



## **Economic Conditions of Families Better Than in Most States; At Risk From Proposed Federal Budget Cuts**

Massachusetts ranks **13<sup>th</sup> for the economic well-being** of children in the national KIDS COUNT [rankings](#) of the states, but continued progress could be at risk if Massachusetts loses federal funding that has been crucial to some of Massachusetts' successes. Cuts to federally-funded poverty reduction programs such as SNAP ("food stamps"), cash assistance (TANF), housing assistance, as well as other cuts proposed in the President's budget to employment and economic development programs could limit access to income support programs, could limit families' access to meaningful work, and could create budget challenges at the state level. Together, these circumstances could have a measurable impact on children's economic well-being.

### **The Rankings**

#### ***Tied for #1 for Lowest Percent of Teens Not Attending School and Not Working***

Census data show that just 4% of Massachusetts teens are neither in school nor working (known as "disconnected"). [Research](#) shows the importance of the partnership between federal and state government funding to help these young people re-engage and move towards a productive future. Disconnected youth are [at risk](#) for unemployment later in life, for a variety of antisocial behaviors, or even for teenage parenting.

#### ***Tied for #9 for Lowest Child Poverty Rate***

One out of every seven children in Massachusetts (15%) lives in poverty (for example in a family with an income of approximately \$24,000 for a family of four). Children in poverty are at greater [risk](#) for neurological, psychological, and other health risks, for educational risks, and housing instability. Recent [research](#) shows that public programs helps families move out of poverty and improve economic well-being.

#### ***Tied for #21 for Lowest Share of Children in Families Where No Parent has Full-Time Employment***

Massachusetts has [made](#) progress in regaining the jobs lost during the most recent recession. Even so, data from the 2015 Census estimate that there are still close to 385,000 children (28%) who live in families where no parent has full-time, year-round employment. Federal supports have been crucial for programs supporting job development and training.

#### ***Tied for #39 for Lowest Share of Children in Households Spending Over 30% on Housing***

Massachusetts has [long been known](#) for its high housing costs. More than one-third of children (473,000) lived in households spending more than 30% of their household income on housing in 2015. When housing costs take up a large share of a family's disposable income, there is [less left](#) for healthy food, medical care, or other family necessities. The federal government has been central to supporting affordable housing, through public housing authorities, housing construction supports, and federal rental subsidies.

The federal government is a [key partner](#) for the state in supporting programs that help move families out of poverty. Cuts to these programs could have lasting effects on Massachusetts' children.

- The state receives more than \$9.8 billion in federal funds for Medicaid (MassHealth), supporting affordable health insurance for low-income families—a crucial economic support. Proposed repeal of the Affordable Care Act's Medicaid expansion could put more than [\\$1.1 billion](#) at risk in Massachusetts by 2021. The proposal to turn Medicaid from an entitlement to a per capita cap and additional funding cuts in the President's budget proposal would cut even more. Altogether, these could amount to an [estimated](#) 45% reduction in federal funds for health insurance by 2026 (over \$4 billion each year). Federal revenue cuts this large would put enormous pressure on the state, potentially leading to cuts throughout the state budget.
- [760,000](#) Massachusetts residents are less likely to go to bed hungry thanks to almost [\\$1.2 billion](#) in benefits from the federally-funded SNAP ("food stamps") program. More than one-third of households receiving SNAP include children. The President's [proposed budget](#) would ultimately shift 25% of program costs (close to [\\$300 million](#)) to the state. Because the state would now share in the program's costs, it will be much harder for the program to meet expanding needs during a recession without cutting benefits.
- The state [receives](#) \$506 million for the Temporary Assistance for Needy Families (TANF) block grant, which supports child care for low-income families as well as [direct cash assistance](#) for very low-income families in the state's Transitional Assistance program. The President's [budget](#) proposal would [cut](#) funding going to Massachusetts by about \$90 million.
- The [Earned Income Tax Credit \(EITC\)](#) is an effective poverty-reduction program that increases after-tax income for low-income workers, primarily with children. More than [400,000](#) tax filers in 2013 in Massachusetts claim the EITC. The President's [proposed budget](#) would prohibit certain low-income families from receiving these tax credits.
- Even though job training programs can be the crucial link for low-income families to get access to meaningful work, the President's [budget](#) would cut 40% (\$38 million) from the state's allocation for [workforce innovation](#) (WIOA) funds.

In addition, the President's [proposed budget](#) recommends completely **eliminating** certain sources of federal funds. Massachusetts communities and families would [lose](#):

- \$149 million: LIHEAP (fuel assistance, income support for low-income families);
- \$27 million: HOME Investment Partnerships (creation of affordable housing);
- \$16 million: Community Services Block Grant (funding for community action agencies).

**To see what works to improve the economic well-being of our children, see MassBudget's [Children's Budget](#) and [State of Working Massachusetts](#).**