

# **Testimony for Natural Resources Committee Hearing**

## **The Status of PROMESA: Lessons Learned Three Years Later**

### **Child Poverty in Puerto Rico**

**May 2, 2019**

Good Morning. I want to thank Chairman Grijalva for providing us a seat at the table to discuss what we believe is one of Puerto Rico's most pressing moral and economic issues- child poverty. The extremely high rates of child poverty, combined with the declining child population were an emergency, even before Hurricane Maria ravaged our island. It presents not only a human rights issue, but a severe threat to Puerto Rico's long term economic development. Three years after PROMESA what we have learned is that children, despite carrying on their shoulders Puerto Rico's future, are not a priority. We are past due on correcting this wrong.

My name is Amanda Rivera and I am the Executive Director of the Youth Development Institute of Puerto Rico. We are the only non-partisan and non-governmental entity strictly dedicated to improving the lives and opportunities of children in Puerto Rico through research, policy and advocacy. We are also Puerto Rico's Kids Count partner.

So, being that we are an entity that is known for its ability to compile and disseminate data to advocate for policy changes, let me paint a picture using numbers.

If you are a child in Puerto Rico, you are likely to be living in poverty, and there is a good chance that the poverty is extreme. The day before Maria, not only did 58% of children in Puerto Rico live in poverty, but 39% lived in extreme poverty. As context, Louisiana has the highest child poverty rate of all fifty states, at 28%.

It is also important for context to understand that this high level of poverty has remained consistent for the last 20 years. In 1999, when Puerto Rico's economy was doing well by some indicators, the child poverty rate was also 58%. So that number has remained stagnant, which tells us that the child poverty rate is not just a result of economic activity in the island, but rather a systemic problem.

As a teenager in Puerto Rico, you will be more likely than your counterparts in the states to not be in school or working. The day before Maria 13% of youth ages 16-19 were considered to be disconnected youth. In the United States that percentage is 7%.

And as you begin to grow, and think of a family of your own, odds are that you will choose to leave Puerto Rico to pursue better opportunities, or that you will choose to have few, if any children. Between 2007 and 2017, Puerto Rico lost 35% of its child population.

The study that we commissioned on the impact of the hurricane on children and youth tells us that these trends of poverty and migration have likely worsened since. Around a fourth of families with children reported losing wages because of the hurricane, and around a third of the lowest income families, a year after the hurricane reported being in a worse economic situation than before the hurricane. It should not be a surprise then that around 15% of families with children said they were still considering moving to the United States.

Austerity measures also compromise the opportunities that children will have to escape poverty. The Children's Budget, an analysis that we conduct on the budget allocated to programs that serve children and their families in Puerto Rico, found that these programs have been cut by 15% between

fiscal years 2014 and 2019. These cuts, although not exclusive to recent years, have been consistent since new fiscal measures have been implemented. Also, the Fiscal Plan adopted by the Oversight Board recommends cuts over the next five years of \$576 million to the Department of Education, \$886 million to the health insurance plan for low and middle income families and \$163 million to the Department of Health, which includes services for mental illnesses.

While some might argue that the cuts are reflective of the declining child population, we argue that the investment was never enough to begin with, and that we have an opportunity at hand to concentrate resources in an effective manner to significantly reduce child poverty, and in this way change Puerto Rico's economic and social trajectory.

Yet, PROMESA and other Congressional actions have fallen short of what is needed to seriously address this problem. While PROMESA required the Task Force on Economic Growth for Puerto Rico to create a report that among other things, suggested policies to reduce child poverty, the two policies that were included there have not been carried out.

One was the extension of the Child Tax Credit for Families of 1 and 2 children. This has garnered bipartisan and bicameral momentum, and we must ensure this Congress does not end without passing this. It's the very least that can be done.

The Report also listed the creation of an interagency task force on child poverty. However, when Congress ordered the creation of roadmap to reduce child poverty by half in the United States through the National Academies of Sciences, this analysis did not include Puerto Rico.

Meanwhile, Puerto Rico's children continue to languish in conditions that limit their ability to reach their full potential. Child poverty continues to be a side note, and not an essential component of Congress' agenda of economic growth for Puerto Rico. Ironically, PROMESA means promise, and to this day we have no way to promise our children and youth that their future will be better.

Our ask is for Congress to act on the recommendations related to child poverty in the Task Force's report, and to not end there, because that would not be enough. To include Puerto Rico in the plans to reduce child poverty, to commit to making the changes and investments necessary for this and to keep the issue at center when reviewing the impact both PROMESA's and the Recovery's outcomes. Puerto Rico's children not only deserve better, but also hold the key to Puerto Rico's prosperity. Thank you.