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## **FOR IMMEDIATE RELEASE**

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### **Idaho Kids Count Reports that Economic Recession and Failure of Idaho to Effectively Access and Invest Stimulus Funds Severely Impacts Youth and Families**

Findings from focus groups, interviews, surveys and statistics on the impact of the economic recession on Idaho youth and families was released today at an Idaho Kids Count and Boise State University-sponsored event: "Small Faces in a BIG Recession." Data was presented by: Harriet Shaklee, Ph.D., University of Idaho; Susan Berning, World Portico; and Judy Brown, Center for Budget and Tax Policy.

According to Linda Jensen, director of Idaho Kids Count, national research sets the stage for the Idaho data story. "The Child Well-being Index provides a composite look at national child-well being as measured by 28 quality of life indicators which includes a prediction of the likely impacts of the current economic recession on child well-being in 2009 and 2010. Based on early data and historical trends, this report predicts a severe decline in overall child well-being." Those predictions include: Economic well-being will be particularly impacted with child poverty growing and median family income declining significantly; virtually all progress that has been made in family economic well-being since 1975 is expected to be eliminated; and overall child health will decline and fewer children will participate in public preschool programs.

It is a well-known fact that children suffer when families are economically stressed, says Jensen. "Studies show that children in low-income families have more challenges in physical, social, emotional and cognitive development than age-mates from higher income families. Poverty-level children are at particular risk, with elevated rates of school disciplinary actions, youth arrests, teen pregnancy, and academic underachievement. Children under age 3 are most likely to fall into poverty, at a time when important physical, social and cognitive development is occurring."

"The Idaho Kids Count report encourages citizens, advocates and policy makers in Idaho to resist cutting critical public services to children and move aggressively to access all available federal stimulus funds earmarked to help vulnerable children and families not only survive the recession, but also build their capacity to contribute to a real and lasting economic recovery for Idaho," adds Jensen.

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Overall, the findings from “Small Faces in a BIG Recession” show that in Idaho, the impact of the recession has been especially devastating to youth and families, based on how certain industries fare, says Harriet Shaklee, Ph.D., from the University of Idaho.

Housing became a serious cost burden for low-income families with children during the recession, says Dr. Shaklee, especially among the 51% of renters and 42% of home owners that spent more than half of their incomes on housing in 2008, which impacted their available funding for basic needs. “Research shows that families spending a high percentage of their incomes on housing have less money available for basic needs, spending an average of \$123 less each month on food, \$86 less on health care, and \$20 less on clothing compared to families that spent 30% or less of their income on housing in 2008.” Dr. Shaklee acknowledges that the surge in home prices and the high-risk mortgage lending practices had the impact of pricing many families out of home ownership. “Jobs and housing are critical to the economic security of children. Those who did get mortgages soon felt the squeeze of higher payments as adjustable rates took hold. As foreclosure rates jumped, Idaho helped lead the trend and now ranks ninth highest in the nation.”

A survey by the Northwest Area Foundation in the summer of 2009 shows that income loss and spending cutbacks were common in households throughout Idaho, says Dr. Shaklee. “Nearly 38 percent of workers had their hours cut in the last 12 months and 26 percent of workers have been laid off from their jobs in the last 12 months. As a result, families were forced to cut costs, including reduced food spending (55%), and cutting back on retirement savings (49%). A third of Idaho families had problems paying for basic necessities, such as mortgage/rent, heating, food and medical care. While Idahoans are struggling to deal with income loss and family difficulties, surveys and focus groups show they are eager to pitch in. They also indicated that they expect local officials to get churches, businesses, schools and other groups to work together to help people who are struggling to make ends meet.”

Judy Brown, from the Center for Budget and Tax Policy, analyzed a report on the Economic Recovery Act and Idaho’s legislative response to the recession and stimulus opportunities. “Reports from the stimulus funds available to Idaho showed that leadership was slow to react to this program and ultimately, the needs of children and families in Idaho,” says Brown. Other findings from Brown’s report include:

-In 2009, Congress enacted the American Recovery and Reinvestment Act (ARRA), also known as the “economic recovery plan” and the “stimulus package.” ARRA’s immediate purpose was to stimulate the economy quickly and prevent the worst recession in decades from turning into a repeat of the Great Depression by saving and creating jobs and by making public investments across many categories. Of the \$787 billion allocated to ARRA, 1.24 billion is targeted for Idaho and is to be doled out over three years.

-In Idaho, 52 percent of ARRA funding announced to date has been made available. The average across all states is 77 percent. To date, only one state (New Mexico) has been slower than Idaho in applying for and receiving these funds. Also, to date, Idaho has spent just 17 percent of ARRA funds, ranking it as the ninth slowest of the 50 states and Washington D.C., based on its ability to take full advantage of funding opportunities available through ARRA.

The average is 31 percent. Some ARRA funds have been used to plug budget gaps in Medicaid created in part by Idaho's inability to meet the federal match requirement to draw down funds. Stimulus funds have also softened the blow for public education, allowing Idaho's public schools to escape planned cuts and end with a 0.4 % increase for the 2009/2010 school year.

-From May 2007 to June 2009, the rate of unemployment in Idaho tripled. The figures are worse for teens with unemployment rates hovering around 25 percent. These job losses have imperiled many Idaho families with children. The construction bust fed the rate of unemployment in Idaho. While still lower than the nation, unemployment in Idaho has increased at a faster pace.

"The good news is that as the recession nears the end of its third year, indications are that it is at last coming to an end and the recovery is finally beginning. Unfortunately, the recovery is expected to be long and slow, with Idaho's recovery lagging the nation. A projected lackluster, jobless recovery means Idaho will continue to face serious budget shortfalls into 2011 and 2012. The repercussions of a slow recovery in Idaho means the impact on Idaho's children will likely be lasting and deep," says Brown.

According to focus group research conducted by Susan Berning of World Portico, children, youth, young adults, parents and providers all expressed intense worry about negative long-term impacts on the futures of Idaho children. "All groups expressed concern in some way about both kids and adults potentially spiraling into behavior problems as a result of troubling events. Also mentioned was the problem of anxiety leading to abuses, and the loss of housing leading to fractured families to be dealt with by an overburdened, understaffed and otherwise inadequate public support system. A coordinated, community connection was the highest priority need for all groups interviewed. Many felt that the antidote for economic stress and dwindling resources was to connect the 'I haves' with the 'I needs'."

Linda Jensen concludes that Idaho will recover to the extent that we help our children recover from this devastating recession. "If we fail to take care of the needs of children, we will likely see more poor health, lower education achievement and increased family instability. We all lose, and our future loses when children are denied the opportunity to thrive."

To view the full reports from the Idaho Kids Count Academy event, please visit [IdahoKidsCount.org](http://IdahoKidsCount.org)

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