

## **The Cost of Child Poverty State by State**

*Lori Pfingst*

*Assistant Director, Washington Kids Count*

### **The Costs of Child Poverty**

Recent data from the Census Bureau’s 2006 American Community Survey indicates that there are over 13 million children living in poverty in the United States. The social consequences of growing up in poverty have been well documented. Children growing up below the poverty line have poorer health outcomes, lower educational achievement, and are more likely to become involved with the criminal justice system compared to children growing up in more economically stable households. The consequences of being poor in childhood often carry into adulthood. Adults who grew up poor are less likely to attend higher education, obtain stable employment, and have families who are economically secure.

The economic costs associated with child poverty are staggering. Recent estimates suggest that growing up in poverty costs the U.S. \$500 billion annually (3.8% of U.S. GDP) in the form of foregone earnings, involvement with crime, and the costs associated with poor health outcomes. In effect, this is the amount of money that would accrue to the U.S. if poverty were to be eliminated.<sup>1</sup>

### **State-Level Estimates**

The social and economic costs associated with childhood poverty are a powerful argument for policymakers to develop poverty reduction campaigns at both the federal and state level. Several states have developed poverty reduction campaigns and some have implemented new anti-poverty policies. To aid in these efforts, Washington KIDS COUNT calculated the cost of child poverty in each state (Table1). In light of these numbers, poverty reduction should be viewed as a social investment that generates billions of dollars in returns to society in the form of increased economic productivity, reduced expenditures on health care and the criminal justice system, and improvements to multiple dimensions of children’s well-being.<sup>2</sup>

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<sup>1</sup> Holzer HJ, Schazzenbach, DW, Duncan, G, and Ludwig, J (2007) *The Economic Costs of Poverty in the United States: Subsequent Effects of Children Growing Up Poor*. National Poverty Center Working Paper Series # 07-04.

<sup>2</sup> Ibid.

**Table 1**  
**State Costs of Growing Up in Poverty**

| STATE                | Percent of Children Living in Poverty (2006) <sup>3</sup> | Number of Children Living in Poverty (2006) | Annual Cost of Growing Up in Poverty (in billions) <sup>4</sup> |
|----------------------|---|---|---|
| <b>United States</b> | <b>18%</b>  | <b>13,284,000</b>                           | <b>\$500</b>  |
| Alabama              | 23%   | 253,000                                     | \$9.5   |
| Alaska               | 15%   | 26,000                                      | \$1.0   |
| Arizona              | 20%   | 312,000                                     | \$11.7  |
| Arkansas             | 24%   | 165,000                                     | \$6.2   |
| California           | 18%   | 1,697,000                                   | \$63.9  |
| Colorado             | 16%   | 180,000                                     | \$6.8   |
| Connecticut          | 11%   | 89,000                                      | \$3.3   |
| Delaware             | 16%   | 32,000                                      | \$1.2   |
| DC                   | 33%   | 37,000                                      | \$1.4   |
| Florida              | 17%   | 689,000                                     | \$25.9  |
| Georgia              | 20%   | 485,000                                     | \$18.3  |
| Hawaii               | 11%   | 33,000                                      | \$1.2   |
| Idaho                | 15%   | 58,000                                      | \$2.2   |
| Illinois             | 17%   | 543,000                                     | \$20.4  |
| Indiana              | 18%   | 277,000                                     | \$10.4  |
| Iowa                 | 14%   | 96,000                                      | \$3.6   |
| Kansas               | 16%   | 107,000                                     | \$4.0   |
| Kentucky             | 23%   | 223,000                                     | \$8.4   |
| Louisiana            | 28%   | 298,000                                     | \$11.2  |
| Maine                | 18%   | 48,000                                      | \$1.8   |
| Maryland             | 10%   | 130,000                                     | \$4.9   |
| Massachusetts        | 12%   | 178,000                                     | \$6.7   |
| Michigan             | 18%   | 445,000                                     | \$16.7  |
| Minnesota            | 12%   | 152,000                                     | \$5.7   |
| Mississippi          | 30%   | 220,000                                     | \$8.3   |

| STATE          | Percent of Children Living in Poverty (2006) | Number of Children Living in Poverty (2006) | Annual Cost of Growing Up in Poverty (in billions) |
|----------------|--|---|--|
| Missouri       | 19%  | 260,000                                     | \$9.8  |
| Montana        | 17%  | 37,000                                      | \$1.4  |
| Nebraska       | 14%  | 63,000                                      | \$2.4  |
| Nevada         | 14%  | 87,000                                      | \$3.3  |
| New Hampshire  | 10%  | 28,000                                      | \$1.1  |
| New Jersey     | 12%  | 244,000                                     | \$9.2  |
| New Mexico     | 26%  | 128,000                                     | \$4.8  |
| New York       | 20%  | 888,000                                     | \$33.4   |
| North Carolina | 20%  | 429,000                                     | \$16.1   |
| North Dakota   | 13%  | 18,000                                      | \$0.7  |
| Ohio           | 19%  | 509,000                                     | \$19.2   |
| Oklahoma       | 24%  | 213,000                                     | \$8.0  |
| Oregon         | 17%  | 141,000                                     | \$5.3  |
| Pennsylvania   | 17%  | 465,000                                     | \$17.5   |
| Rhode Island   | 15%  | 35,000                                      | \$1.3  |
| South Carolina | 22%  | 226,000                                     | \$8.5  |
| South Dakota   | 17%  | 32,000                                      | \$1.2  |
| Tennessee      | 23%  | 322,000                                     | \$12.1   |
| Texas          | 24%  | 1,527,000                                   | \$57.5   |
| Utah           | 12%  | 93,000                                      | \$3.5  |
| Vermont        | 13%  | 17,000                                      | \$0.6  |
| Virginia       | 12%  | 216,000                                     | \$8.1  |
| Washington     | 15%  | 231,000                                     | \$8.7  |
| West Virginia  | 25%  | 96,000                                      | \$3.6  |
| Wisconsin      | 15%  | 192,000                                     | \$7.2  |
| Wyoming        | 12%  | 14,000                                      | \$0.5  |

## Resources

For more information on child poverty in your state, visit the National Center for Children in Poverty at [www.nccp.org](http://www.nccp.org).

<sup>3</sup> Percent and number of children living in poverty (less than 100% FPL) were taken from the Annie E. Casey Foundation Kids Count On-Line Database; Population Reference Bureau analysis of data from the U.S. Census Bureau, Census 2000 Supplementary Survey, 2001 Supplementary Survey, 2002 through 2006 American Community Survey.

<sup>4</sup> Estimates were derived by calculating the share of children in poverty by state and multiplying that proportion by \$500 billion. Estimates were also derived using an alternative method (not shown), where each state's GDP was multiplied by its poverty rate relative to the national rate, and then multiplied by .038. The correlation between the two methods was .99.