



## SUMMARY

# ***Child Hunger: The Unhealthy Return on Missed Investments***

### ***New York City children are particularly vulnerable to food poverty***

In the midst of an economic downturn or recession, low-income households with children are often the hardest hit. Even in the best of circumstances, children and the households in which they live are particularly susceptible to poverty. Census data shows that while 19 percent of the New York City population lives below the poverty level, more than one-quarter (27 percent) of children live in poverty.<sup>1</sup>

Insufficient household income is an obvious contributing factor to poverty among children. For example, even though New York's minimum wage (currently \$7.15 and scheduled to increase to \$7.25 in July 2009<sup>2</sup>) is set at a higher level than the federal minimum wage (\$6.55) many New York families still struggle to meet basic needs. The annual gross earnings for a minimum wage full-time worker in New York City (working 40 hours per week for 52 weeks) is only \$14,872, well below the federal poverty level for a family of three (approximately \$17,000 annually).

In addition, families that are struggling to get by on insufficient incomes are unlikely to have savings to fall back on in the event of layoffs and/or escalating living costs. More than one out of every five (22 percent) New York City households with children would not be able to afford needed food immediately after the loss of their household income.<sup>3</sup> Indeed, research shows that in recent years the escalating cost of living has taken a particularly hard toll on households with children in New York City. In the period from 2003 to 2007 basic living costs in the metro area increased as follows: food by 15 percent, fuel and utility by 37 percent, housing by 18 percent, medical care by 17 percent and transportation by 14 percent. During the same time period there was a 41 percent increase, from almost one-third (32 percent) to almost one-half (45 percent), of New York City households with children experiencing difficulty affording needed food.<sup>4</sup>

Nowhere is this increasing number of households with children falling into food poverty more evident than at the doors of the city's approximately 1,000 emergency food organizations. As of 2007 more than one out of every five children (397,000) in New York City is relying on soup kitchens and food pantries, up 48 percent from 269,000 in 2004. Notably, children account for 43 percent of the overall increase in city residents, from one million to 1.3 million, relying on emergency food during this time period.<sup>5</sup>

Recognizing that the supply of emergency food is not a permanent solution to the food poverty problem, the network of soup kitchens and food pantries that webs the five boroughs is intended to create a safety net, a resource of last resort, when other interventions are not sufficient to ensure people have access to basic food every day. In recent times, this net has not been sufficiently reinforced to bear the extra weight of increased demand, and the city's children are among those who are falling through. Even as more families have turned to soup kitchens and food pantries for help, support and funding for emergency food has decreased. Subsequently, the number of families being turned away at emergency food organizations across the city is on the rise.

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<sup>1</sup> American Community Survey 2007. United States Census Bureau. (The Federal Poverty Level is approximately \$17,000 annually for a family of three.)

<sup>2</sup> United States Department of Labor.

<sup>3</sup> *NYC Hunger Experience 2008*. (2008). Food Bank For New York City / Marist College Institute for Public Opinion.

<sup>4</sup> *Ibid.*

<sup>5</sup> *NYC Hunger Safety Net 2007: A Food Poverty Focus*. (2007). Food Bank For New York City.

### **Government programs are not sufficiently capturing and addressing the need**

A part of the problem is that standard measures to calculate and address need neither provide a realistic representation of how many New York City families are struggling to make ends meet, nor equip families who qualify for government nutrition assistance with adequate resources to provide basic food for their households.

There is broad agreement that the current federal poverty measure, which fails to account for realistic living costs, such as housing, is antiquated.<sup>6</sup> And, while the practice of setting eligibility criteria for federal assistance programs at varying percentages of poverty at least demonstrates government recognition that the poverty measure is problematic, the current levels for nutrition assistance programs are inconsistent — for example, 130 percent of poverty for the Food Stamp Program and 185 percent for the Special Supplemental Nutrition Assistance Program for Women, Infants and Children (WIC) — and do not reflect the cost of living today. The inconsistency of eligibility criteria further contributes to a lack of coordination among the numerous government nutrition programs for which families may be eligible. Each program has a unique application process, placing an extra and confusing burden on parents thus increasing the likelihood of low participation rates.

Similarly, antiquated measures that are used to set benefit allocations for government food programs, such as USDA's Thrifty Food Plan (TFP) which is used to set food stamp benefits, do not represent the true cost of food. Consequently, these programs often do not bridge the gap between rising food costs and low wages. Among households with children accessing New York City emergency food organizations, almost one-half (46 percent) are enrolled in food stamps and 82 percent run out of the monthly benefit in three weeks or less.<sup>7</sup>

### **Food poverty has health and educational implications for children**

A more significant part of the problem is the consequence of food poverty among children. Poverty and lack of access to nutritious food has been shown to result in poor health and low academic achievement among children.

Research shows that food-poor children are 90 percent more likely to have fair/poor health than excellent/good health.<sup>8</sup> In New York City, more than one-half (53 percent) of elementary school children are overweight or obese. Inconsistent access to nutritious food has been shown to be a main cause of the epidemic of overweight children among those living below the poverty level.<sup>9</sup> Studies show that in response to inconsistent access to food, children tend to consume calorie-dense food when it is available, often leading to obesity.<sup>10</sup> Poverty is also linked to high asthma and diabetes rates in New York City. For example, approximately one out of every ten (10 percent) New York City children has asthma, higher than the 7 percent throughout New York State.

Not surprisingly, numerous studies over the years have also shown that food-poor children are more likely to have lower achievement in math and reading, more likely to repeat a grade, have

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<sup>6</sup> (1) *Increasing Opportunity and Reducing Poverty in New York City*. (2006). Commission for Economic Opportunity. (2) *An Alternative to the Federal Poverty Measure*. (2008). Center for Economic Opportunity. (3) *What is the Nature of Poverty and Economic Hardship in the United States?* (2008). National Center for Children in Poverty, Columbia University

<sup>7</sup> *NYC Hunger Safety Net 2007: A Food Poverty Focus*. (2007). Food Bank For New York City.

<sup>8</sup> Cook, John, Frank, Deborah, Department of Pediatrics, Boston, University School of Medicine. *Food Security, Poverty and Human Development in the United States*. (2008). New York Academy of Sciences.

<sup>9</sup> (1) Gibson, D. *Poverty, Food Stamp Program Participation and Health: Estimates from the NLSY97*. (2000). City University of New York, Baruch College. (2) Wang, Y., C. Monteiro, and B. Popkin. *Trends of Obesity and Underweight in Older Children and Adolescents in the United States, Brazil, China, and Russia..* (2002). American Journal of Clinical Nutrition Vol.75.

<sup>10</sup> *Ibid.*

behavioral problems and have higher rates of tardiness and absenteeism.<sup>11</sup> Hunger not only jeopardizes children's education, but also their future workforce participation; children starting out at a disadvantage are more likely to remain at a disadvantage into adulthood.<sup>12</sup>

### ***Financial crisis threatens to increase child food poverty***

This was the picture of food poverty among New York City children even before news stories of the unprecedented financial crises of 2008. The cost of living increases from 2003 to 2007, mentioned previously, have continued to escalate. From January to August 2008 food at home has increased by 5 percent while fuel and utilities rose by 19 percent, transportation by 8 percent and housing by 5 percent. Fiscal Policy Institute (FPI) analysis of the impact of rising living costs shows that, adjusted for inflation, the city's median wage fell by 4 percent from June 2007 to June 2008.

A broad range of economists, fiscal policy analysts and government officials are in agreement that the impact of the nation's fiscal crisis is only beginning to unfold. According to New York Governor David Paterson the New York finance and insurance sectors have lost approximately 11,000 jobs between July 2007 and July 2008 and this number is expected to grow. In total, an estimated 120,000 jobs may be lost as direct and indirect results of the economic crisis in New York City.<sup>13</sup> Analysis of New York State Department of Labor employment data conducted by the FPI shows that during the summer of 2008, there was a 25 percent increase, over the previous year, in the number of New York City workers filing for unemployment insurance.<sup>14</sup>

We can expect that the city's youngest and most vulnerable residents will continue to be among those who will fall the furthest as the tentacles of the economic crisis wind their way into communities across the city. Further job losses, escalating living costs and budget cuts that limit the ability of the social service sector to provide an adequate safety net will be hardest felt by households with children.

Current government nutrition assistance programs provide a strong foundation on which there is ample room for city, state and federal governments to construct an iron-clad safety net. Specific measures needed include:

- Public funding to maximize participation in government nutrition assistance programs by increasing outreach and benefit levels.
- Realistic eligibility criteria and streamlining, simplifying and improving coordination between nutrition assistance programs.
- Funding for initiatives to increase the amount of fresh, nutritious food available in low-income communities.
- Increased nutrition education and fitness programs for youth to exercise healthy choices.
- Support for the unique role of emergency food organizations as resources for low-income families.

Eradicating food poverty in New York City requires long-term measures that tackle the underlying causes, from addressing the city's lack of affordable housing to the creation of a living wage with healthcare benefits. In the near term, the dual goal of addressing existing food poverty among New York City children and preventing further hardship should undoubtedly be a priority, most especially as measures to contain the impact of the financial crisis are implemented.

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<sup>11</sup> Cook, John, Frank, Deborah, Department of Pediatrics, Boston, University School of Medicine. *Food Security, Poverty and Human Development in the United States*. (2008). New York Academy of Sciences.

<sup>12</sup> *Food Stamps as Medicine: A New Perspective on Children's Health*. (2007). Children's Sentinel Nutrition Assessment Program (C-SNAP).

<sup>13</sup> Press Release: Governor Paterson Orders Immediate Action on Behalf of Workers in the Financial Industry. (September 15, 2008).

<sup>14</sup> Parrott, James. *End of Wall Street As We Know It*. (2008). Fiscal Policy Institute.