life. In an ugly and cynical Washington, we actually have a chance to do something good to make a real difference in the lives of millions of children, and that's exactly what we should do.