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Pandemic Poised to Exacerbate Decline in Economic Well-Being of Connecticut Families

New Data Show Increase in Percentage of Children Living in Poverty in Connecticut, Confirms Urgent Need to Make Game-Changing Expanded Federal Child Tax Credit Permanent

New Haven, Connecticut — Over the past decade, Connecticut has seen improvements in several measures analyzing education, health, and family and community well-being, but while economic indicators have improved in nearly every state, Connecticut has negatively diverged from national trends. That's according to the **2021 KIDS COUNT® Data Book**, a 50-state report of recent household data developed by the Annie E. Casey Foundation analyzing how families have fared between the Great Recession and the COVID-19 crisis.

Concerningly in Connecticut, child poverty has increased over the past decade and there has been little change in parental employment, even as child poverty and parental employment have improved nationally since the Great Recession. Today, as the federal government launched a new website and other resources for parents and caregivers eligible for an expanded federal child tax credit, the **2021 KIDS COUNT® Data Book** argues for making the expansion permanent. In addition to a permanent federal child tax credit, Connecticut Voices for Children has long argued for the creation of a state child tax credit in Connecticut. Creating a state-level child tax credit in addition to expanding the national child tax credit is fundamental to help close the state's growing income and wealth gaps.

"A permanent federal child tax credit and the creation of a state child tax credit will be essential to help families recover from the devastating impacts of the pandemic and address the concerning increase of Connecticut children living in poverty," **said Emily Byrne, executive director of Connecticut Voices for Children, Connecticut's new member of the KIDS COUNT network and KIDS COUNT host.** "The data confirm what we have suspected since the beginning of this crisis: Connecticut's economy is not situated to recover from the pandemic equitably without significant investments and strategic planning. Our state leadership has taken a good first step this legislative session and must continue to intentionally act to reverse these trends in order to increase family economic security and stave off further economic decline. However, funding beyond the pandemic is necessary to sustain progress."

The *Data Book* shows simply returning to a pre-pandemic level of support for children and families would shortchange millions of kids and fail to address persistent racial and ethnic disparities.

Sixteen indicators measuring four domains—economic well-being, education, health and family and community context—are used by the Annie E. Casey Foundation in each year's *Data Book* to assess child well-being. The annual KIDS COUNT data and rankings represent the most recent information available but do not capture the impact of the past year:

- **An increase in child poverty:** Between 2010 and 2019, there was an 8% *increase* in the percentage of children living in poverty in Connecticut, making Connecticut the *only* state to see an increase in the child poverty rate. National trends saw a 23% *decrease* in the percentage of children living in poverty. This increase in child poverty is especially concerning as it does not include the impacts of the pandemic.
- **An increase in youth connection:** Between 2010 and 2019, there was a 20% decrease in the percentage of teens not in school and not working in Connecticut. Prior to the pandemic, the state did well at keeping teens engaged through either school or work. During this time, Connecticut's national ranking of teens not in school and not working rose from third to first (with the lowest percentage ranked first).
- **An increase in preschool attendance of children:** Between 2009-11 and 2017-19, there was an 11% *decrease* in the percentage of children ages 3 and 4 not attending school. During this time, Connecticut's national ranking of the percentage of young children not in school rose from second to first (with the lowest percentage ranked first).
- **An increase in uninsured children:** Between 2010 and 2019, there was a 25% *decrease* in the percentage of uninsured children nationally. While Connecticut's low rate of uninsured children has wavered between 3% and 5% between 2010 and 2019, there was a worrisome uptick between 2018 and 2019, when the number of children without health insurance in Connecticut increased by 32% from 20,372 to 26,901.

"Connecticut excelled in connecting young children with school pre-pandemic, but with more than 20% of child care providers closing their doors for good due to the pandemic and a sharp decrease in the availability of preschool slots, we are poised to undo this good work educating and caring for our youngest residents," **said Lauren Ruth, research and policy director with Connecticut Voices for Children.** "Policymakers can use this moment to enact policies that protect the good work of the past decade while addressing long-standing inequities and repairing the damage brought on by the pandemic."

Investing in children, families and communities is a priority to ensure an equitable and expansive recovery. Several of the Annie E. Casey Foundation's suggestions have already been enacted in the American Rescue Plan, and additional recommendations include:

- **Congress should make the expansion of the federal child tax credit permanent and the State of Connecticut should create a child tax credit.** The child tax credit has long had bipartisan support, so lawmakers should find common cause and ensure the largest one-year drop ever in child poverty nationwide is not followed by a surge.

- **State and local governments should prioritize the recovery of hard-hit communities of color.**
- **States should expand income support that helps families care for their children.** Permanently extending unemployment insurance eligibility to contract, gig and other workers and the State of Connecticut can create a state Baby Bonds program that would allow families to save.
- **States that have not done so should expand Medicaid under the Affordable Care Act.** The American Rescue Plan offers incentives to do so.
- **States should strengthen public schools and pathways to postsecondary education and training.**

Release Information

The *2021 KIDS COUNT® Data Book* will be available June 21 at 12:01 a.m. EDT at www.aecf.org. Additional information is available at www.aecf.org/databook. Journalists interested in creating maps, graphs and rankings in stories about the Data Book can use the KIDS COUNT Data Center at datacenter.kidscount.org.

About Connecticut Voices for Children

Connecticut Voices for Children is a “think and do” tank working to ensure that Connecticut is a thriving and equitable state, and where all children achieve their full potential. In furtherance of its vision, Connecticut Voices for Children produces high-quality research and analysis, promotes citizen education, advocates for policy change at the state and local level and works to develop the next generation of leaders.

About the Annie E. Casey Foundation

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.

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