All parents want what’s best for their kids. But the minimum wage has eroded to the point where many parents who work hard are simply not paid enough to make ends meet. For example, a single parent with two kids who works full time at the federal minimum wage earns $5,700 below the poverty threshold. This is due to a systemic problem with how little our economy values workers – not individual shortcomings.

Because children are our most vulnerable community members, they experience poverty at higher rates than the general population. In Pennsylvania, the poverty rate is 13%, but it rises to 19% when you look only at the state’s young people. In other words, over 500,000 PA children live in poverty – and that is a conservative estimate. Nationally, Pennsylvania ranks in the middle (28th highest child poverty rate out of the 50 states) based on the share of children who are in poverty.1 As the map below illustrates, child poverty is a widespread problem throughout much of the state. Most Pennsylvania counties with the highest child poverty rates (dark blue on the map) are in rural parts of the state.

Policymakers have a number of tools at their disposal to address child poverty. A comprehensive strategy for reducing child poverty combines safety net programs to target improvements in child health and early education with higher family incomes. Research shows that putting more money in parents’ pockets has proved highly effective at improving child outcomes.2 Raising the minimum wage is one of the best ways to do this. The chart on the next page shows just what kind of difference raising the wage would make for kids.
This chart illustrates that raising the minimum wage to $15 would lift almost 300,000 children above the federal poverty level—but there would still be work to do. To ensure no Pennsylvania child experiences poverty, we need a multi-pronged approach.³ Raising the minimum wage is a crucial first step.

### Why Child Poverty Matters

The evidence on the deleterious effects poverty can have on children is overwhelming. Because of the rapid and interrelated physical, cognitive, and emotional development that occurs during childhood, poverty has uniquely profound consequences. In fact, the effects of child poverty are so profound that they can last well into adulthood, limiting opportunities in the long run. And that affects us all.

Here is what we know, based on the evidence:

1. **Poverty Harms Child Development**
   - From birth, children form millions of neural connections per second.⁴ In fact, about 90% of brain growth occurs before age five.⁵
   - Ongoing stress in a child’s environment, like the stress caused by financial instability, can damage brain development.⁶
   - In general, many of the effects of child poverty are worse the earlier in a child’s life the poverty occurs, the longer it is experienced, and the deeper the deprivation.⁷
Poverty Harms Child Development (continued)

- Among children, poverty and low-wage parental pay are linked to higher rates of
  - Low birth weight
  - Infant mortality
  - Lead poisoning, which damages brain development
  - Malnutrition, a cause of poorer learning outcomes
  - Physical health problems like stunting, anemia, obesity, and injuries
  - Child abuse and neglect
  - Mental, emotional, and behavioral disorders

When parents’ jobs do not pay enough to meet the basics, children pay the price. Working more hours means less time for parent-child interaction, which is crucial for healthy cognitive and emotional development.

At the same time, working parents need quality childcare to ensure not only children’s safety while they’re at work but also a rich and nurturing environment for emotional development and early learning.

2. Poverty Leaves Lasting Marks on Children

The issues that arise from poverty are not short-lived. People who experience poverty in childhood are more likely to later

- Drop out of school
- Have children as teenagers
- Experience health problems like obesity and heart disease
- Earn less/be poorer as adults than peers who did not grow up poor
- Commit a crime

3. Reducing Child Poverty Benefits Everyone

While the evidence is unequivocal that child poverty can have devastating effects, it is also true that we can prevent it. And for society at large, this means big savings in

- Healthcare spending and lost productivity
- Crime and justice system spending
- Safety net expenditures

In addition, investment in early childhood leads to higher earnings, which in turn results in greater revenue from income taxes.

According to one study, at the national level the costs of child poverty “add up to about half a trillion dollars a year, or 3.8 percent of GDP.” Another study found that eliminating poverty in the first five years of life would increase lifetime earnings of up to $100,000 per child. Pennsylvania cannot afford to lose out on this benefit.

Finally, reducing child poverty promises more than a monetary return on investment for individuals and taxpayers – the benefits from increased happiness and the opportunity for everyone to fully realize their potential defy quantification.

So, we know the consequences for kids and for everyone. And we know how to address it: start by paying working parents a living wage. What does it say about our values if we don’t act to give our state’s children the best possible start in life?
References


3. Other policies needed to address child poverty include universal high quality early childhood education, paid family leave, and expanded nutritional assistance programs.


9. Ibid.

10. Brooks-Gunn and Duncan, pp. 60-61, 64;


11. Brooks-Gunn and Duncan, pp. 60;


12. Brooks-Gunn and Duncan, p. 60, p. 64;


14. Akee et al.;


15. Dodson, pp. 4-7;


16. Dodson, pp. 9-10;

   Ratcliffe and McKernan, pp. 9-15.

17. Dodson, p. 12;

   Ratcliffe and McKernan, pp. 9-15.

18. Dodson, p. 12.


19. Note the “vast majority” of people who grow up poor do not commit a crime. See:


See also:

Duncan et al., p. 4, 6;


21. Duncan, et al., p. 7;


22. Holzer et al.


Duncan et al., pp. 4-5;

