

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 grants aren't keeping up with the cost of living

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 income assistance grants to families are well below this, providing only about 40% of what's needed to cover the most basic human needs. Even with other programs like 3 Squares nutritional benefits families fall well below the poverty line.

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* =

\$1,863



Current Maximum Grant =

\$745



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

40%

of a subsistence budget.

*outside Chittenden County



Equity Lens

The 1996 law that created Temporary Aid to Needy Families (TANF) 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 1996 law emphasized personal responsibility and incentivized case-load 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

Vermont Can End Child Poverty

Vermont was slowly reducing the rate of kids living in poverty before the pandemic hit, reaching a low of 10% for the first time since 2002. The problem is **small enough to solve** in Vermont, and with federal COVID recovery programs in development that could cut child poverty in half, there is no better time to commit to going the rest of the distance for kids.

Reach Up is one of the ways to do this, but ongoing underfunding means the program reaches too few children, and provides much less support than they need.

It's time to **#RaiseReachUp**.

FY 2022 Budget Request

- ▶ Provide housing support through rental assistance vouchers or grants that account for fair market rents.
- ▶ Increase base grants to levels that provide for basic needs when combined with other supports like 3SquaresVT.
- ▶ Eliminate the \$77 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