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## Childhood Poverty Is Found to Portend High Adult Costs

By [ERIK ECKHOLM](#)

WASHINGTON, Jan. 24 — Children who grow up poor cost the economy \$500 billion a year because they are less productive, earn less money, commit more crimes and have more health-related expenses, according to a study released on Wednesday.

“The high cost of childhood poverty to the U.S. suggests that investing significant resources in poverty reduction might be more cost effective than we thought,” said Harry J. Holzer, an economist at [Georgetown University](#) and the Urban Institute and one of the four authors of the report.

Mr. Holzer was one of several poverty experts who testified Wednesday to the House Ways and Means Committee as the report was released. The new chairman of the panel, Representative [Charles B. Rangel](#), Democrat of New York, said the experts were appearing “not as bleeding hearts, but to calculate the costs of poverty to our economy and society.”

“We’re talking about saving money and making productive people in the age of globalization,” Mr. Rangel said in comments that seemed to reflect an awareness by Democratic lawmakers of the financial and political constraints they face.

The hearing was the first of many expected over the coming year intended to focus attention on the 37 million Americans who live below the official poverty line, defined as \$19,350 a year for a family of four.

For more than 10 years, lawmakers had mainly focused on sweeping welfare changes passed in 1996 that imposed time limits and strict work requirements on welfare recipients. In the process, Democratic staff members in the House and Senate said this week, other crucial poverty-related topics were neglected.

Apart from an increase in the minimum wage, which the House passed on Jan. 10 but was blocked on Wednesday in the Senate by [Republicans](#) insisting on concessions for small businesses, the Democrats have not put together a broad

list of initiatives to combat poverty, staff members said, and they will spend time evaluating research and cost-effective tactics.

The report on the price of child poverty was commissioned by the Center for American Progress, a liberal group here that plans to issue detailed antipoverty recommendations in the spring.

A Republican scholar and former official who testified at the hearing, Ron Haskins, now a senior fellow at the [Brookings Institution](#), called the study superb and said that while economists might quibble over details, the \$500 billion cost estimate costs “might be in the ballpark.”

Mr. Haskins noted that the authors had not specified the high cost of eliminating child poverty, which census figures show affected 12.3 million children in 2005, or 17.1 percent of those younger than 18.

“Do not think that if we suddenly gave a bunch of money to poor people, everything would change,” he told lawmakers, adding that behaviors, neighborhoods and parents’ actions need to change if children’s life paths are to change.

Mr. Haskins said it was important to continue work requirements for most welfare recipients, along with government support for programs like child care and tax credits. Promoting the economic benefits of marriage is also important, he said, because a disproportionate number of single-parent families are poor.

In the only flare of partisan discord, some Democratic lawmakers questioned the effectiveness of promoting marriage, a favorite initiative of the Bush administration. But Democrats voiced no inclination to reverse the transformation of the welfare system into more of a work program.

Mr. Holzer and others said that although various proposals to ease poverty needed more research, some efforts, especially the earned-income tax credit, which benefits low-income workers, and quality prekindergarten education had been shown to justify their cost and deserved to expand.

Poor schooling, lack of employment and the high arrest rate among poor young men, especially black men, have emerged as major concerns of liberal and conservative experts alike.

David R. Jones, president of the Community Service Society of New York, testified that 16 percent of people in New York City ages 16 to 24 were neither

in school nor employed and that nearly 40 percent of all black men in the city were jobless, defined as unable to find work, unable to perform manual labor because of health problems, not looking for work or in prison.

Mr. Jones joined the growing chorus of experts who call for extending the earned-income tax credit, which supplements the low wages of poor working parents, to single men and women.

Social research and neuroscience have shown the importance of early childhood development on later functioning, Jane Knitzer, director of the National Center for Children in Poverty at [Columbia University](#), told the panel. Yet the Early Head Start program serves just 62,000 infants and children, Ms. Knitzer said.

In the coming year, lawmakers are expected to focus on refining and continuing some existing programs for poor children, including Head Start, food stamps and a health-insurance plan known as S-Chip.