



COALITION ON HUMAN NEEDS

FOR IMMEDIATE RELEASE

July 26, 2010

CONTACT: Deborah Weinstein

202-223-2532, ext. 111

301-873-1324 (cell)

New Report Paints Disturbing Portrait of Recession's Toll on Children and Young Adults

*Urges Immediate Congressional Action to Ensure Struggles Faced by Recession Generation
Don't Stunt Economic Recovery*

WASHINGTON, D.C. – Without immediate action, there is growing evidence that the effects of the Great Recession will linger for years, causing lasting damage to a generation of children and young adults, according to a new report by the Coalition on Human Needs.

The problems will be especially severe for low-income children in families struggling to meet basic needs and for young adults who face reduced education and job opportunities, according to the report, *The Recession Generation: Preventing Long-term Damage from Child Poverty and Young Adult Joblessness*.

“Lost jobs, damaged educational opportunities, reduced family resources and a decrease in family economic stability are drastically limiting the opportunities available to those growing up and coming of age during this recession,” notes the report.

The impact is so widespread that it threatens the nation's future prosperity. “The problems confronting low-income children and young adults are not simply their problems,” said Deborah Weinstein, executive director of the Coalition on Human Needs. “Our country's economic growth will be stunted if these young workers earn less and consume less. More of their children will be poor, and their children's poverty will hurt the next generation's economic prospects.”

Even before the recession, the costs to the United States associated with childhood poverty were calculated to total \$500 billion a year—the equivalent of nearly 4 percent of GDP. These costs include lower earnings as adults, which in turn reflect lower workforce productivity, increased criminal activity and poor health later in life.

The report calls on Congress to take immediate and bold action to change this course, noting that there is compelling evidence that federal investments in effective programs and policies can make an enormous difference. Specifically it urges Congress to pass legislation to save and create jobs and to lessen hardships faced by children and families, such as extending the successful investments made in the American Recovery and Reinvestment Act (ARRA).

Many of those investments will expire by the end of 2010 without Congressional action. They include extending job creation and training programs like the TANF (Temporary Assistance for

Needy Families) Emergency Fund; providing additional aid for strapped states to fund Medicaid, education and other vital services; expanding funding levels for child care assistance, Head Start and youth jobs programs; and preserving expanded tax credits that give low-income families the extra financial boost they need, including the Earned Income Tax Credit and the Child Tax Credit. The report documents health problems connected to poor child nutrition, and urges Congress to continue expanded food stamp benefit levels now in place and to enact improvements in child nutrition programs.

“Concerns about the deficit are causing some in Congress to ignore the compelling evidence of harm confronting children and young workers,” said Weinstein. “They fail to see that helping these children helps our economy and that providing jobs and training to young workers is essential to creating a skilled and productive future labor force. With the recovery slowing, economists agree that taking such action is vital to spurring economic growth.”

The Recession Generation: Preventing Long-term Damage from Child Poverty and Young Adult Joblessness, points out that in the far less severe recession of the early 1980s, even white male college graduates suffered substantial earnings losses that persisted for years. An increase of one percentage point in the unemployment rate resulted in average wages that were 4 percent lower *each year* after college graduation during a 17-year period, compared with young graduates who entered the workforce in better times. The report also shows that the increasing poverty and joblessness caused by recessions are related to low birth weight, poor health and poor nutrition, all of which reduce worker productivity and earnings for years to come.

The report paints a disturbing portrait of the growing need and diminishing prospects facing low-income children and young adults. Before the recession began, the youth unemployment rate (for 16 to 19 year olds) grew from 12.7 percent in January 2000 to 16.9 percent in December 2007. By June 2010 it stood at 25.7 percent and 15.3 percent for 20-24 year olds. For African American youth, Depression-level joblessness has been a reality for some time. Their unemployment rate was just below 40 percent in June, a little down from the peak of 42 percent in February 2009. Hispanic/Latino youth had rates almost as high at 36 percent in June. To read the complete report and executive summary [click here](#) or visit www.chn.org.

#####

The Coalition on Human Needs (CHN) is an alliance of national organizations working together to promote public policies which address the needs of low-income and other vulnerable populations. The Coalition conducts analyses of federal budget proposals and policies to determine their impact on people in need. The Coalition's members include civil rights, religious, labor and professional organizations and those concerned with the well being of children, women, the elderly and people with disabilities. CHN is located at 1120 Connecticut Ave. NW Suite 312, Washington, D.C. 20036.

For more information please visit www.chn.org