

Failure to Protect: Reach Up Is Not Meeting Kids' Basic Needs

Vermont's safety net program for families living below the poverty line hasn't kept up with the cost of living.

Reach Up is Vermont's cash assistance program for very low-income families facing significant barriers to employment. Funded by a combination of federal Temporary Aid to Needy Families (TANF) block grant and state funds, Reach Up's purpose is two-fold: to support adults in moving toward sustainable employment while providing for the basic needs of their children.

Reach Up family grants are frozen in time

Our safety net programs should act as a failsafe for Vermonters, at the very least, stopping them from falling below what is required for subsistence. Reach Up grants to families are well below this, having not seen a cost of living increase in since 2004. In today's dollars they provide only 34-35% of what's needed to cover the most basic human needs.

Keeping families in a state of deprivation takes their attention away from what matters

To allow families to struggle in deep poverty is not only an affront to human dignity, it undermines our collective wellbeing and prosperity as a state. Reach Up's meager level of support makes it harder for the adults on the program to meet their goals, because so much of their energy is directed toward just surviving. Research shows that when people's minds are in a constant state of stress and scarcity, their cognition is compromised. The fight for daily survival exacts a "bandwidth tax" on brain functioning, and focuses people on short-term needs.¹

Child poverty carries a heavy human and economic toll

The stress of living in poverty increases the likelihood that families will come in contact with the child protection system.² Research shows that kids who grow up in a state of deprivation don't do as well as their peers in affluent families, and even small increases in family income can improve outcomes.³ Economic hardship is the most common source of toxic stress for children in Vermont, and the current Reach Up benefit level keeps child participants in deep poverty while their adult caregivers strive to overcome barriers to employment.

Falling Far Short of Basic Needs

Reach Up grants to families are based on a subsistence living allowance, which is then reduced to align with the level of funding appropriated by the legislature.

Current subsistence budget
for a family of 3* =

\$1,862



Current Maximum Grant =

\$640



Basic needs grants to
Vermont's lowest-income
families meet only

34%

of a subsistence budget.

*outside Chittenden County



Equity Lens

Federal welfare reform was motivated by deeply entrenched racism and sexism and has done little to reduce child poverty.

An equity analysis of poverty recognizes that income inequality is a structural phenomenon that intentionally privileges certain populations and disadvantages others. But the welfare reform law from 1996 emphasized personal responsibility and incentivized caseload reductions independent of the economic realities facing marginalized groups like women and black, indigenous, and other people of color (BIPOC).

Systemic income inequality is toxic for kids. A recent UNICEF report found that the U.S. ranked 26th on the list of 29 developed countries surveyed on the well-being of children, the only rich country in the bottom third of rankings.⁴

Social transfers play an important role in mitigating income inequality and child poverty in many developed countries. The US stands alone among rich countries in neglecting the rights of children to have their basic human needs met.

The purpose of the Reach Up program includes:

- ▶ to improve the well-being of children by providing for their immediate basic needs, including food, housing, and clothing
- ▶ to measure the success of the system by what is best for children

33 V.S.A. § 1102

Too many kids are stuck in poverty

Our policy goal as a state should be to move families out of poverty and mitigate its impact on children, not just to reduce caseloads. We are failing in this task.

Child poverty rates remain high, and have not recovered to pre-recession levels. Meanwhile, the share of Vermont families in poverty being served by Reach Up fell by 24%, from 79% in 2006 to 55% in 2017.⁵

The need for poverty alleviation support has not changed significantly. What has changed is that **Reach Up has been allowed to wither, so it is helping fewer families and providing much less than they need to assure their children's wellbeing.**

FY 2020 Budget Request

- ▶ Increase base grants to levels that provide for basic needs. A budget increase of \$1 million would raise the average family grant by \$25 - not a huge amount but enough to make a difference.
- ▶ Eliminate the \$115 penalty assessed on families that include an adult with disabilities receiving Social Security Insurance (SSI). Disabilities are both a cause and consequence of living in poverty. People with disabilities experience poverty at much higher rates than those without. This penalty exacerbates inequity and should be repealed.

Reach Up Coalition Members

Disability Rights Vermont, Hunger Free Vermont, Public Assets Institute, Vermont Affordable Housing Coalition, Vermont Early Childhood Advocacy Alliance, Vermont Legal Aid, Vermont Low Income Advocacy Council, Vermont Network Against Domestic and Sexual Violence, Vermont Parent Child Center Network, Voices for Vermont's Children.

References

¹ Schilbach, F., et al (2016). The Psychological Lives of the Poor. *The American Economic Review*, 106(5), 435-440.

² Sedlak AJ, et al. (2010) Fourth National Incidence Study of Child Abuse and Neglect (NIS-4): Report to Congress.

³ Brooks-Gunn, J., & Duncan, G. (1997) The Effects of Poverty on Children. *The Future of Children*, Vol.7 No.2. https://www.princeton.edu/futureofchildren/publications/docs/07_02_03.pdf

⁴ UNICEF Office of Research (2013). 'Child Well-being in Rich Countries: A comparative overview', Innocenti Report Card 11, UNICEF Office of Research, Florence. https://www.unicef-irc.org/publications/pdf/rc11_eng.pdf

⁵ Center on Budget and Policy Priorities (2018). 'TANF Reaching Fewer Poor Families.' <https://www.cbpp.org/research/family-income-support/policy-brief-tanf-reaching-few-poor-families>