The Effect of the Recession on Child Well-Being

The Recession and Child Maltreatment

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Overview

Examining child maltreatment trends over time is a difficult task due to the challenge of detection and the inconsistency across states and cities of how child maltreatment is defined. The 2003 reauthorization of the federal Child Abuse Prevention and Treatment Act (CAPTA), (P.L. 108-36), defines child maltreatment as: “1) Any recent act or failure to act on the part of a parent or caretaker which results in death, serious physical or emotional harm, sexual abuse or exploitation; or 2) An act or failure to act which presents an imminent risk of serious harm.” This legislation sets the minimum standards for states’ child abuse and neglect definitions, with most states recognizing four forms of maltreatment: physical abuse, sexual abuse, emotional abuse, and neglect. While any of these types of maltreatment may occur independently, they often occur in combination.

Child maltreatment data is reported from a variety of sources, from annual statistics of child welfare systems, to periodic surveys. According to the 2005-2006 National Incidence Study of Child Abuse and Neglect (NIS-4), a comprehensive federal survey of child maltreatment, 2.9 million children were harmed or endangered by abuse and neglect in the study year. Seventy-seven percent of maltreated children were neglected, and 29 percent were abused. For abused children, most experienced physical abuse (57 percent), while approximately one-third were emotionally abused (36 percent) and one-quarter were sexually abused (22 percent). Less than half of these instances were reported to child protective services (CPS). In the majority of cases where CPS is involved, the child remains in the home and the family receives preventive services; however, a subset of approximately 300,000 children enter foster care each year.

There is no single factor, but rather the combination of individual, familial, and community risk factors that increase the risk for maltreatment within families. Risk factors at the family level include caregiver stress, depression, a caregiver’s history of maltreatment, limited social supports, and the experience of stressful life events. Parental substance abuse is estimated to be a contributing factor in one-third to two-thirds of all maltreatment cases, and both neighborhood and familial poverty are two of the strongest predictors of abuse and neglect. Protective factors, which reduce the likelihood of maltreatment, include social supports, nurturing parenting skills, stable familial relations,
Maltreatment can have long-standing impacts beyond the immediate acute injuries to children. Long-term consequences of abuse and neglect may include mental health disorders, low educational attainment, welfare receipt, and drug and alcohol problems. In a national study of children in foster care, 50 percent of children were identified as having a special health care need, and 48 percent reported signs of an emotional or behavioral problem. Children who are maltreated are also more likely to have greater physical health problems, functional disabilities, and health risk behaviors as adults. A social safety net for families to moderate the risks for maltreatment at the familial and community levels is critical.

**Prior Recessions**

*Risk Factors for Child Maltreatment*

Our limited understanding of the relationship between recession and child maltreatment is gleaned mostly from data that examines the impact of parental economic status and child well-being. Prior studies have found a link between changing parenting styles and changing economic conditions. Sociologist Glen Elder’s longitudinal study of the Great Depression provides the basis for much of this work. Studying a cohort of children from before the Great Depression into adulthood, Elder found no direct correlation between parental job loss and child maltreatment. In contrast, children’s outcomes were mediated by increases in caregiver distress and punitive and inconsistent parenting. Later research continues to tease apart the finding that the cumulative stresses associated with economic hardship - and not poverty per se - bears greatest responsibility for a child’s risk of maltreatment.

The onset of job loss, housing instability, and more limited access to goods and services that characterize recessions can hinder a parent’s ability to provide sufficient material and psychological support to their child. Caregivers in poverty are more likely to struggle with substance abuse and mental health problems, experience greater cumulative negative life events, and live in substandard housing, factors all associated with increased maltreatment. The 2005-2006 NIS-4 data highlights how poverty is predictive of child abuse and neglect, as children in lower socioeconomic households were three times more likely to be abused and seven times more likely to be neglected.

**The Economy and Maltreatment Trends**

Population-level research on how changing economic conditions relate to maltreatment is more equivocal. Economic status of families tracks most closely with neglect rates, which appear to be more sensitive to economic cycles than other reported forms of maltreatment. Over the last twenty years, the annual reporting of national maltreatment data, which began in 1990, documents a sharp decline in abuse rates, but not neglect [see Figure 6]. Since 1992, child physical and sexual abuse rates have steadily declined, decreasing 55 percent and 58 percent respectively. For both the 1990-1991 and 2001 recession periods, physical abuse and sexual abuse continued to decline at a pace similar to pre-recession. In contrast, neglect rates have stayed relatively stable during the same period with noticeable spikes upward following both the 1990-1991 and 2001 recessions.

Interpreting these disparate findings has been the subject of wide debate. Hypothesized reasons for declines in abuse are attributed to the general economic expansion of the 1990s, increased training of mandated reporters, and more prevention services. The fact that neglect trends have not followed suit is more poorly understood. In part, there is more ambiguity and inconsistency in how neglect is defined across jurisdictions. In addition, during this same period...
The Recession and Child Maltreatment

The Recession and Child Maltreatment

The recession that began in December 2007 appears little different from prior recessions in that the rates of reported neglect have remained steady, despite falling rates for other forms of maltreatment.

The recent release of the 2008 National Child Abuse and Neglect Data System (NCANDS) data capturing substantiated child maltreatment reports a year into the recession enables a beginning comparison with pre-recession numbers. In 2008, the overall maltreatment rate was 10.3 substantiated maltreatment cases per 1000 children, a three percent decline from the year before; this is the lowest overall rate since the tracking began in 1990. Broken down, there was a six percent decline in sexual abuse, a three percent decline in physical abuse, and two percent decline in neglect from the year before.

Another indicator useful in examining the impact of the recession on child well-being is the number of children in out-of-home care. According to the 2009 Adoption and Foster Care Analysis and Reporting System (AFCARS) data, the number of children in foster care is declining. In 2009, there were 423,993 children in out-of-home placements, a decline from the high point of 511,000 children in 2005. Beginning in 2007, the number of

many jurisdictions have broadened case definitions for neglect (e.g., adding subcategories like “educational neglect” or “newborns exposed to drugs”), which may have led to greater detection of this form of maltreatment. Neglect may also be more sensitive to changing economic conditions, as it encompasses a parent’s ability to materially provide for their child.

Recent Recession

The recession and Child Maltreatment

The Recent Recession

Source: National Child Abuse and Neglect Data System (NCANDS), U.S. Maltreatment Trends, 1990-2008, 2010. This chart was reprinted with permission from Finkelhor, D., Jones, L, and Shattuck, A. of the Crimes Against Children Research Center, University of New Hampshire.

Figure 6: U.S. Maltreatment Trends, 1990 - 2008

Source: National Child Abuse and Neglect Data System (NCANDS), U.S. Maltreatment Trends, 1990-2008, 2010. This chart was reprinted with permission from Finkelhor, D., Jones, L, and Shattuck, A. of the Crimes Against Children Research Center, University of New Hampshire.
exits from foster care has exceeded the number of entries, and the size of this gap has increased each year since. In 2007, 2,000 more children exited foster care than entered, in 2008 this difference grew to 14,000 children, and in 2009 there were 21,000 more entries than exits into the system. Additionally, there were fewer overall families served, meaning the rate of reporting and the rate of removal both declined. These rates, in conjunction with NCANDS data, are suggestive of a general reduction in maltreatment at the population level.

**The Challenge of Interpreting Maltreatment Data**

A challenge in drawing inferences on maltreatment data from the recent or prior recessions is concerns about data quality and challenges in data interpretation. A macroscopic view of the data reveals persistent concerns about child neglect during recession, but potentially falling rates of other types of abuse in recent years, despite worsening economic conditions. However, data such as NCANDS, for example, rely on substantiated reports of maltreatment, which are very sensitive to how systems screen in calls to state hotlines for subsequent investigation and triage. Faced with significant budget shortfalls in recent years, state child welfare systems have faced increasing pressure to reduce the size of their child welfare systems, diverting cases to alternative community response mechanisms. Such shifts could explain the falling rates of reported maltreatment, even if the true underlying incidence is unchanged or worsening.

Yet dismissing the falling maltreatment rates out of hand does not seem appropriate either. A chorus of data coming from multiple sources beyond NCANDS, including NIS, AFCARS, and law enforcement numbers all demonstrate similar trends in the reduction of abuse levels. The congressionally mandated NIS has collected four cycles of data between 1979 and 2006 to measure incidence of child abuse and neglect, and captures cases not reported to CPS by surveying professionals working with children. Although the lack of annual data collection precludes inferences with respect to recessions, NIS data indicate similar reductions in physical and sexual abuse, and no decline in neglect rates. Since these data include both substantiated and unreported instances of abuse and neglect, it is possible that true underlying rates may be changing as well.

However, if maltreatment rates have not declined as much as reported data would suggest, then it is possible that some children may be slipping through the cracks. A recent study, for example, of four geographically disparate pediatric hospitals, detected a nearly two-fold increase in abusive head trauma (from 4.8 cases per month to 9.3 cases per month) since the start of the recent recession. Another recent study documented a correlation between rising unemployment and rising rates of reported maltreatment. Using state-level unemployment statistics and NCANDS child abuse data from the past 18 years, researchers found that each percentage point increase in state-level unemployment was associated with an increase in child abuse reports of approximately .50 per 1000 children. The study also noted a lag in reporting; child abuse reports increased the year after the state unemployment rate rose. Further, representatives of child welfare agencies and hospitals across the country are reporting considerable increases in cases of child maltreatment. Although anecdotal, these reports hint at potential gaps between the occurrence of maltreatment and reporting, and underscore the challenges of interpreting system-derived data for a problem that is under-detected historically. Further study will certainly be needed to better understand population-level data trends and whether they are reflecting the true nature of the problem on the ground.
Key Points:
The Recession and Child Maltreatment

- Child neglect rose during prior recessions and remained high in their aftermath, indicating that child neglect tracks closely with economic hardship.

- While child maltreatment rates have decreased over the last decade, this decline may be confounded by several factors, including the downsizing of some child welfare systems due to state fiscal constraints.

- A recent report of rising serious physical abuse cases being seen in pediatric hospitals and research suggesting a link between unemployment and maltreatment in the years after recession require further study as they may tell that serious abuse and neglect are on the rise.
PART II: DISCUSSION AND NEXT STEPS

While the negative relationship between poverty and child well-being is well-documented, the influence of economic recession on well-being outcomes is both understudied and difficult to disentangle. A variety of factors, including pre-recession circumstances, the sectors of the economy most impacted by recession, and government responses to recession, have a considerable impact on the welfare of children and families during an economic downturn.

Teasing apart the relationship between recession and child well-being is highly complex. First, it is important to avoid being overly broad when examining national economic and social trends. The recession has not impacted all states or localities equally—and there is considerable variation when it comes to the severity and specific consequences of the recent recession in a given location. Second, each recession is unique, emphasizing the need to examine each one individually with respect to the social, economic, and political context in which the economic downturn occurred. The level and nature of hardship induced by a recession depends in large measure upon the economic decisions made during non-recessionary periods. Finally, on a practical note, our ability to identify trends related to child well-being during the recent economic recession is seriously constrained by the limited availability of data. For instance, the most recent mortality figures from the National Vital Statistics System are from 2007. Federal government data frequently lags a year or more behind—well before many families felt the full effects of the recent recession. In addition, most studies are done using aggregate data, leaving very little information available about the individual impact of the recession on family and child well-being.

As a result of the data challenges, much of the literature pertaining to the recent recession’s effect on children relies on projections. While we do not question the quality of these projections, they would not supersede individual-level data that directly examined the recession’s impact on families. The United States Government Accountability Office, in particular, could commission a report to survey families. Such a report would provide valuable information on the impact recessions may have on families, and may enhance our framework for understanding the relationship between macroeconomic conditions and child well-being.

Nevertheless, while the individual-level impact on children during a recession is difficult to discern, it is clear that the relative strength of the safety net available from the government during recessions can blunt the negative impact of a recession on children and families. The recent recession in particular saw large increases in the number of children covered by public health insurance, whether through Medicaid or the Children’s Health Insurance Program (CHIP). The 2009 reauthorization of CHIP was particularly timely in relationship to the recession, allowing families with job insecurity to find alternative methods of maintaining health insurance for their children. Similarly, in the area of food security, the availability of benefits through the Supplemental Nutrition Assistance Program (SNAP) and the National School Lunch Program (NSLP) appear to have been highly responsive to the dramatic increase in demand. If SNAP benefits were counted as income, 3.6 million fewer people would have been classified as poor in 2009.
At the same time, while the numbers of families seeking assistance through public means swelled during the recent recession, it is not fully known how states managed this increasing pressure on their budgets – particularly as their revenues declined. The American Recovery and Reinvestment Act (ARRA) helped narrow state budget gaps, but did not fully close them. Without these federal funds states may not have been able to meet increased demand in areas such as unemployment insurance, food and nutrition assistance, and the Medicaid and CHIP programs. On average, the additional federal funds provided through ARRA allowed states to cover 30 to 40 percent of their deficits. Still, since the start of the recent recession, critical social services have been cut in at least 46 states. As stimulus funding expires, further reductions in state spending are projected, including cuts to education, medical, and child welfare services.

States have been put in increasingly difficult positions as they struggle to balance their budgets. Some have created new barriers (e.g., caps on enrollment, or more frequent and complicated re-enrollment processes) to slow the growth in public services and others have reduced the staff positions devoted to these programs. Therefore, while enrollment in public health insurance programs was certainly up, so too might have been barriers to enrollment, an area that will require increasing state and federal attention to ensure that children and families are able to obtain and retain access to programs for which they are eligible. For SNAP as well, while enrollment numbers increased, it remains less certain what types of food families had access to or could readily afford. This uncertainty is not purely a function of recession. The relationship between income and diet quality – as well as the role of safety net programs such as SNAP in that relationship – warrants sustained attention in all macroeconomic climates.

The existence of safety net programs is not, in and of itself, a guarantee of improved child well-being; effective program implementation is crucial. This is especially important in relation to the recent passage of the Patient Protection and Affordable Care Act, which aims to expand children’s access to essential health care services. As these measures move forward, careful attention should be paid to how they are rolled out at the state level, and how successful they are in improving health care access and health outcomes for children.

The challenge of understanding the long-term effects of government program participation on families using population-based data is one that has received little attention to date. Indeed, perhaps the most important lesson from this synthesis is that federal – and to some degree state and city – governments will need to provide better oversight into how access to programs is facilitated, so as to minimize downstream effects as much as possible. Doing this will require policymakers to better appraise the variation across systems in how programs are accessed, how systems collaboratively share resources across programs, and whether the programs provide the continuity in services required to assist families through difficult times. If nothing else, the recent recession provides an opportunity to identify lessons learned and a responsibility - given that more than one in five children are living in poverty - to be more planful about child well-being for the future.
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The Effect of the Recession on Child Well-Being

November, 2010


The Effect of the Recession on Child Well-Being

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The Effect of the Recession on Child Well-Being

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The Effect of the Recession on Child Well-Being

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The Effect of the Recession on Child Well-Being

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