Struggling To Put Food On The Table

In a low-income budget, food is often the most flexible item. Rent, transportation, child care, utilities—these are fixed expenses. Food is one place a struggling family cuts corners.

President Obama and others have set a goal of ending childhood hunger in the United States by 2015. One component needed to achieve this goal is strong child nutrition programs, like the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) and the school meal programs.

Food assistance to hungry and poor people is vital, but it is not enough. Progress against hunger and poverty requires broader efforts.

Causes of Hunger: The causes of child hunger in the United States are rooted in poverty.

Parents earning low wages struggle to make ends meet and feed their children. Low-income families live on the edge of a financial precipice. If the car breaks down, a child gets sick, the furnace goes on the blink, or a parent is laid off a job, a low-income family is in trouble. Any one of these things could mean the difference between having enough food on the table and not.

Poverty forces drastic choices, like watering down a baby’s formula to make it last longer.

In 2010, Bread for the World members successfully urged Congress to adopt changes to U.S. tax policy that benefit low-income families.

Taxes are often near the top of the agenda in Congress. In the midst of the debate over which taxes to change and which to renew, the needs of low-income people could easily be lost. Bread for the World asked Congress to protect and strengthen key tax credits that can make a big difference for low-income workers and their families. Bread for the World was successful, and in December of 2010, Congress passed a bill that extended tax credits for low income families through 2012. Now, Bread for the World will ask Congress to continue to protect these critical tax credits.

“A faithful advocate is different than a Washington insider. A faithful advocate is more than just a lobbyist. A faithful advocate is a moral compass for elected officials.” Eric Mitchell

The Earned Income Tax Credit (EITC) was established in 1975 to help families keep more of their earnings. The EITC lifts more children above the poverty line than any other government program, according to the Brookings Institution. In 2011, more than 26 million households applied for the EITC and received an average of $2,240. As a result, an estimated 6.6 million people, including 3.3 million children, were lifted above the poverty line.

The EITC could help more low-income families:

- The size of the tax credit does not increase for families with more than three children even though their poverty rates are higher.
- Filing for the EITC is complicated so most eligible families use commercial tax preparation services. This means EITC filers pay hundreds of dollars every year.
unnecessarily—money needed to support their families.

- Tax filers can lose part of their refund by taking “Refund Anticipation Loans”—short-term, high-interest loans based on the tax filer’s expected refund—because their immediate needs are so pressing.

Another credit, the **Child Tax Credit** (CTC), is worth up to $1,000 for each child under age 17 claimed on a worker’s tax return. The refundable portion of the credit, which primarily goes to low-income households, provides close to $20 billion to families with children every year. In December 2010, Congress extended a law allowing families making as little as $3,000 a year to receive the credit. If the CTC improvements hadn’t been extended, 6 million kids would have lost their credit, and 10 million kids would have seen a smaller credit.

For a large share of Americans, the U.S. labor market no longer works as a reliable way to build a stable career and support their families.

This was true before the job losses of the current recession (as of October 2011, the country had 6.3 million fewer jobs since the start of the recession in December 2007). And unless there are structural changes in the economy, it will be true again once the recession has passed.

Down on the bottom rungs of the economic ladder, where too many people who once had middle-income careers now reside, the real value of wages when adjusted for inflation has been declining for years.

One in four jobs does not pay enough to lift a family of four out of poverty. The federal government tries to compensate low-wage workers through programs such as the **Earned Income Tax Credit** (EITC).

Without this and other forms of assistance, many more working families would be struggling to put food on the table and pay for housing, utilities, health care, child care, transportation to and from work, and more. Many families are forced to survive by living under a mounting pile of debt.

**HOW THE U.S. FEEDS ITS HUNGRY**

SNAP (formerly food stamps) is the largest nutrition assistance program administered by the federal government.

44.7 million are fed each month through SNAP.

99% of households that receive benefits through SNAP live below the poverty line.

$4.30 is the average amount of assistance given through SNAP per person per day.

9 months is the average period that a family receives SNAP benefits.

95% of food for hungry people comes from federal programs, such as SNAP, WIC and school meals.

5% of food for hungry people comes from the private sector, such as food banks and churches.

Congress passed a landmark budget agreement on August 2, 2011. That law, the **Budget Control Act** (BCA), raised the debt ceiling and prevented the United States from defaulting on its debts. It also included a process whereby Congress would reduce deficits by $2.1 trillion over the next 10 years.

This bipartisan agreement cut federal spending by nearly one trillion dollars over the next decade by capping annual appropriated spending known as discretionary spending for the next ten years.

The BCA also established a special bipartisan committee of 12 senators to develop a package that reduced deficits by an additional $1.2 trillion over the next ten years. Informally called the “Super Committee,” they were unable to reach a deal. Therefore, under the BCA, we will see $1.2 trillion in across-the-board
cuts (also known as “sequestration”) over the next decade, starting in January 2013. Half of these cuts will come from defense spending.

But that’s not all Congress faces after the November elections. Congress will need to grapple with the following issues:

- $1.2 trillion in across-the-board spending cuts (also known as "sequestration")
- Expiration of all the 2001 and 2003 tax cuts, including the 2009 improvements to the Earned Income Tax Credit and Child Tax Credit
- Farm bill reauthorization
- Annual federal budget for fiscal year 2013, which determines the spending levels for all discretionary spending, including poverty-focused development assistance, WIC, and international food aid

What's at stake?

Everything! What happens now in Congress will affect us over the next decade, since all of the anti-poverty and anti-hunger programs that Bread for the World has fought for are at stake. Our analysis shows that cuts to these programs could have disastrous consequences to those Jesus calls "the least of these."

ACTIONS

Negotiations are under way to craft a deficit reduction package before the end of the year. Contact your senators and representative today and urge them to include a circle of protection around programs for hungry and poor people. Ask them to

1. include explicit protections around effective programs for hungry and poor people – programs such as SNAP, WIC, the Earned Income Tax Credit and the Child Tax Credit.
2. balance responsible spending cuts with new tax revenues.

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Child Nutrition and SNAP

An estimated 22 million U.S. children use SNAP to purchase a nutritionally adequate diet. This represents close to 1 in 3 children (29 percent) in the United States.

**SNAP** is the Supplemental Nutrition Assistance Program, formerly food stamps.