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Contact: Katherine Chu, Communications Coordinator 401.351.9400, Ext. 11 / kchu@rikidscount.org

Annie E. Casey Foundation Releases New Report Measuring Access to Opportunity

New Poverty Measure Shows the Effects of Safety Net Programs and Tax Policies on Families

The Supplemental Poverty Measure Shows Child Poverty Rate Cut Nearly in Half by Safety Net Programs and Tax Policies

Providence, RI (February 25, 2015) – The national Annie E. Casey Foundation released a report that shows that the federal government's official poverty measure created in the 1960s uses outdated information on how U.S. families are faring today, failing to illustrate the effect of programs designed to help them. The new KIDS COUNT Data Snapshot, *Measuring Access to Opportunity in the United States*, points to a better index for measuring poverty – the Supplemental Poverty Measure (SPM) – which captures the effect of safety net programs and tax policies on families.

The Supplemental Poverty Measure, created by the U.S. Census Bureau in 2011, factors in the impact of a number of social programs such as the Supplemental Nutrition Assistance Program (SNAP) and the Earned Income Tax Credit (EITC) and takes into account rising costs and other changes that affect a family's budget. The SPM also provides a more accurate assessment of poverty levels on a state and regional basis. It helps illustrate, for instance, the variations in the cost of living and the impact of federal programs from one state to the next.

"The official poverty measure does not provide the accurate information policymakers need to measure the success of anti-poverty programs – nationally and at the state-level," said Patrick McCarthy, president and CEO of the Annie E. Casey Foundation. "Relying on this tool alone prevents policymakers from gauging the effectiveness of government programs aimed at reducing child poverty. Given that child poverty costs our society an estimated \$500 billion a year in lost productivity and earnings as well as health- and crime-related costs, the SPM is an important tool that should be used to assess state-level progress in fighting poverty."

By using the SPM, researchers have determined that:

• In every state, anti-poverty programs tracked by the SPM are reducing the child poverty rate. (The federal government funds a vast majority of these programs.)

- Without government interventions, the rate of children in poverty would nearly double from 18% to 33%
- o Similarly, in Rhode Island, without these government interventions, the rate of children in poverty would double from 16% to 33%.

"The poverty rate is a critical indicator of the well-being of our children and families, as well as the health of our economy," said Elizabeth Burke Bryant, Executive Director of Rhode Island KIDS COUNT. "The Supplemental Poverty Measure shows the importance of preserving and strengthening programs like the state's Earned Income Tax Credit (EITC), Supplemental Nutrition Assistance Program (SNAP), and housing subsidies that are decreasing child poverty and improving the lives of thousands of Rhode Island's children and families."

"Continued investment in the development of the SPM can ensure our resources are directed in ways that give our children the best opportunity to succeed," said Laura Speer, the Casey Foundation's associate director, policy reform and advocacy. "It's critical that we look beyond just the federal poverty rate to evaluate the success of important social programs."

Measuring Access to Opportunity in the United States follows the Casey Foundation's 2014 report, Creating Opportunities for Families: A Two-Generation Approach, which outlined additional recommendations for helping families raise themselves out of poverty that include:

- Expanding access to high-quality early education;
- Changing tax credit policies to help families keep more of what they earn;
- Expanding and streamlining food and housing subsidies; and
- Developing approaches that link programs for kids like Head Start with programs for their parents, such as education and job training.

Measuring Access to Opportunity in the United States will be available at 12:01 EST on February 25 at www.aecf.org.

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Rhode Island KIDS COUNT is a statewide children's policy organization that works to improve the health, economic well-being, safety, education and development of Rhode Island children.

The Annie E. Casey Foundation creates a brighter future for the nation's children by developing solutions to strengthen families, build paths to economic opportunity and transform struggling communities into safer and healthier places to live, work and grow. For more information, visit www.aecf.org. KIDS COUNT® is a registered trademark of the Annie E. Casey Foundation.