

Why So Many Parents Can't Put Enough Food on the Table

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KIDS COUNT

New Mexico ranks 49th out of 50 states on child well-being

16 indicators of child well-being under four domains:



Economic Well-Being



Health



Education



Family and Community





Economic Well-Being

We now have the highest rate of child poverty

31% of our children live at or below the poverty level*

*\$23,850 for a family of four



28% of our children are food insecure

Sources: *KIDS COUNT Data Book*, Annie E. Casey Foundation, 2015;
Map the Meal Gap, Feeding America, 2015

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Economic Well-Being

35% of our children have parents who lack full-time year-round work

33% of our children live in households with a high housing cost burden*

*Spending 30% or more of their income on housing

Source: *KIDS COUNT Data Book*, Annie E. Casey Foundation, 2015

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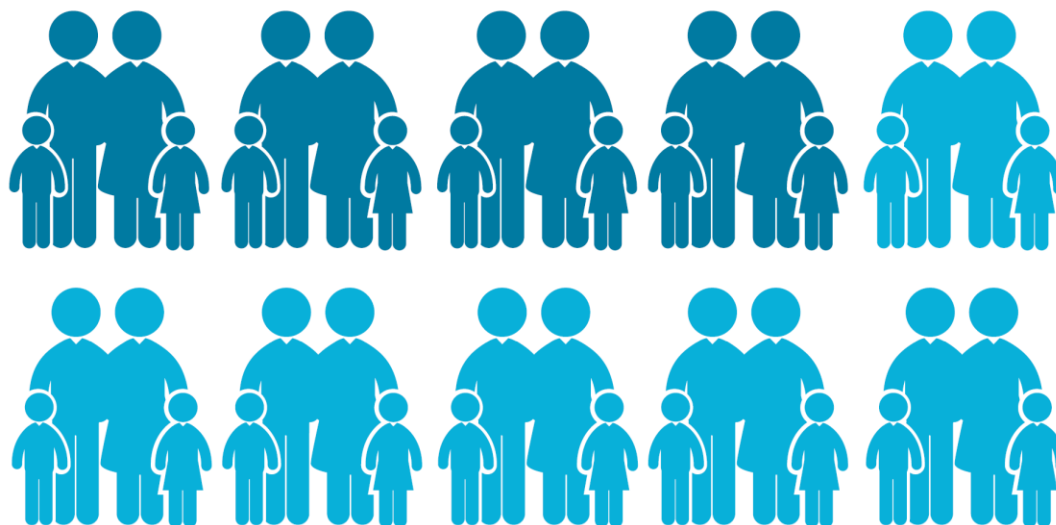
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Work doesn't pay well

We have the 2nd highest rate of working families who are low income

42% of our
working families
are low income



Source: Working Poor Families Project calculations of 2013 U.S. Census American Community Survey data

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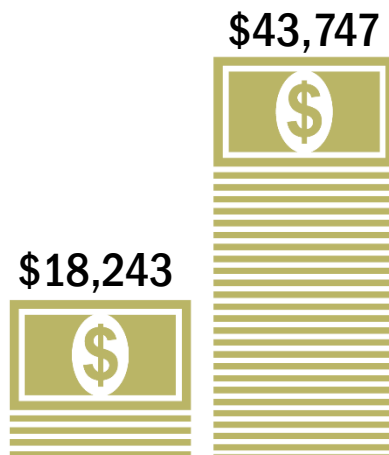


Work doesn't pay well

78% of SNAP families
have at least one worker



SNAP households have a median income of just \$18,243



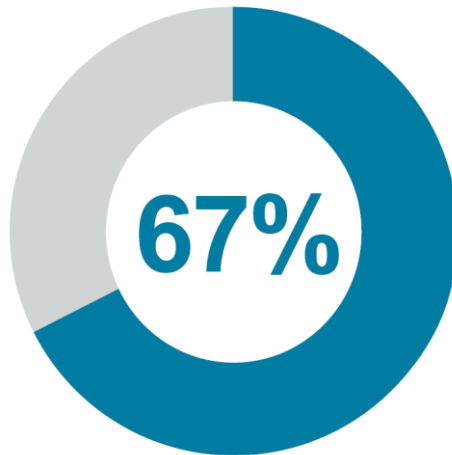
That's *below the poverty level* for a family of three

And *less than half* the state's median income

Source: Profile of SNAP Households, US Department of Agriculture, 2015

Work doesn't pay well

67% of our jobs are in occupations that pay low wages



- Retail
- Leisure & Hospitality
- Education & Health Care
- Professional Services (office & administrative support)

Source: Analysis of Occupational Employment Statistics, Bureau of Labor Statistics, 2012

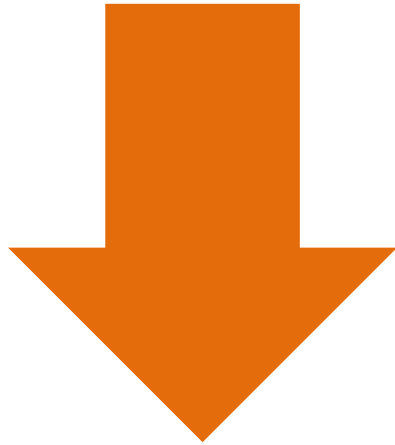
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Job growth is still slow

New Mexico's job growth rate is among the lowest in the nation



- In May 2015, we still had 20,000 fewer jobs than we did in May 2008
- 64,000 New Mexicans are unemployed (not working but actively seeking jobs)

Source: Bureau of Labor Statistics, Current Population Survey

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Unemployment is still high

New Mexico has the highest rate of long-term unemployment in the nation

45% of unemployed have been out of work for 27 weeks or more



NM's long-term unemployed spend 43 weeks on average between jobs



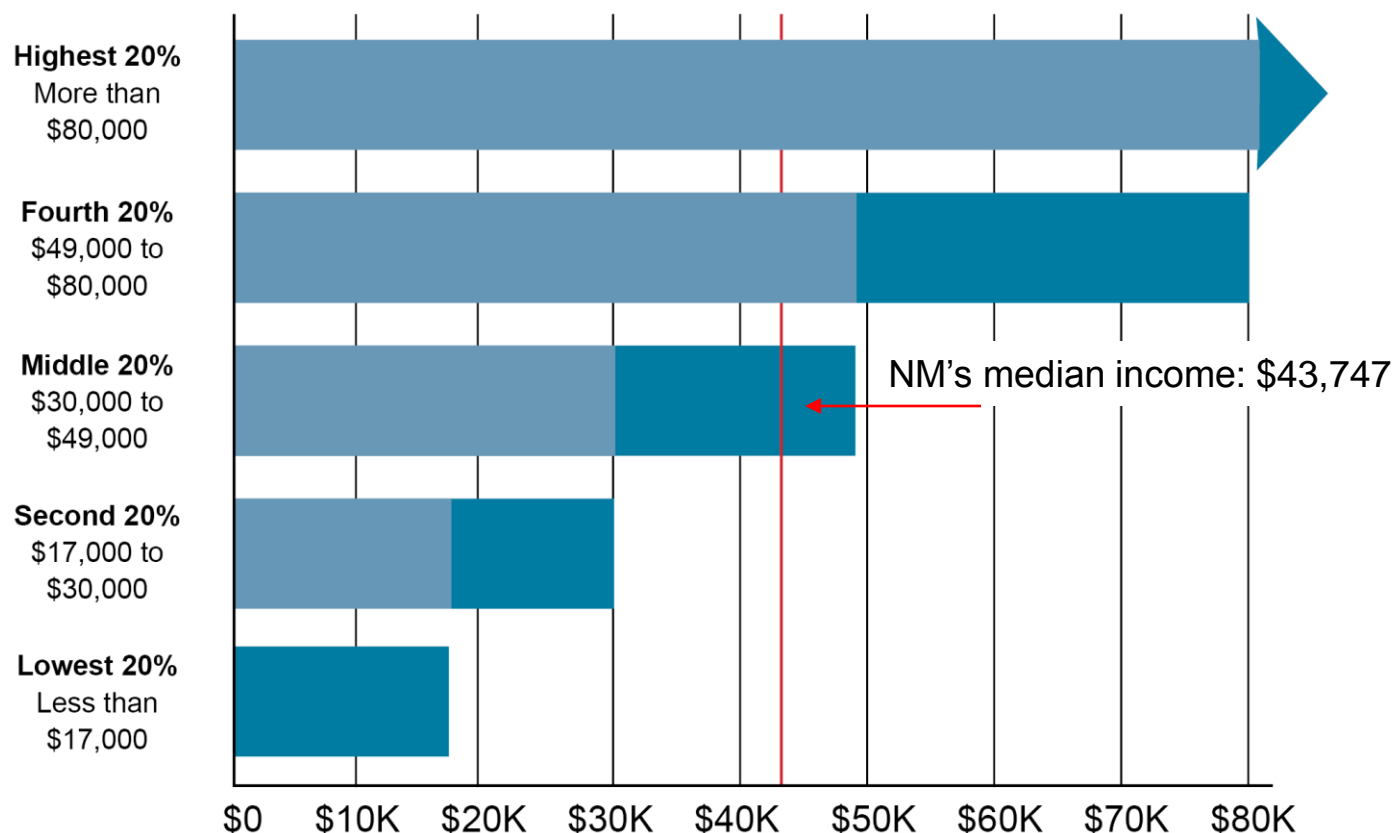
The national average is 28 weeks

Source: Bureau of Labor Statistics, Current Population Survey

Income in New Mexico

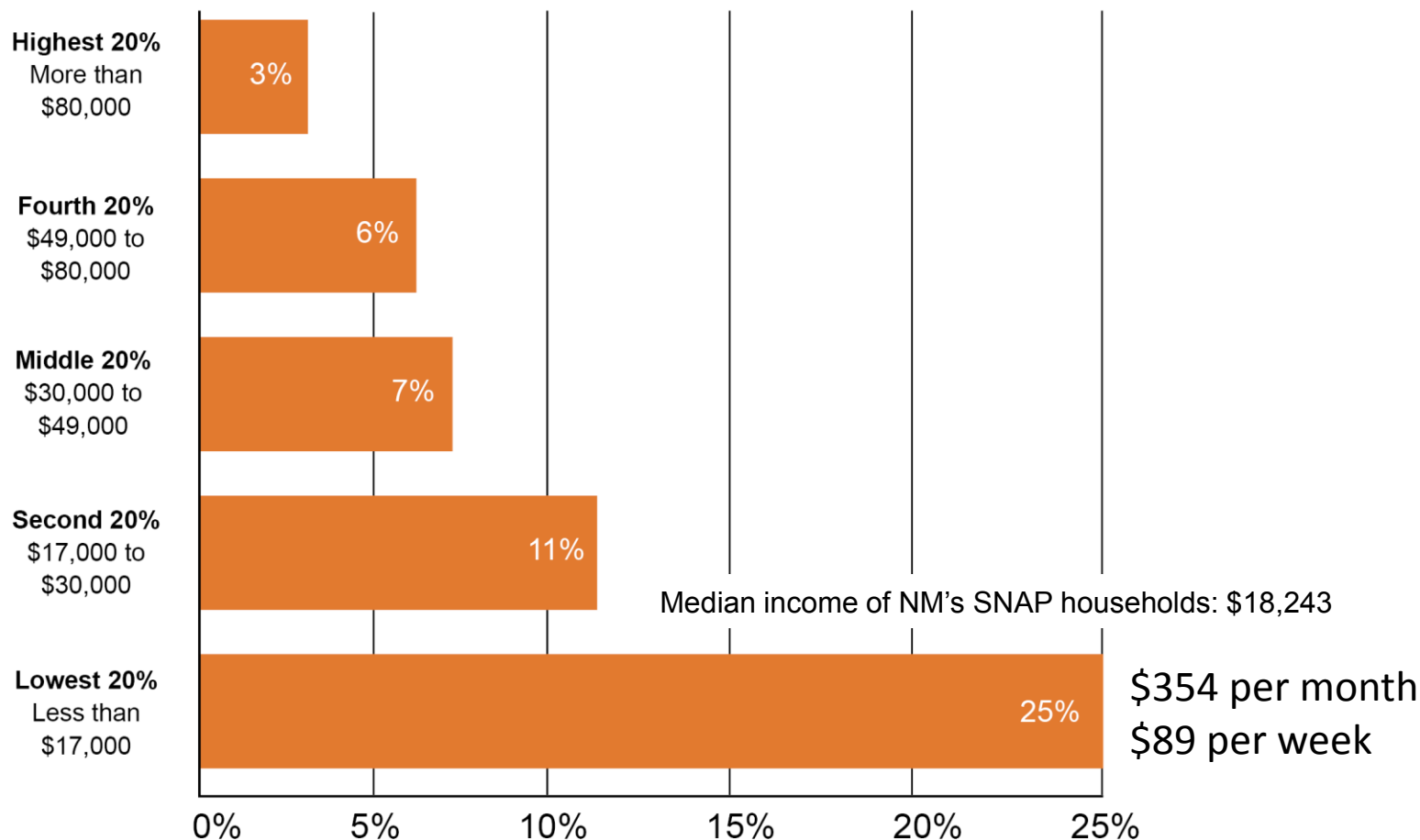
Our tax system relies most heavily on those who can least afford it

New Mexico tax filers by quintile, 2014



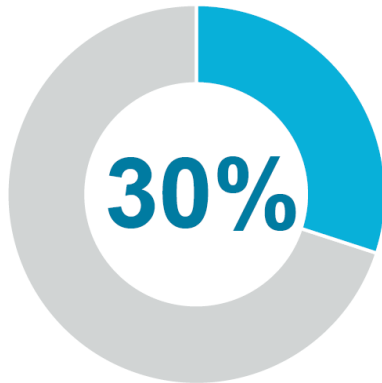
Income in New Mexico

The lower your income, the higher the share that is spent on food

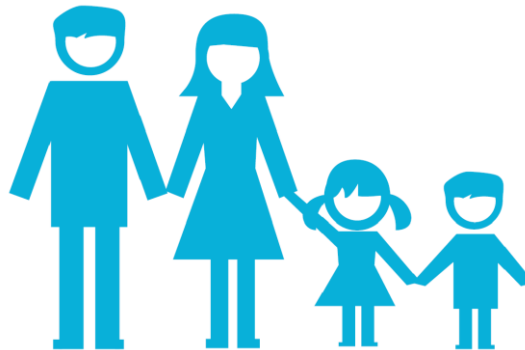


Low-income families cannot make ends meet

High-quality child care costs more than tuition at UNM



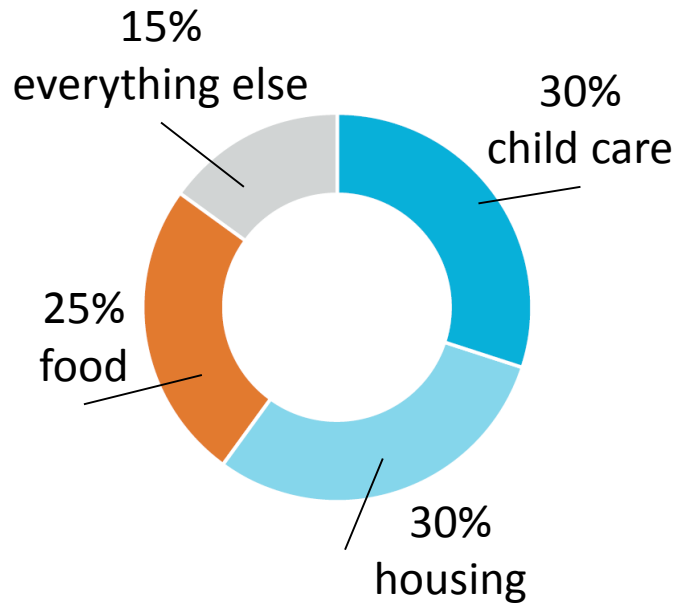
A family of four spends 30% of their income on child care



Source: *Parents and the High Cost of Child Care*,
Child Care Aware, 2014

Low-income families cannot make ends meet

And don't forget the high cost of housing for many families



33% of children live in families that spend 30% or more on housing

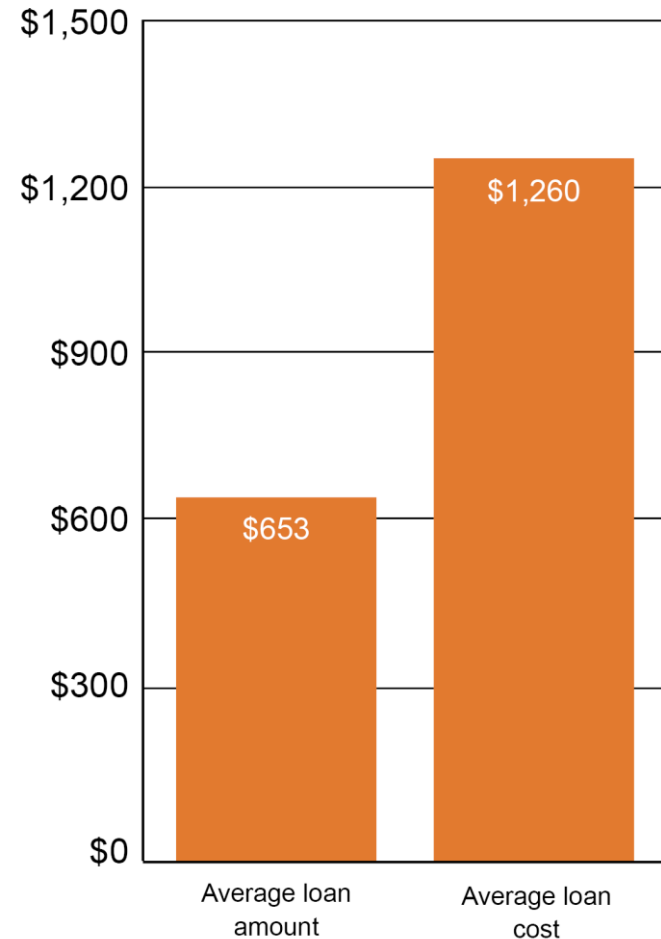


The high cost of predatory lending

Desperate families may turn to predatory lending

Total of all title, payday, and installment loans over 175% APR, 2013

- 164,500 borrowers
- 340% APR
- 4-6 month average loan term
- 40% of loans not fully repaid

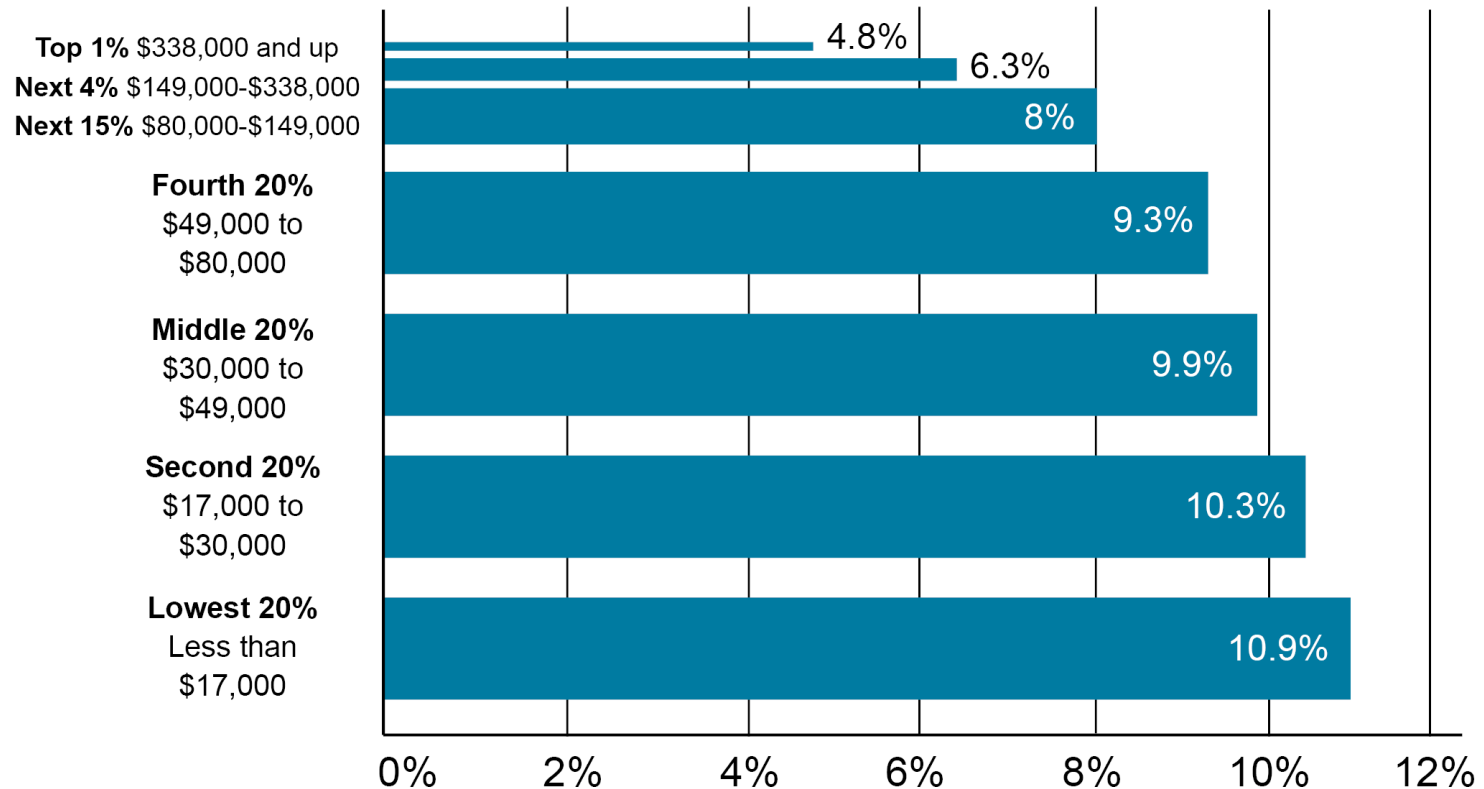


Source: New Mexico Department of Regulation and Licensing Statistics, 2013

Tax policies in New Mexico

The lower your income the higher the share that goes to state and local taxes

State and local tax incidence by quintile, 2014



Source: *Who Pays?*, Institute on Taxation and Economic Policy, 2015



Policy solutions

End predatory lending practices like payday, car title, rent-to-own, and tax refund anticipation loans by capping interest rates at 36%

- Lenders find ways around regulatory practices by simply inventing new products
- Incentivize low-cost loan/credit products





Policy solutions

Raise the value of NM's Working Families Tax Credit from 10% of the EITC to 15%

- EITC injects \$500 million into NM economy
- WFTC returns \$50 million to working families
- 97% goes to working families with kids
- Without these 2 credits, 40,000 *more* NM families would be in poverty

Source: NMVC analysis of tax year 2012 Internal Revenue
Service data provided by the Brookings Institute



Policy solutions

Increase the statewide minimum wage (including tipped wage) and index it to inflation

- 21% of NM children have at least one parent who would benefit
- Has lost 10% of its purchasing power since 2009

Expand paid sick leave and family medical leave

- Low-income parents are the least likely to have paid leave, so they lose wages in order to take a sick day to care for themselves or a sick child

Source: Economic Policy Institute analysis of U.S. Census Bureau Current Population Survey data



Policy solutions

Reinstate child dependent credit for unemployment benefits

- A small additional benefit for children of unemployed workers was cut in 2011

Reinstate eligibility level to 200% FPL for child care assistance

- Child care assistance is down to 150% of FPL
- Enrollment has dropped by 30% (8,000 children)
- Funding was cut by \$1 million for FY16

Source: Legislative Finance Committee post session reviews, various years



Policy solutions

Allow grandparents raising grandkids access to assistance programs

- \$33,000 children live with their grandparents

Enact express-lane enrollment

- Use eligibility from programs such as Medicaid to enroll families in SNAP

Expand SNAP Double Up Food Bucks program

- \$400,000 was appropriated for FY16

Require grocers/growers to donate leftover food to pantries

Source for grandparents caring for grandkids: *The State of America's Children*, Children's Defense Fund, 2014

Policy problems

Do Not

Reinstate the tax on food

- 61% of food insecure NMs report choosing between paying utilities or buying food
- 48% report choosing between paying their rent or mortgage or buying food
- 59% report choosing between paying for medicine or medical care or buying food

Cut off SNAP benefits for parents who cannot find work



Source for food tax: *Hunger in New Mexico*, NM Association of Food Banks, 2014



Thank you!

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