

**TESTIMONY OF WILLIAM S. WOODSIDE**

**Chairman, Sky Chefs, Inc.**

**before the**

**House Budget Committee**

**March 6, 1901'**

**I'm pleased to have this opportunity to appear before the House Budget Committee to discuss the importance of the WIC program and the need to invest in effective early intervention programs for poor children. I am William S. Woodside, chairman of the board of Sky Chefs, Inc. Previously, I was chief executive officer of the Primerica Corporation. I also chair the corporate advisory council of the National Commission on Children. I am an economist by training.**

**Like my colleagues on this panel, I have become increasingly concerned in recent years about the growing numbers of poor and disadvantaged children in our nation. The growing specter of child poverty constitutes a threat to both our nation's strength and its future economic well-being.**

**We live in an increasingly global economy. But on an international basis, our nation does not stack up well insofar as children are concerned.**

**You have probably heard the figures that the U.S. ranks only 19th in the world in its infant mortality rate. Nearly every other industrialized country has a lower infant mortality rate than we do.**

**The figures for child poverty are just as troubling. In recent years, an international team of distinguished researchers that includes researchers from the U.S. Census Bureau has analyzed — and compared — child poverty rates in various industrialized countries. Two years ago, they unveiled their results.**

**Of the eight countries studied — the U.S., Great Britain, West Germany, Canada, Sweden, Norway, Switzerland, and Australia — the U.S. was found to**

have the highest child poverty rate. Canada, our neighbor to the north, had a child poverty rate only about half the U.S. rate.

The study also found that the poverty rate just among *white* children in the U.S. exceeded the poverty rate for *all* children in all of the other countries studied except Australia. Similarly, the study found that if the percentage of children in single-parent families were the same in all these countries, the U.S. would still have a greater child poverty rate than all the other countries except Australia.

At the conclusion of an article presenting these findings, the U.S. researchers concluded:

"...international comparisons of the poverty of today's children raise long-term questions. To the extent that poverty of children is related to their poverty as adults, the quality of our future work force may be determined by the present poverty of our children. And the poverty of our children today may affect our long-term competitiveness with other wealthy countries who tolerate much less child poverty than does the United States."

Addressing problems facing poor and disadvantaged children should, I believe, be one of our nation's highest priorities in the years ahead. As the Committee for Economic Development stated in its renowned report *Children in Need*:

"This nation cannot continue to compete and prosper in the global arena when more than one-fifth of our children live in poverty and a third grow up in ignorance. The nation can ill afford such an egregious waste of human resources. Allowing this to continue will not only impoverish these children, it will impoverish our nation — culturally, politically, economically."

---

Timothy M. Smeeding and Barbara Boyle Torrey, "Poor Children in Rich Countries," *Science*, November 11, 1988, p. 877.

## **Children and the Work Force**

**Having large numbers of impoverished children is never a positive element for an economy. For the U.S. economy, the adverse consequences are now becoming increasingly serious.**

**From the late 1960's through the early 1980's, large numbers of children from the baby boom generation entered the labor force, as did many women. This enabled employ\* to be more choosy about whom they hired. Today, however, the period of rapid labor force growth is behind us. Labor Department projections show there are expected to be 10 million fewer entrants into the labor force in the 14-year period from 1986 to 2000 than there were in the previous 14 years from 1972 to 1986. Increasingly, our economy needs every well-educated, well-skilled worker it can find. Yet millions of American children are growing up in poverty, with inadequate health care, nutrition, and education.**

**I strongly believe the future of our economy, our corporations, and our overall society depends in no small part upon the strength of the economic and social fabric that will exist in the decades ahead. That, in turn, will depend heavily upon how children are raised today.**

**Accordingly, we need a serious national effort to tackle the problems facing poor and disadvantaged children. Such an effort needs to build on programs that have a proven track record. Central to such efforts is substantial enlargement of the WIC program.**

## **The Significance of WIC**

**The federal government operates hundreds of programs. State and local governments operate hundreds more. Rarely in this large universe of programs has a program compiled the stunning record of effectiveness that WIC has. In the often murky world of social program evaluation, WIC stands out for the clarity and consistency of the research findings that demonstrate it produces remarkable results.**

**Our Joint Statement reviews some of the most important of these research findings. The findings are particularly noteworthy for two reasons:**

- The findings demonstrate not only that WIC has a profound impact in achieving goals of great significance, such as reducing infant mortality and low birthweight, but also that WIC is highly cost-effective and cuts costs in other areas. Few programs have been found to achieve both measures of success to the extent WIC does.**
- The research findings on WIC are *not* based on a handful of demonstration projects run by unusually skilled administrators. To the contrary, these findings are based on tens of thousands of medical records from WIC programs in states across the country. WIC has been found to achieve extremely impressive results on a mass scale.**

**Now that we have these results, we should act upon them. How can we justify failing to proceed expeditiously to extend WIC to all women and children who qualify for it? We know WIC reduces infant deaths and disabilities, prevents anemia, and improves cognitive development, while also saving money in other programs. How can we explain withholding funds from children whose lives could be altered as a result?**

**I know the members of this Committee have been among WIC's strongest supporters in years past. I urge you to step up the pace of your important work and to strive for the five-year goal we're recommending.**

**I understand this may entail some tough political choices. I'm a firm believer in reducing the deficit, and as an economist, I share with you the conviction that our fiscal problems must be faced squarely. But the poor children whose lives may be altered by whether they gain entry into WIC are not the individuals responsible for the deficit. They should not be asked to pay for it through denial of basic WIC benefits. We, as a nation, ought to be able to establish priorities and make the fiscal choices that can enable us to invest more in WIC and other critical early intervention programs for disadvantaged children, while faithfully adhering to the budget ceilings and deficit targets.**

### **Childhood Hunger**

**As you establish priorities for the years ahead, I would urge, too, that you set a related goal: sharply reducing childhood hunger. I am deeply concerned that results from a groundbreaking study of childhood hunger known as the Community Childhood Hunger Identification Project (CCHIP) indicate hunger is widespread among poor children in America.**

**I am familiar with this study, as initial funding for it was provided by the Primerica Corporation during my tenure as CEO. As part of the study, researchers have surveyed low income families with children under age 12 at sites**

**in eight states. To date, results from four states have been released. Results from three additional states will be released later this month.**

**The CCHIP survey consists of a series of questions concerning the resources available to low income families to buy food, the adequacy of the food consumed, food shortages, and the prevalence of hunger. (A number of these questions have now been incorporated into ongoing surveys conducted by the National Center for Health Statistics.) The survey also collects data on the relationship between child hunger and such factors as child health and school absenteeism.**

**The preliminary survey results should be cause for great concern. The researchers are finding large numbers of poor children who consume less food than they need because their families are too poor to buy sufficient food. At various sites, 30 or 40 percent of the low income families surveyed were found to be experiencing hunger, while two-thirds or more were found either to be experiencing hunger or to be at risk of hunger because of a shortage of food.**

**Based on the data released so far, the researchers have made what they regard as a conservative estimate that at least 3.5 million to five million low income children are hungry, with as many as eight million to nine million being either hungry or at risk of hunger.**

**In all the survey sites, hungry children were found to suffer from at least twice as many of a series of health problems — such as unwanted weight loss, fatigue, inability to concentrate, and frequent colds — as were children whose**

**families did not experience food shortages. Some of these health problems are linked to increased absenteeism from school.**

**It is of note that the researchers have also found that a substantial number of the families with young children that experienced hunger were families that were eligible for WIC, but not participating in it. Nevertheless, expanding WIC, the purpose of our coming here today, is not sufficient by itself to combat childhood hunger. Last year, this Committee and the full House of Representatives passed, on a strong bipartisan basis, a major piece of legislation that would have made important progress in reducing childhood hunger. I'm referring to the Leland Memorial Domestic Hunger Relief Act. I understand the Chairman of this Committee last week introduced a new version of this legislation, which is even more sharply targeted than last year's bill on combating hunger among poor children. I commend the Chairman for this effort. I hope his proposal will swiftly become law.**

**In conclusion, I would point out that the 21st century is no longer an abstraction. The children being born today and in coming years will make up an increasingly large part of the workforce that will have to sustain our economy (as well as the large baby boom generation when it retires) for much of the first half of the 21st century. Our neglect of these children not only damages them — it is counterproductive for our society. We need to alter our course.**