Economic Supports Can Prevent Child Abuse & Neglect in North Carolina

About Prevent Child Abuse NC

Prevent Child Abuse North Carolina (PCANC) is the leading statewide nonprofit organization dedicated to preventing child abuse and neglect. Through collaboration with partners across North Carolina, PCANC works with communities to build safe, stable, nurturing relationships for all children. PCANC is the North Carolina chapter of Prevent Child Abuse America.

PCANC’s policy team advocates for policies that strengthen families and prevent child maltreatment. This work is grounded in the Center for the Study of Social Policy’s Strengthening Families Protective Factors Framework.

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NC is spending money on a preventable problem, but not enough on preventing it in the first place. We can prevent child abuse, North Carolina, by investing in upstream strategies that can address the root causes of child abuse and neglect, ultimately saving both money and lives.

Children have tremendous potential – which our society needs – and which we have a shared obligation to foster and protect.

North Carolina spends more than $2 billion annually on the downstream consequences of child abuse and neglect in our social services, criminal justice, health care and education systems – and in lost worker productivity for the workforce. Child abuse and neglect are considered Adverse Childhood Experiences (ACEs), a grouping of potentially traumatic early experiences collectively cited by the Centers for Disease Control and Prevention (CDC) and the American Academy of Pediatrics as a public health crisis correlated to five of the top ten leading causes of death in the United States. The original study on ACEs also included childhood experiences such as witnessing or experiencing violence and growing up in a household with a family member experiencing mental illness or substance misuse. A newer model for ACEs incorporates ‘Adverse Community Experiences’ as well, such as experiencing poverty, discrimination, and poor housing quality or affordability.

Both types of adverse experiences, in the absence of protective supports, can disrupt children’s healthy development. Sustained experiences of adversity can lead to toxic stress levels that overwhelm the body’s stress response and can lead to lasting health impacts from wear and tear on the body’s vital systems. Exposure to unhealthy environments where there is violence or poor living conditions can also have both immediate and lasting health effects. A few of the many long-term health consequences that can result from unbuffered childhood adversity are depression, heart disease, and cancer.

However, child maltreatment is preventable with strategic policies that enhance the well-being and resiliency of families, helping to prevent abuse and neglect from happening in the first place. The Center for the Study of Social Policy cites Concrete Supports for Families in Times of Need as a key
Protective Factor®. Recent studies confirm that providing various economic supports to families can significantly reduce involvement with child welfare, reduce the number of children entering foster care, and offer significant savings in federal, state, and county budgets – while resulting in positive outcomes for children's health, safety, educational attainment, and workforce preparedness. Providing these concrete supports can also build the resilience of children and families by helping them to better weather challenges while buffering the effect of adversity on children's developing brains and bodies.

Nationally, estimates suggest that between 60–75% of CPS reports are for neglect\(^9,10\). Courts have been found to remove children from homes and to fail reunification for “reasons of poverty” that could potentially be resolved through the provision of economic or material resources\(^11\). As stated by former leadership of the U.S. Children's Bureau:

“Poverty is a risk factor for neglect, but poverty does not equate to neglect... We must also be very clear that poverty is disproportionately present in communities of color and that this fact carries direct implications for child welfare. Overwhelmingly, the faces of the children, youth, and parents involved in child welfare are black and brown or very poor and white—people who data tells us are more often economically vulnerable or disadvantaged.”\(^12\)

Children of color experience investigations for allegations of child abuse and neglect at much higher rates than white children—one study that followed a birth cohort found that **about half of Black children and Native American children (46.8% and 50.2%, respectively) experienced a CPS investigation by their 18th birthday**, as compared to 26.3% overall for the cohort\(^13\). Black children are disproportionately represented in foster care as well—while 14% of the general child population, Black children make up 23% of the foster care population\(^14\).

Policies that strengthen economic supports for families may prevent child maltreatment and reduce foster care entries and associated costs\(^15\), while also creating a more equitable system. Investing upstream in economic supports to address the root causes of child maltreatment is good for kids, good preventative medicine, and good public policy.

**A new body of research indicates that investments in economic supports for families save money in the child welfare system and, most importantly, improve outcomes for children and families, ultimately improving health, safety, educational attainment, and future workforce productivity.**

Every child is filled with promise, and it is on all of us to protect and foster their potential by creating a society that helps nurture them in safe, stable, and nurturing relationships and environments. The policies that we choose to enact offer opportunities to design systems in equitable and supportive ways to ensure that children, their families, and communities can thrive. In order to achieve this goal, every policy should consider families and their needs, and work to reduce stressors so that families have the concrete supports that they need to provide strong and supportive family relationships.
The following are some research-based policy solutions:

- **Refundable State Earned Income Tax Credit**
- **Minimum Wage Increases**
- **Access to Health Care**
- **Resourcing Families in Early Childhood Home Visiting**
- **Child Welfare System Differential Response with Concrete Supports**
- **Supportive Housing**
- **Paid Family and Medical Leave**
- **Child Care Subsidies**

### Refundable State Earned Income Tax Credit (EITC)

For its potential as a strong economic support to families, the Centers for Disease Control and Prevention (CDC) recommends the EITC as a tool to mitigate the risk factors associated with child abuse and neglect. The CDC advises that boosting a family's financial security can reduce child abuse and neglect by improving parents' ability to meet the family's basic needs and provide quality child care, while also reducing parental stress and depression.

A refundable state EITC is associated with reductions in CPS involvement, especially for single-mother families and larger families. A refundable state EITC of at least 10% of the federal EITC has been associated with an 11% decrease in foster care entries compared to states without a state-level EITC, even after controlling for child poverty rate, racial/ethnic composition, education, and unemployment. According to the North Carolina Department of Revenue, each year more than 850,000 NC families could benefit from a state EITC, including nearly 1.2 million children. NC lawmakers established the state EITC in 2007, in the middle of the two economic downturns that occurred during the 2000s. That decade represented a lost decade for families in North Carolina who faced substantial job loss, spikes in poverty, a boom in low-wage work, and prolonged deterioration in household income. In 2014 the state EITC was repealed in NC. Now in 2021, many front-line, essential workers have continued to work through the COVID-19 pandemic in low-wage jobs, and this workforce is disproportionately comprised of women, as well as Black, Indigenous, and Latinx workers.

Eligible North Carolinians receive an average of $2,500 annually in federal EITC benefits. Therefore, a refundable state EITC set at 20% of the federal credit, which is approximately the national average, would mean an extra $500 annually for working families in our state. This additional concrete economic support for families could make a significant difference in helping to make ends meet. Receiving an EITC is associated with the increased consumption of healthy, fresh foods at home and the decreased consumption of processed foods, which are typically cheaper and more accessible. This benefit is crucial for ensuring lifelong health, as food insecurity has been associated with lasting health impacts like diabetes and hypertension. In North Carolina, one in seven people faces hunger, and one in five children struggles with hunger.
Minimum Wage Increases

The minimum wage in North Carolina is currently $7.25 an hour for most employees, except for tipped workers, full-time students, learners, and apprentices, for whom there are lower minimum wages permitted. Some agricultural and domestic employees are instead subject to the federal minimum wage, which is currently also $7.25 per hour, however many farmworkers remain exempt from minimum wage laws altogether.

The state minimum wage in North Carolina was last increased in 2008, when it was increased by 70 cents from $6.55 to the current rate of $7.25 per hour, despite a persistently rising cost of living in communities across the state. According to the United Way of North Carolina's "Our Money Needs Calculator", a family with two working parents and two school-aged children would need each parent working full-time for at least $16 per hour in Mecklenburg County, $12 per hour in Wilson County, or $14 per hour in Watauga County to make ends meet. Notably, based on this calculator, the minimum wage of $7.25 per hour would not be sufficient for a family of two working parents with two school-aged children to cover expenses without outside assistance in any of North Carolina's 100 counties.

One study found that states increasing the minimum wage beyond $7.25 per hour saw a reduction in child maltreatment reports, with a 9.6% reduction in neglect reports for every $1 increase in hourly wages. This study also found that the associated reduction in child maltreatment reports was especially strong for neglect among young (0–5) and school-aged (6–12) children, with the biggest reduction in neglect for the youngest children—a critical period for development of attachments, relationships, and healthy brains. By supporting caregivers with an increase in hourly wages, we can give them tools to provide for their children's basic needs, particularly their young children.

Access to Health Care

Families across North Carolina struggle to access health care, with many caught in the coverage gap of making more than the threshold to be eligible for Medicaid coverage, but too little to afford purchasing private health insurance. This gap in access to affordable health care coverage contributes to the large number of uninsured children in our state—about 142,000 children in 2019. States have the option to expand Medicaid coverage to include adults with incomes up to 138% of the federal poverty level, as has been done in 38 states, and doing so is one potential avenue for resolving this gap in access to health care coverage. States’ expansion of Medicaid has been linked to reductions in psychological distress for low-income parents—both decreasing the share of low-income parents reporting severe psychological distress and increasing the share of low-income parents reporting no or mild distress. Alleviating such significant stressors on parents equips them to provide more stable and nurturing relationships for their children.

Access to affordable health care is important for families’ medical needs and parental mental health, but the positive impacts go even further. States where Medicaid has been expanded saw an associated 422 fewer cases of child neglect per 100,000 children than states without expanded Medicaid, which was an 11% drop from the baseline rate of child neglect. This same study found no associated decrease in physical abuse with Medicaid expansion, indicating that expanding Medicaid specifically addresses a factor of child neglect, such as strained family finances.
Resourcing Families in Evidence-Based Early Childhood Home Visiting

Early childhood home visiting programs that offer concrete supports for families have resulted in families being more likely to remain engaged in the program and less likely to experience a child maltreatment report. One study found that concrete supports provided by a home visitor, like assistance with utility bills or clothing, predicted improvements in parenting outcomes and reductions in recidivism with child welfare services. Evidence-based, early childhood home visiting programs such as Family Connects, developed by the Duke Center for Child and Family Policy, have been shown to reduce the likelihood of child maltreatment by 44%.

By investing in home visiting programs, long-term outcomes for parents and children are improved. This includes increased positive parenting skills, more responsive parenting interactions, increased parental knowledge of child development, stronger parent–child bonds, and fewer negative and stress reactions. All of these positive outcomes interact with each other to improve child well-being by supporting families, strengthening parent–child relationships, and promoting self-confidence.

Child Welfare System Differential Response with Concrete Supports

Differential response in child welfare systems allows greater flexibility for social workers to keep more families safely together, separating “investigations” from “family assessments” based on the risk level and specific details of the allegations. North Carolina has implemented differential response, called the “multiple response system”, with lower-risk reports able to go through a family assessment where there is a greater emphasis on partnership building and enhancing the family’s existing strengths and supports.

Concrete supports, such as housing assistance, rent, utilities, food or clothing, appliances, furniture, home repair, or other financial help, that are provided to low-income families via differential response resulted in fewer subsequent neglect reports (43.2%) compared to families receiving no concrete supports. Concrete supports to low-income families via differential response also resulted in fewer removals of children from their homes into foster care.

Supportive Housing

In the 2016–2017 school year, the NC public school system counted 29,545 K-12 students who had experienced homelessness during the school year—more recent data is not yet available, but it is notable that this data is from before the pandemic and associated recession. Studies have found that over 50% of adults experiencing homelessness who are living in shelters are parents, and 44% of mothers experiencing homelessness were separated from one or more children. Another study found that 37% of children whose mothers experienced homelessness were involved with the child welfare system at some point. “Inadequate housing” was identified as a circumstance of removal for about 11% of children in foster care in 2012.

Supportive housing interventions combine affordable housing with intensive case management services to help families remain housed and address other challenges, such as substance use or chronic physical health conditions. One study found that families receiving supportive housing experienced fewer child
removals from the home than families in the control group, (9% vs 40%). In addition, families receiving supportive housing, experienced higher rates of reunification than those who did not receive supportive housing (30% vs. 9%). Another study found that providing supportive housing improved outcomes for children by reducing changes in where they attended school, increasing school attendance, increasing math test scores, and decreasing overall involvement with the child welfare system.

Supportive housing interventions are cost effective and could produce an annual estimated savings of $23 million in North Carolina if families who fit the criteria were housed with supportive services instead of removing and placing their children in foster care with services. In 2019, Mecklenburg County allocated $1 million to implement Keeping Families Together, a supportive housing program considered to be a promising practice in improving child well-being and decreasing involvement with the child welfare system.

### Paid Family and Medical Leave

Paid leave policies provide employees with partially- or fully- compensated time away from work for specific, significant family caregiving needs. Paid family and medical leave policies are concrete supports and are critical in preventing child abuse and neglect because they allow parents to take protected time off from work without jeopardizing their finances or employment. This is a concrete policy solution that will support families in time of need. When families face unseen financial hardships, it sets the stage for increased parental stress, which could be a trigger for abuse and neglect. Boosting family income through paid family leave can relieve pressure, helping to head off childhood adversity before it happens.

In North Carolina, the unpaid leave offered by the Family and Medical Leave Act of 1993 (FMLA) is inaccessible to 64% of working people. Many moms are returning to work too soon after giving birth—one analysis found that a quarter of women working in the US returned to work as soon as two weeks postpartum, and 12% returned within a week of childbirth. The science is also clear that the early weeks of life are critical to parent-child attachment and the creation of the nurturing, responsive relationships that babies need to build a strong foundation for life-long brain development, learning, and good health.

In March 2019, the Duke Center on Child and Family Policy conducted a study that examined the potential implementation and impacts of a paid family and medical leave insurance program in NC. They found several likely benefits to children, families, employers, and the overall economy, including:

- Twenty-six infant lives saved each year if NC offered twelve weeks paid leave at 80% wage replacement;
- Decreased nursing home usage;
- Decreased reliance on public assistance; and
- Support for individuals and families battling opioid addiction.

The “Sandwich Generation” is the time of life when middle-aged adults, who are often caring for young
children, are also providing care for their aging parents. Around 40% of caregivers for elderly relatives work in inflexible environments and have been forced to reduce their work hours or quit\textsuperscript{54}. This has a substantial impact on women in the workforce.

Workers in low-wage, part-time, and many of the front-line/essential worker jobs are also the least likely to have access to paid leave policies—meaning that the lack of statewide paid leave policies in North Carolina disproportionately impacts workers who are women, and especially Black, Latinx, Asian American and Pacific Islander (AAPI), and Native American workers\textsuperscript{55,56}. Wage replacement rates for paid leave policies are a critical equity consideration, as a loss of any portion of wages can be particularly challenging for low-wage earners who have little-to-no room in their budgets for lost wages. Statewide paid leave policies with sufficient wage replacement rates are therefore one key tool in building an equitable recovery.

**Child Care Subsidies**

Quality child care can encourage positive parenting practices\textsuperscript{57}, while instability in and the financial burden of child care arrangements have been found to be associated with poor parenting behaviors\textsuperscript{58}. Child care subsidies increase the hours that parents are available to work, thereby also potentially increasing family income, and one study found that the number of months in the previous 12 that families received a child care subsidy was associated with a decreased likelihood of being investigated for physical abuse or neglect\textsuperscript{59}.

Issues with access to child care are compounded for low-income families with young children, as infant and toddler care is generally more expensive than care for older children, while there are also typically fewer high-quality care providers available for the youngest children\textsuperscript{60}. Research has also shown a significant association between families not having reliable emergency child care options and the likelihood of neglectful behaviors\textsuperscript{61}. These difficult situations that some parents are put in could be alleviated by improving systems to increase access to child care, thereby equipping parents with the tools they need to tackle challenges and setting their children up for success.
Prevent Child Abuse NC's Recommendations

These research findings provide a compelling case for increased investments in concrete economic supports for families. The COVID-19 pandemic has also shined a light on the stresses and weak support systems for family economic security and paid leave. The pandemic requires an unprecedented response from policymakers for North Carolina's children and families. Our efforts should remain focused on sound research; data, including the voices of those with lived expertise; and strategies that are shown to improve the outcomes for families.

Providing families with stronger household financial security through economic supports is a primary prevention strategy that reduces stress and therefore the likelihood of incidences of abuse and neglect. Severe and persistent stress can overload our ability to manage emotions. This helps to explain why, historically, recessions have contributed to a rise in child abuse and neglect. But we also know that reducing the financial burdens on families and adding supports can make a huge difference. Additionally, providing primary prevention strategies, such as evidence-based home visiting, can reduce the stress that families across North Carolina are under right now. If we act now, North Carolina can make sure that children and families can keep moving forward, even during this difficult time.

Each of the above policies have been demonstrated as effective approaches to preventing child abuse and neglect. Based on the research, Prevent Child Abuse NC recommends that policymakers prioritize the following primary prevention policies to build strong families and safe communities to create the safe, stable, nurturing relationships and environments that all children deserve.

Increase family economic security through refundable tax credits.

Empowering families to meet their basic needs of food, shelter, and medical care by strengthening household financial security is proven to reduce the risk factors for child abuse and neglect. Policies that increase the economic self-sufficiency of families alleviate some parental stress and help families in establishing a stable household—two factors that can help protect children from abuse and neglect.

Policy recommendation: Reinstate the state Earned Income Tax Credit (EITC) in North Carolina to at least 20% of the Federal EITC.

Make evidence-based home visiting and parenting education programs available to parents and caregivers on a continuum from prenatal to college.

Parenting education can be delivered in a home setting (home visiting) or group setting (parenting education groups). Early childhood home visiting programs help parents gain basic parenting skills by matching new families with trained providers, such as nurses, social workers, or parent educators. Similarly, group-based parenting education increases the skills and knowledge of parenting and child development, but in a setting outside of the home. Evidence-based parenting education, whether delivered in the home or in a group setting, has been shown to prevent child abuse and neglect.
Policy recommendation: Increase access to concrete supports by investing in evidence-based, early childhood home visiting and parenting education programs through community-based agencies such as Family Resource Centers and local Partnerships for Children/Smart Start, increasing the reach of these programs to all families in North Carolina.

**Implement family-friendly policies and programs in the workplace that support and strengthen families.**

Family-friendly workplace policies improve the balance between work and family while ensuring family economic security. Policies that promote family economic security such as paid family and medical leave improve families’ health and well-being, workforce participation, and decrease the risk of child abuse and neglect.

Policy recommendation: Implement a universal paid family and medical leave program, with sufficient wage replacement for low-wage earners.

**Improve access to quality, affordable child care.**

Better quality child care increases the likelihood that children will experience safe, stable, nurturing relationships and environments and decreases the risk of maltreatment-related fatalities. Access to affordable child care reduces parental stress and access to high-quality child care is associated with fewer symptoms of maternal depression. Both parental stress and maternal depression are risk factors for child abuse and neglect.

Policy recommendations:
- Increase access to child care subsidy assistance support for infants and toddlers by requiring counties to establish a separate waiting list for infants and toddlers (ages six months – three years), and proportionally serve infants.
- Explore legislative changes to lower the parent co-pay fee from 10% to 7% of family income—the recommended national average—with families below 200% of the FPL (federal poverty level) able to access child care free of charge, and families between 200% of the FPL and 85% of the SMI (state median income) able to access child care with a sliding fee scale.

**Conclusion**

**Policies can help to create the safe, stable environments that children need to thrive.** Instead, they often channel serious stress into communities, undermining child and family well-being. For example, decades of housing discrimination – including current unfair lending practices – mean that Black families are less likely to live near higher-wage, stable jobs and are more likely to experience pressure from low wages or long commutes. ACEs, including experiencing discrimination and racism, can lead to chronic stress that sparks a toxic stress response, increasing the risk for depression, anxiety, or other causes of child neglect. The cascade of consequences from policy to parenting means that when we work on racial equity, enhancing resiliency, and building protective factors, we also help to prevent child abuse and neglect.
Now, more than ever, parents and children need support. We can prevent child abuse, North Carolina. The research is clear. We can invest upstream in families so that our children thrive and reach their full potential. We must prevent child abuse, North Carolina, because what happens in childhood lasts a lifetime.

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Endnotes


