

**Written Testimony by Jane Waldfogel to
the Joint Economic Committee of the United States Congress
Hearing on “Making it More Affordable to Raise a Family”**

September 10, 2019

Chairman Lee, Vice Chairwoman Maloney, and other Members,

Good afternoon and thank you for inviting me to speak with you today.

I’ve spent the past 25 years studying policies to support families and promote child well-being. These policies are a pressing concern for our country because 11.5 million children (nearly 16% of all children) are poor, and another 27 million (37%) have incomes just above the poverty line.¹ And of course, it’s not just poor and near-poor families that struggle to make ends meet.

Much of my recent work uses the Census Bureau’s new supplemental poverty measure, which allows us for the first time to gauge the effects of the full range of social policies Congress has enacted to support families and promote child well-being.² That work makes it clear that two sets of policies are critically important in reducing poverty among families with children. Refundable tax credits – the Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) -- moved 4.5 million children out of poverty (reducing child poverty by 6 percentage points) in 2017 (the most recent year for which we have data), and the Supplemental Nutrition Assistance Program (SNAP) and other food and nutrition programs (school lunch and WIC) moved 2.4 million children out of poverty (reducing child poverty by more than 3 percentage points).³ We also have good evidence that these policies reduce family stress and improve child health and development.⁴

¹ Liana Fox (2018). *The Supplemental Poverty Measure: 2017*. Washington, DC: U.S. Census Bureau. A total of 38.5 million children (just over half of all children) are poor or near poor.

² Liana Fox (2018). *The Supplemental Poverty Measure: 2017*. Washington, DC: U.S. Census Bureau, Appendix.

³ Liana Fox (2018). *The Supplemental Poverty Measure: 2017*. Washington, DC: U.S. Census Bureau., Tables A-6 and A-7. In 2017, EITC and other refundable tax credits moved 8.3 million people out of poverty, of whom 4.5 million were children, while SNAP and other nutrition programs moved 5 million people out of poverty, of whom 2.4 million were children.

⁴ Gordon Dahl and Lance Lochner (2012). “The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit.” *American Economic Review* 102: 1927–1956. Kevin Milligan and Mark Stabile (2011). “Do Child Tax Benefits Affect the Well-Being of Children? Evidence from Canadian Child Benefit Expansions.” *American Economic Journal: Economic Policy* 3: 175-205. William Evans and Craig Garthwaite (2014). “Giving Mom a Break: The Impact of Higher EITC Payments on Maternal Health.” *American Economic Journal: Economic Policy* 6: 258-290. Kate Strully, David Rehkopf, and Ziming Xuan (2010). “Effects of Prenatal Poverty on Infant Health: State Earned Income Tax Credits and Birth

But income poverty is not the only challenge that families face. Since 2012, with the support of the Robin Hood foundation, our group at Columbia has been surveying New York City residents, tracking material hardship and ill health as well as poverty.⁵ Our findings reveal that poverty is just the tip of the iceberg – while 1.6 million New Yorkers (1 in 5) are poor, 4.4 million (more than half) face either poverty or material hardship or serious health challenges.⁶ So, it’s not just families below the poverty line who struggle to put food on the table and pay their bills and cope with ill health – and in a city with a large charitable and philanthropic sector, including Robin Hood which spends 100 million dollars a year fighting poverty.

So what can we do to better support American families? We need to start by recognizing that in the majority of American families, it is no longer commonplace for there to be a stay-at-home caregiver.⁷ This trend is not going to change – most two parent families need to have both parents in the labor market, and of course difficulties in balancing the competing needs of work and family are even more acute among low income and single parent families.⁸

However, our public policies have not kept pace with this new demographic reality. The Family and Medical Leave Act still provides only unpaid leave, and to only about 60% of the workforce.⁹ Federal child care subsidies reach only about 15% of eligible low-income families who need them.¹⁰

Employer policies address some of the gap but mostly for more advantaged employees. While 40% of employees have access to some paid leave they can use for maternity, paternity, or to care for a seriously ill family member, those who are low-income, part-time, or Hispanic are much less likely to be covered.¹¹ Only a tiny share of employees – about 10% - receive any help from their employers in paying for child care.¹²

Weight.” *American Sociological Review* 75(4): 534-562. Anna Aizer, Shari Eli, Joseph Ferrie, and Adriana Lleras-Muney (2016). “The Long-Run Impact of Cash Transfers to Poor Families”. *American Economic Review* 106(4): 935-971.

⁵ Christopher Wimer, , Irwin Garfinkel, Madeleine Gelblum, Narayani Lasala, Stephanie Phillips, Yajuan Si, Julien Teitler, Jane Waldfogel (2014). “Income, Hardship & Health in NYC.” New York, NY: Columbia University and Robin Hood.

⁶ Christopher Wimer, , Irwin Garfinkel, Madeleine Gelblum, Narayani Lasala, Stephanie Phillips, Yajuan Si, Julien Teitler, Jane Waldfogel (2014). “Income, Hardship & Health in NYC.” New York, NY: Columbia University and Robin Hood.

⁷ Jane Waldfogel (2006). *What Children Need*. Cambridge, MA: Harvard University Press. Liana Fox, Wen-Jui Han, Christopher J. Ruhm, and Jane Waldfogel (2013). “Time for Children: Trends in the Employment Patterns of Parents, 1967-2009.” *Demography* 49(4): 25-49.

⁸ Liana Fox, Wen-Jui Han, Christopher J. Ruhm, and Jane Waldfogel (2013). “Time for Children: Trends in the Employment Patterns of Parents, 1967-2009.” *Demography* 49(4): 25-49. Jane Waldfogel (2009). “The Role of Family Policies in Anti-Poverty Policy,” in Maria Cancian and Sheldon Danziger (eds). *Changing Poverty, Changing Policies*. New York, NY: Russell Sage Foundation.

⁹ Jacob Alex Klerman, Kelly Daley, and Alyssa Pozniak (2012). “Family and Medical Leave in 2012: Technical Report.” U.S. Department of Labor <https://www.dol.gov/asp/evaluation/fmla/fmla-2012-technical-report.pdf>.

¹⁰ Ajay Chaudry, Taryn Morrissey, Christina Weiland, and Hirokazu Yoshikawa (2017). *Cradle to Kindergarten: A New Plan to Combat Inequality*. New York, NY: Russell Sage Foundation.

¹¹ Ann P. Bartel, Soohyun Kim, Jaehyun Nam, Maya Rossin-Slater, Christopher J. Ruhm, and Jane Waldfogel (2019). “Racial and Ethnic Disparities in Access to and Use of Paid Family and Medical Leave: Evidence from Four Nationally Representative Datasets.” *Monthly Labor Review* U.S. Bureau of Labor Statistics <https://doi.org/10.21916/mlr.2019.2>.

Yet we know from a large body of research that these policies matter for the well-being of employees and their families.¹³ In addition to evidence from Canada, the United Kingdom, and Europe, we now have more than a decade of evidence from California whose first-in-the-nation paid family leave law came into effect in 2004.¹⁴ When employees have access to paid family leave, they are more likely to take leave to care for a family member or for themselves, and they are more likely to be employed and have higher earnings afterwards.¹⁵ Mothers who have access to paid leave are less likely to be depressed after a birth and also breastfeed for longer.¹⁶ When fathers take longer leaves, they are more likely to be engaged in caring for their children months later, and mothers are in better mental health.¹⁷ When more paid leave is available, rates of infant mortality and hospitalizations fall.¹⁸ At the other end of the lifecycle, so too do nursing home admissions.¹⁹

¹² Ann P. Bartel, Elizabeth Doran, and Jane Waldfogel (2019). “Gender in the Labor Market: The Role of Equal Opportunity and Family-Friendly Policies.” Paper prepared for *RSF: The Russell Sage Foundation Journal of the Social Sciences*. Lena Hipp, Taryn W Morrissey, and Mildred E Warner (2017). “Who Participates and Who Benefits From Employer-Provided Child-Care Assistance?” *Journal of Marriage and Family* 79 (3): 614–35.

¹³ Maya Rossin-Slater (2018). “Maternity and Family Leave Policy.” *Oxford Handbook of Women and the Economy*. Susan L. Averett, Laura M. Argys and Saul D. Hoffman (eds). New York, NY: Oxford University Press. Christopher J. Ruhm and Jane Waldfogel (2012). “Long-Term Effects of Early Childhood Care and Education.” *Nordic Economic Policy Review* 1: 23-51.

¹⁴ Ann P. Bartel, Charles L. Baum, Maya Rossin-Slater, Christopher J. Ruhm, and Jane Waldfogel (2014). “California’s Paid Family Leave Law: Lessons from the First Decade.” U.S. Department of Labor https://www.dol.gov/wb/resources/california_paid_family_leave_law.pdf. Kelly Bedard and Maya Rossin-Slater (2016). “The Economic and Social Impacts of Paid Family Leave in California : Report for the California Employment Development.” California Employment Development Department.

¹⁵ Charles L. Baum and Christopher J. Ruhm (2016). “The Effects of Paid Family Leave in California on Labor Market Outcomes.” *Journal of Policy Analysis and Management* 35 (2): 333–56. Ann P. Bartel, Maya Rossin-Slater, Christopher J. Ruhm, Jenna Stearns, and Jane Waldfogel (2018). “Paid Family Leave, Fathers’ Leave-Taking, and Leave-Sharing in Dual-Earner Households.” *Journal of Policy Analysis and Management* 37(1): 10-37. Maya Rossin-Slater, Christopher J. Ruhm, and Jane Waldfogel (2013). “The Effects of California’s Paid Family Leave Program on Mothers’ Leave-Taking and Subsequent Labor Market Outcomes.” *Journal of Policy Analysis and Management* 32(2): 224-245.

¹⁶ Ann P. Bartel, Elizabeth Doran, Christopher J. Ruhm, and Jane Waldfogel (2019) “California’s Paid Family Leave Law Improves Maternal Psychological Health.” Paper presented at the Population Association of American Annual Meeting, Austin, TX, April 2019. Ann P. Bartel, Jessica Pac, Christopher J. Ruhm, and Jane Waldfogel (2019). “The Effects of California’s Paid Family Leave Law on Breastfeeding.” Paper presented at the Work and Family Researchers Network Conference, Washington DC, June 2018.

¹⁷ Maria Carmen Huerta, William Adema, Janeen Baxter, Wen-Jui Han, Metta Lausten, RaeHyuck Lee, and Jane Waldfogel (2014). “Fathers’ Leave and Fathers’ Involvement: Evidence from Four OECD Countries.” *European Journal of Social Security* 16(4):308-347. Lenna Nepomnyaschy and Jane Waldfogel (2007). “Paternity Leave and Fathers’ Involvement with Their Young Children: Evidence from the ECLS-B.” *Community, Work, and Family* 10(4): 425-451. Sakiko Tanaka and Jane Waldfogel (2007). “Effects of Parental Leave and Working Hours on Fathers’ Involvement with Their Babies: Evidence from the UK Millennium Cohort Study.” *Community, Work, and Family* 10(4): 407-424. Petra Persson and Maya Rossin-Slater (2019). “When Dad Can Stay Home: Fathers’ Workplace Flexibility and Maternal Health” IZA Discussion Paper No. 12386.

¹⁸ Ariel Marek Phil and Gaetano Basso (2019). “Did California Paid Family Leave Impact Infant Health?” *Journal of Policy Analysis and Management* 38(1): 155-180. Maya Rossin (2011). “The Effects of Maternity Leave on Children’s Birth and Infant Health Outcomes in the United States,” *Journal of Health Economics* 30(2): 221-239. Christopher J. Ruhm (2000). “Parental Leave and Child Health.” *Journal of Health Economics* 19(6): 931-960. Joyce Shim (2016) “Family Leave Policy and Child Mortality: Evidence from 19 OECD Countries from 1969 to 2010.” *International Journal of Social Welfare* 25(3): 215-221. Jenna Stearns (2015) “The Effects of Paid Maternity Leave: Evidence from Temporary Disability Insurance.” *Journal of Health Economics* 43(C): 85-102. Sakiko Tanaka (2005). “Parental Leave and Child Health Across OECD Countries.” *Economic Journal* 115(501): F7-F28.

Opinion surveys consistently show that Americans favor paid family and medical leave.²⁰ They understand that the need is widespread and they appreciate the benefits. This is why 8 states to date – CA, RI, NJ, NY, WA, MA, CT, and OR – and the District of Columbia have enacted paid family and medical leave laws that provide a period of paid leave – to care for a newborn or a seriously ill child or family member, or when a family member is deployed or returning from in the military – with many more considering such legislation.

These policies are also endorsed by employers. My colleagues and I have been surveying employers in states with paid family and medical leave laws – focusing especially on small employers who are often missing from such surveys. In three states with paid leave laws – RI, NJ, and NY – we found that two-thirds of employers were supportive of the laws; another 15-20% were neutral.²¹

The evidence on child care is also extensive and clear. Research from the landmark National Institute of Child Health and Human Development Study of Early Child Care, and many subsequent studies, have shown that high-quality child care improves children’s health, cognitive development, and social development, with especially beneficial effects for disadvantaged children.²² Yet too few Americans can afford quality child care, especially in early childhood when care is most expensive.²³ When more child care subsidies are available, parents are more likely to be employed, reducing poverty and promoting family economic stability. Indeed, our estimates suggest that universal child care could move 630,000 children whose families pay for child care out of poverty (reducing poverty by more than a third among families with children under the age of 13 paying for child care).²⁴ In addition, when more subsidies are available, more children receive child care and are in care of higher quality.²⁵ This is important for child

¹⁹ Kanika Arora and Douglas Wolf (2018). “Does Paid Family Leave Reduce Nursing Home Use? The California Experience.” *Journal of Policy Analysis and Management* 37(1): 38-62.

²⁰ Juliane Menasce Horowitz, Kim Parker, Nikki Graf, and Gretchen Livingston (2017). “Americans Widely Support Paid Family and Medical Leave, but Differ over Specific Policies.” Pew Research Center. Aparna Mathur, Isabel V. Sawhill, Heather Boushey, Ben Gitis, Ron Haskins, Doug Holtz-Eakin., Harry J. Holzer, et al. 2017. “Paid Family and Medical Leave: An Issue Whose Time Has Come.” AEI-Brookings Working Group on Paid Family Leave.

²¹ Ann P. Bartel, Maya Rossin-Slater, Christopher J. Ruhm, and Jane Waldfogel (2017). “Employer Attitudes to Paid Family Leave.” Stanford University https://web.stanford.edu/~mrossin/Bartel_et_al_EmployerAttitudesReport_Aug2017.pdf. See also evidence from California employers in Eileen Appelbaum and Ruth Milkman (2011) “Leaves That Pay: Employer and Worker Experiences with Paid Family Leave in California.” Center for Economic and Policy Research.

²² NICHD Early Child Care Research Network (2002). “Early Child Care and Children’s Development Prior to School Entry: Results from the NICHD Study of Early Child Care.” *American Education Research Journal* 39:133–164. Hiro Yoshikawa, Christina Weiland, Jeanne Brooks-Gunn, Margaret R. Burchinal, Linda M. Espinosa, William T. Gormley, Jens Ludwig, Katherine A. Magnuson, Deborah Phillips, and Martha J. Zaslow (2013). “Investing in Our Future: The Evidence Base on Preschool,” Society for Research in Child Development, Washington, D.C.

²³ Ajay Chaudry, Taryn Morrissey, Christina Weiland, and Hirokazu Yoshikawa (2017). *Cradle to Kindergarten: A New Plan to Combat Inequality*. New York, NY: Russell Sage Foundation. Ludovica Gambaro, Kitty Stewart, and Jane Waldfogel (eds.) (2014). *Equal Access to Child Care*. Bristol: The Policy Press. Jay Bainbridge, Marcia Meyers, Sakiko Tanaka, and Jane Waldfogel (2005). “Who Gets an Early Education? Family Income and the Gaps in Enrollment of 3-5 Year Olds from 1968-2000.” *Social Science Quarterly* 86(3): 724-745.

²⁴ Robert Paul Hartley, Marybeth J. Mattingly, Jane Waldfogel, and Christopher Wimer (2019). “Evaluating Proposals to Alleviate Child Care Burden for Working Families.” New York, NY: Center on Poverty and Social Policy at Columbia University.

well-being because high quality care can play a crucial role in helping improve school readiness and in narrowing gaps in readiness.²⁶

But we also need to look at what government can do to help families where a parent is not working, or not able to work enough hours. A spell of unemployment, or challenges in finding a job or enough hours, could befall any of us, and it is the role of the safety net to buffer that instability. Public programs such as SNAP and private charities such as food pantries play a crucial role – but families also need cash to buy their children clothing and school supplies, and to pay rent and utilities. For this reason, virtually all our peer countries have some form of universal child allowance or child benefit, paid monthly (or more frequently) to all families with children.²⁷ Our Child Tax Credit is the closest policy the United States has to serving this role for many American families – but unfortunately leaves out the lowest income for whom it would have the biggest impact.²⁸ Indeed, 23 million American children (1 in 3) live in families who earn too little to receive the full Child Tax Credit of \$2,000 per child authorized under the recent Tax Cuts and Jobs Act (TCJA).²⁹ This includes over half of Black and Hispanic children, the overwhelming majority (70%) of children in single parent households, 40% of young children under 6, and 42% of rural children.³⁰ Extending the Child Tax Credit to include the poorest families would move about 2 million children out of poverty (reducing child poverty by more than a fifth) and would move about 1 million children out of deep child poverty (family income below half the poverty line) (reducing it by more than a third).³¹ This should be a high priority and it is encouraging that proposals to do so have received bipartisan support.

²⁵ Haksoo Ahn (2012). “Child Care Subsidy, Child Care Costs, and Employment of Low-Income Single Mothers.” *Children and Youth Services Review* 34: 379–87. Jay Bainbridge, Marcia Meyers, and Jane Waldfogel (2003). “Child Care Reform and the Employment of Lone Mothers.” *Social Science Quarterly* 84(4): 771-791. Yoonsook Ha and Daniel P Miller (2015). “Child Care Subsidies and Employment Outcomes of Low-Income Families.” *Children and Youth Services Review* 59: 139–48. Chris M. Herbst (2010). “The Labor Supply Effects of Child Care Costs and Wages in the Presence of Subsidies and the Earned Income Tax Credit.” *Review of Economics of the Household* 8 (2): 199–230. Katherine Magnuson, Marcia Meyers, and Jane Waldfogel (2007). “The Effects of Expanded Public Funding for Early Education and Child Care on Enrollment in Formal Child Care in the 1990s.” *Social Service Review* 81(1): 47-83.

²⁶ Bruce Bradbury, Miles Corak, Jane Waldfogel, and Elizabeth Washbrook (2015). *Too Many Children Left Behind: The U.S. Achievement Gap in Comparative Perspective*. New York: Russell Sage Foundation. Ajay Chaudry, Taryn Morrissey, Christina Weiland, and Hirokazu Yoshikawa. 2017. *Cradle to Kindergarten: A New Plan to Combat Inequality*. New York, NY: Russell Sage Foundation. Christopher J. Ruhm and Jane Waldfogel (2012). “Long-Term Effects of Early Childhood Care and Education.” *Nordic Economic Policy Review* 1: 23-51.

²⁷ Irwin Garfinkel, David Harris, Jane Waldfogel, and Christopher Wimer. 2016. “Doing More for Our Children: Modeling a Universal Child Allowance or More Generous Child Tax Credit.” New York, NY: The Century Foundation.

²⁸ Sophie Collyer, David Harris, and Christopher Wimer (2019). “Left Behind: The One-Third of Children in Families Who Earn Too Little to Get the Full Child Tax Credit.” New York, NY: Center on Poverty and Social Policy at Columbia University.

²⁹ Sophie Collyer, David Harris, and Christopher Wimer (2019). “Left Behind: The One-Third of Children in Families Who Earn Too Little to Get the Full Child Tax Credit.” New York, NY: Center on Poverty and Social Policy at Columbia University.

³⁰ Sophie Collyer, David Harris, and Christopher Wimer (2019). “Left Behind: The One-Third of Children in Families Who Earn Too Little to Get the Full Child Tax Credit.” New York, NY: Center on Poverty and Social Policy at Columbia University.

³¹ Meg Wiehe, Christopher Wimer, Sophie Collyer, Aidan Davis, and David Harris (2019). “The Case for Extending State-Level Child Tax Credits to Those Left Out: A 50 State Analysis.” New York and Washington DC: Center on Poverty and Social Policy at Columbia University and The Institute on Taxation and Economic Policy.

In summary, while there is ample evidence about the critical role of current safety net policies like the EITC and SNAP as well as the efforts of charitable and philanthropic groups like Robin Hood, it is also clear that we need to do more. It is high time we joined our peers in providing paid family and medical leave, quality affordable child care, and a universal child allowance. These are not just vital supports for family economic well-being. They are also essential for the health and development of our children.