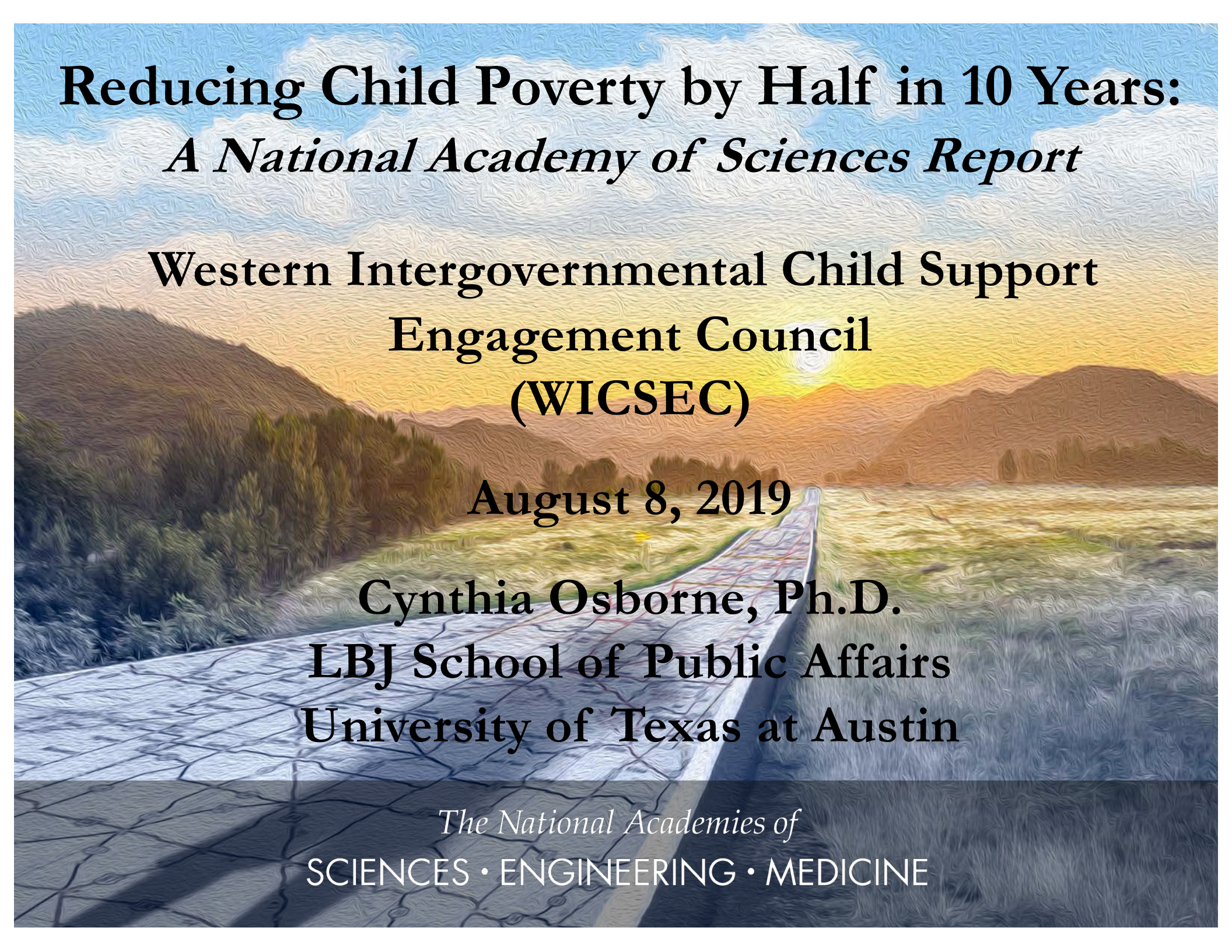




Reducing Child Poverty by Half in 10 Years: *A National Academy of Sciences Report*

Western Intergovernmental Child Support
Engagement Council
(WICSEC)

August 8, 2019

Cynthia Osborne, Ph.D.
LBJ School of Public Affairs
University of Texas at Austin

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Study Sponsors

- **The U.S. Department of Health and Human Services (Congress)**
- **Doris Duke Charitable Foundation**
- **The Foundation for Child Development**
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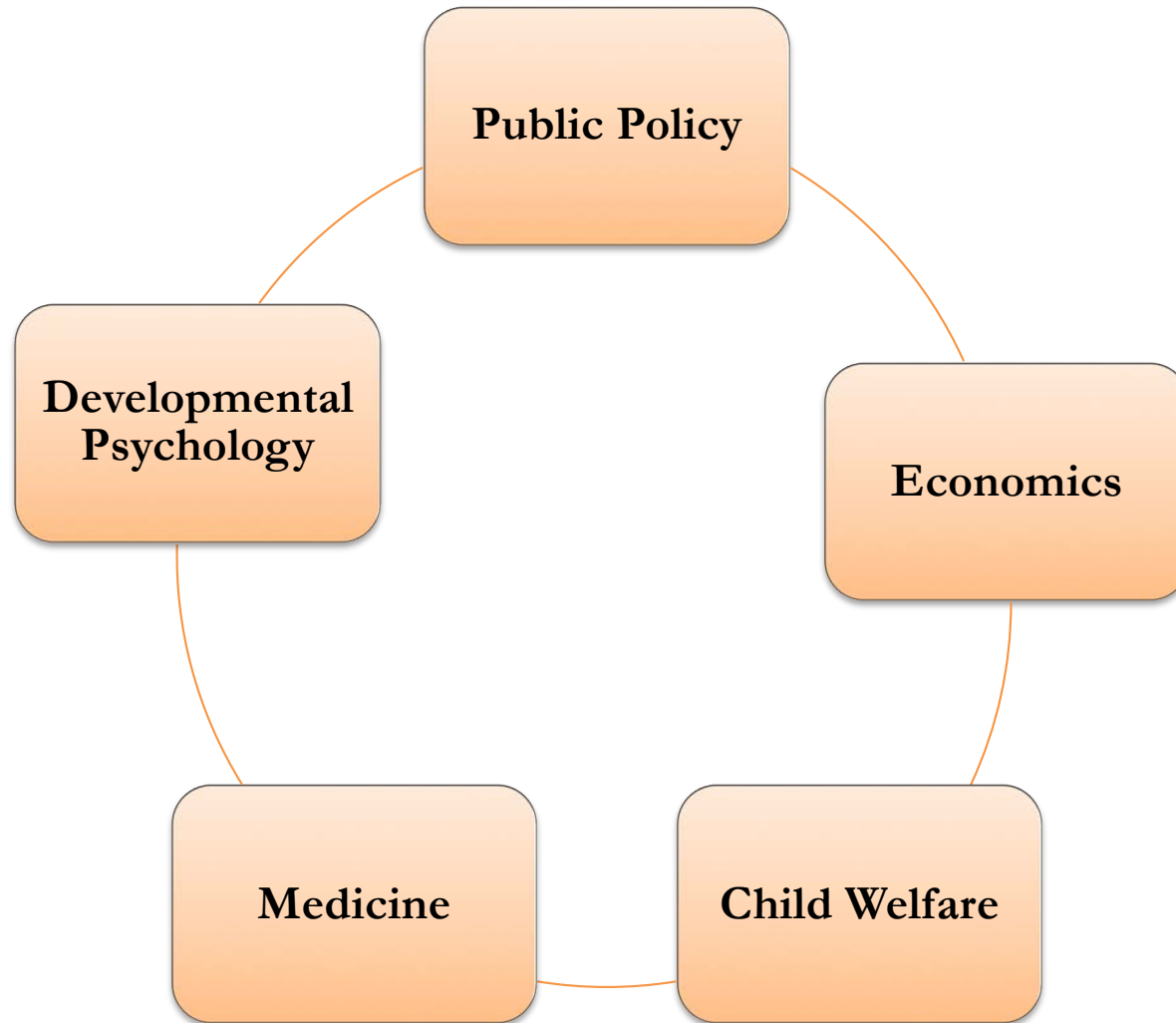


Learning Objectives

- Describe the impacts of poverty on child outcomes.
- Categorize government programs that will reduce the level of child poverty.
- Assess the factors that impede or promote the effectiveness of anti-poverty programs



Interdisciplinary Committee with Broad Perspectives





Committee

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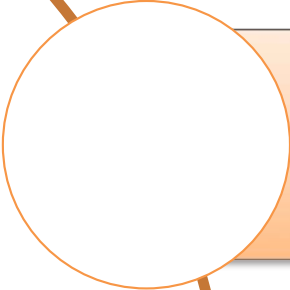


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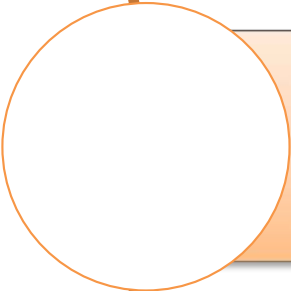
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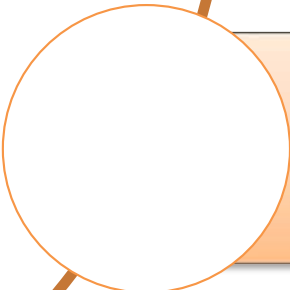
Statement of Task



Review research on linkages between child poverty and child well-being



Analyze the poverty-reducing effects of existing major assistance programs directed at children and families



Provide a list of alternative evidence-based policies and programs that could reduce child poverty and deep poverty by 50% within 10 years



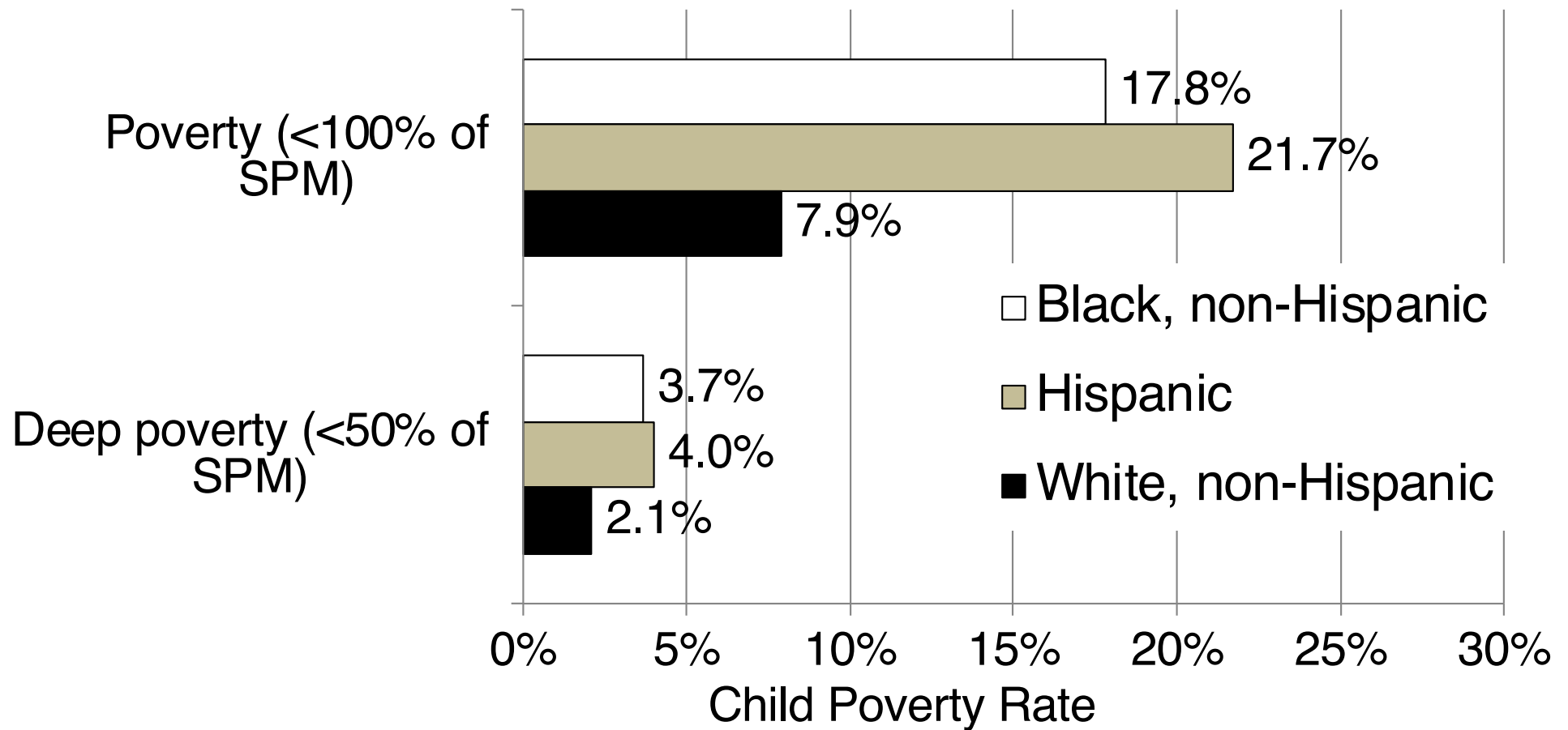
How Poverty Was Measured

Statement of Task: Use SPM

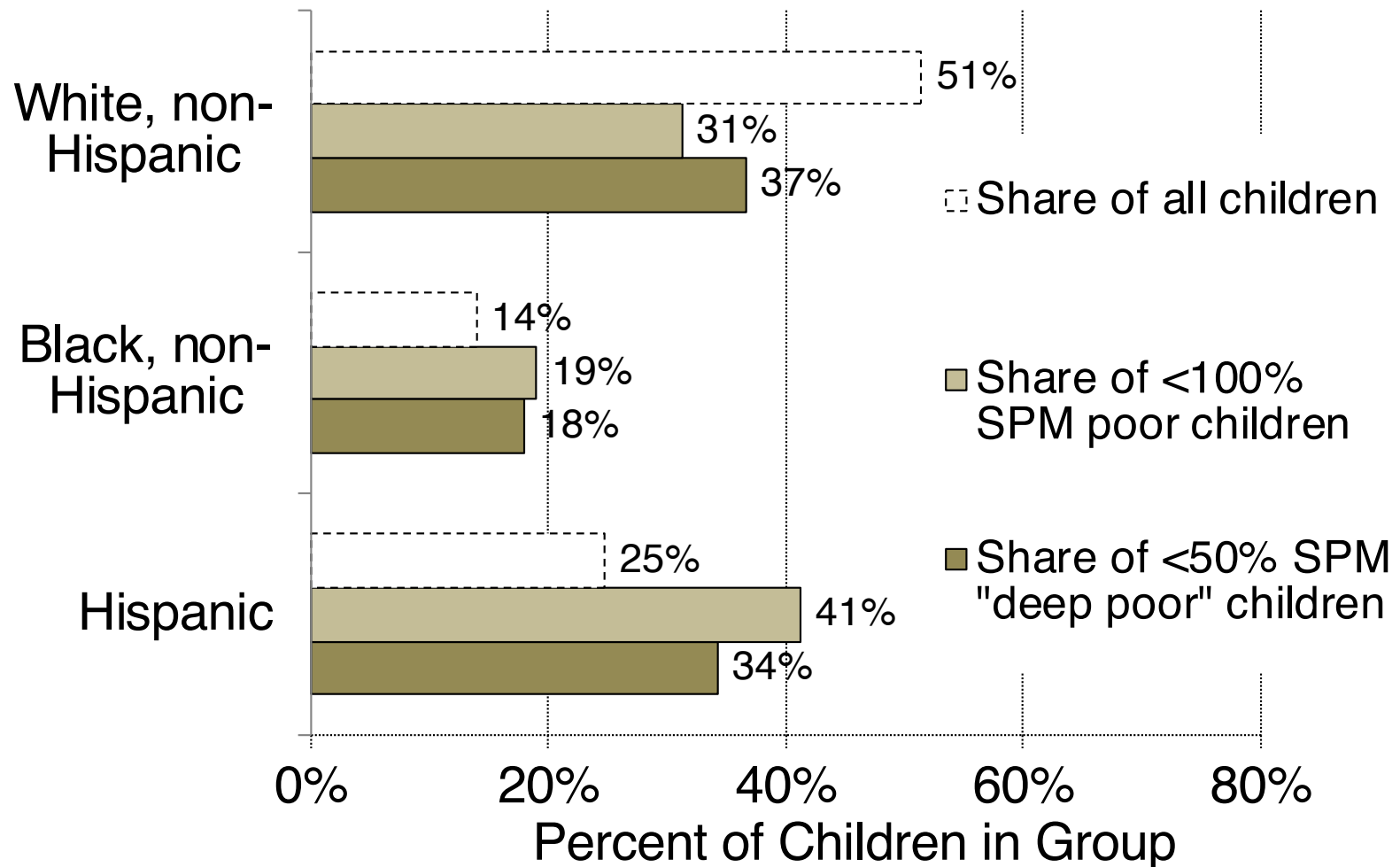
	Official Poverty Measure (OPM)	Supplemental Poverty Measure (SPM)*
Poverty Thresholds	3 X cost of minimal food diet in 1963	FCSU: expenditures for food, clothing, shelter and utilities
Threshold Adjustment	Family Size, composition	Family size, composition, and geographic adjustment for housing costs
Resource Measure	Gross Before-Tax Cash Income	Sum of cash income, plus noncash benefits that family can use to meet their FCSU needs, minus taxes (or plus tax credits), minus work expenses, out-of-pocket medical expenses, and child support paid to another household
Percent Children <100%Poverty (2015)	20%	16% (13% after adjustment for underreporting of income)

*adjusted for underreporting of income

Poverty Rates by Race/Ethnicity



Poverty Shares by Race/Ethnicity





What We Didn't Do

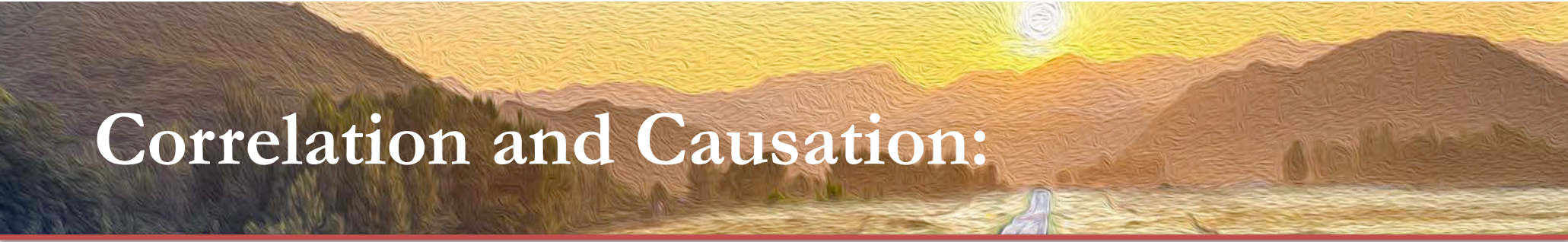
- Our statement of task required us to only look at programs and interventions that could reduce child poverty in the next 10 years
- Programs that will reduce child poverty in the next generation were not eligible for consideration
- Many programs we valued highly are therefore not part of this report, e.g.
 - Early childhood programs to improve school readiness and academic success
 - Interventions in primary care pediatrics to improve literacy
 - Preschool and early childhood education interventions
 - K-12 School interventions



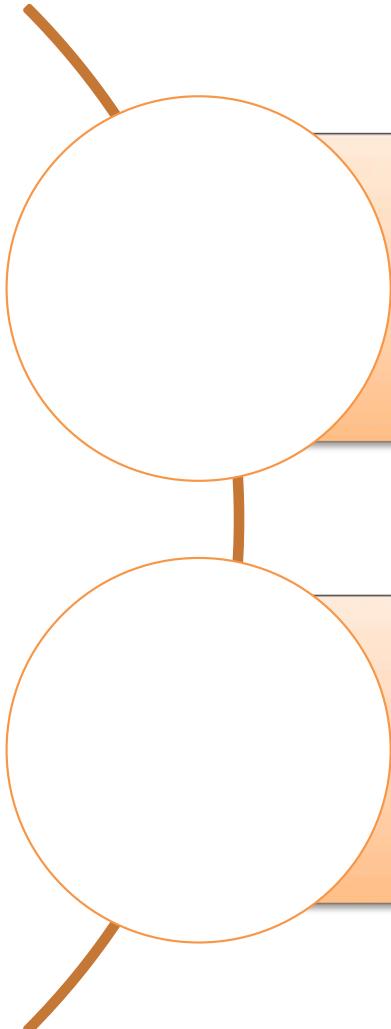
Impact of Child Poverty on Child Well-being

The U.S. Congress asked the National Academies to provide a non-partisan, evidence-based report that:

Reviews research on linkages between child poverty and child well-being



Correlation and Causation:



Consistent correlations between poverty and a host of adverse childhood experiences and outcomes.

The committee's report focused on causal studies

Pathways by Which Child Poverty Affects Child Outcomes

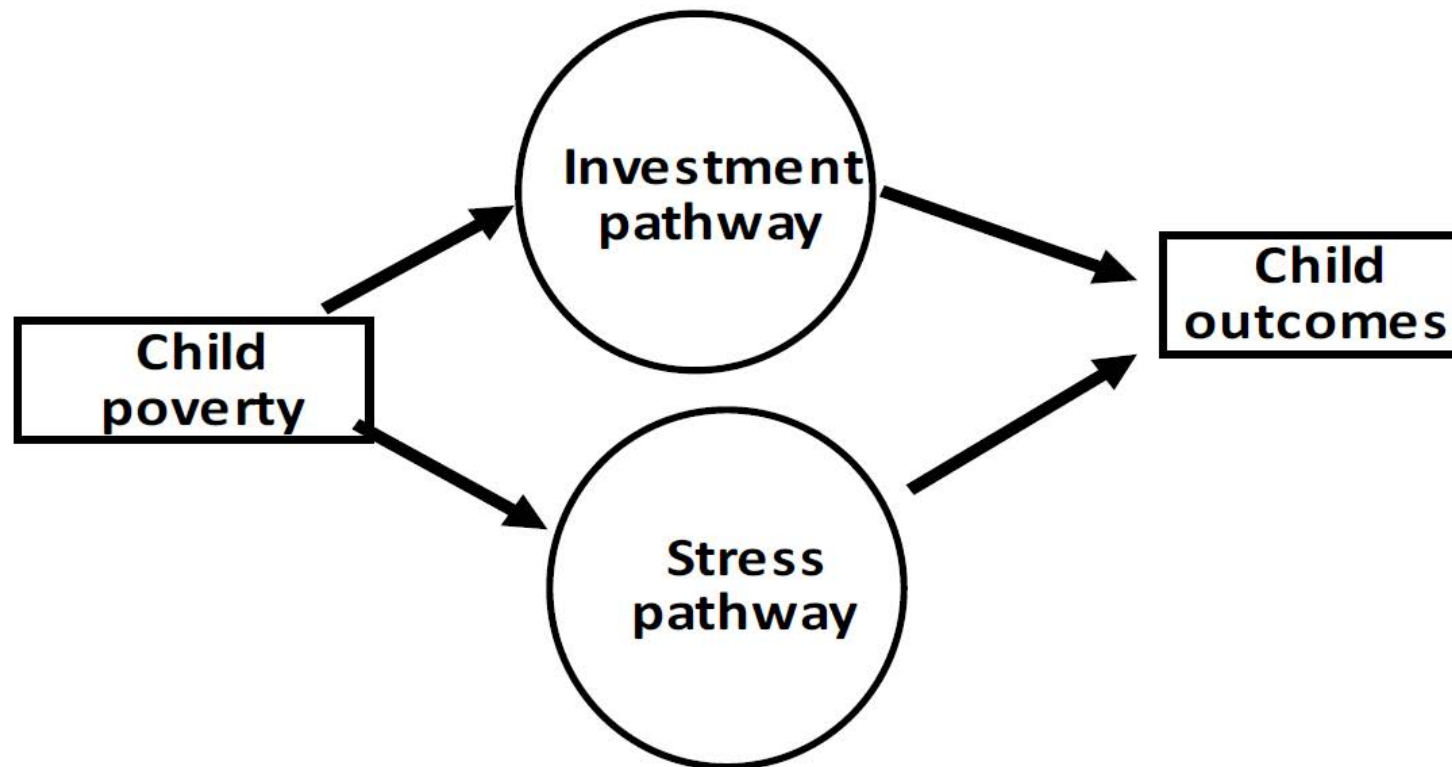


FIGURE 3-1 Hypothesized Pathways by Which Child Poverty Affects Child Outcomes.
SOURCE: Created by the Committee on Building an Agenda to Reduce the Number of Children in Poverty by Half in 10 Years.

Correlational Studies: Brain Development

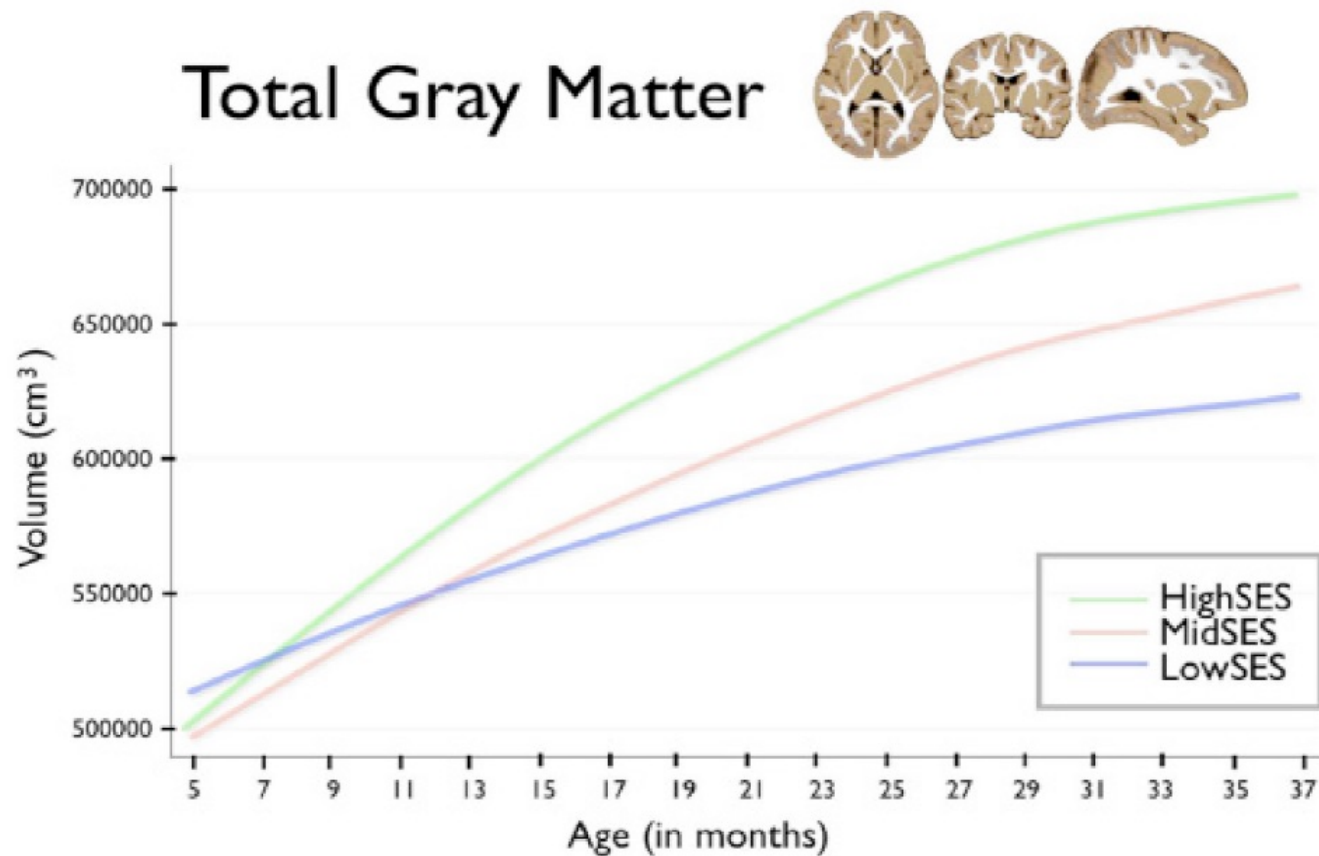
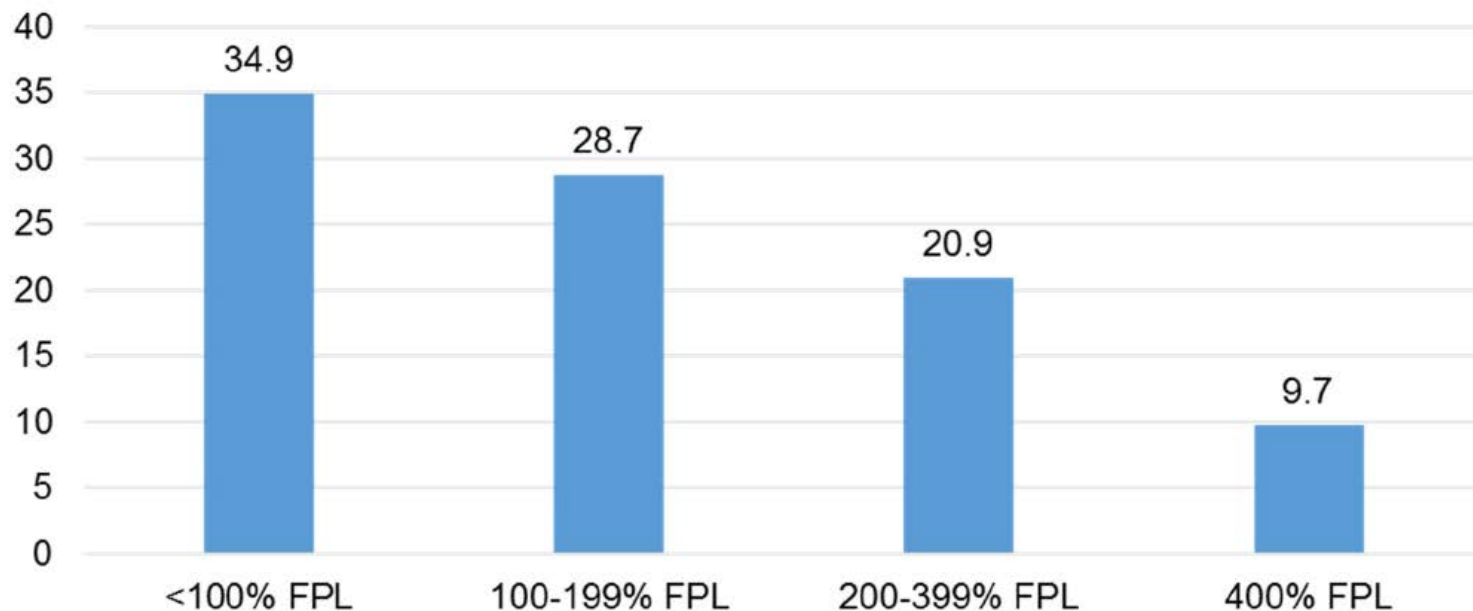


FIGURE 3-3 Total Gray Matter Volume in Early Life, by Socioeconomic Group.
SOURCE: Hanson et al. (2013).

Correlational Studies: Association with ACEs



APPENDIX D, FIGURE 3-1 Percent of Children (0-17 Years) with Two or More Adverse Childhood Experiences, By Poverty Status, 2011-2012.

NOTE: Based on the U.S. Department of Health and Human Services poverty guidelines, poverty was \$23,050 for a family of four in 2012. FPL = Federal Poverty Level.

SOURCE: Health Resources and Services Administration, Maternal and Child Health Bureau; and Centers for Disease Control and Prevention, National Center for Health Statistics, National Survey of Children's Health. Analyzed by the Health Resources and Services Administration's Maternal and Child Health Bureau. <https://mchb.hrsa.gov/chusa14/special-features/adverse-childhood-experiences.html#sourcecf2>.

Correlational Studies: Long Term/Adult Outcomes

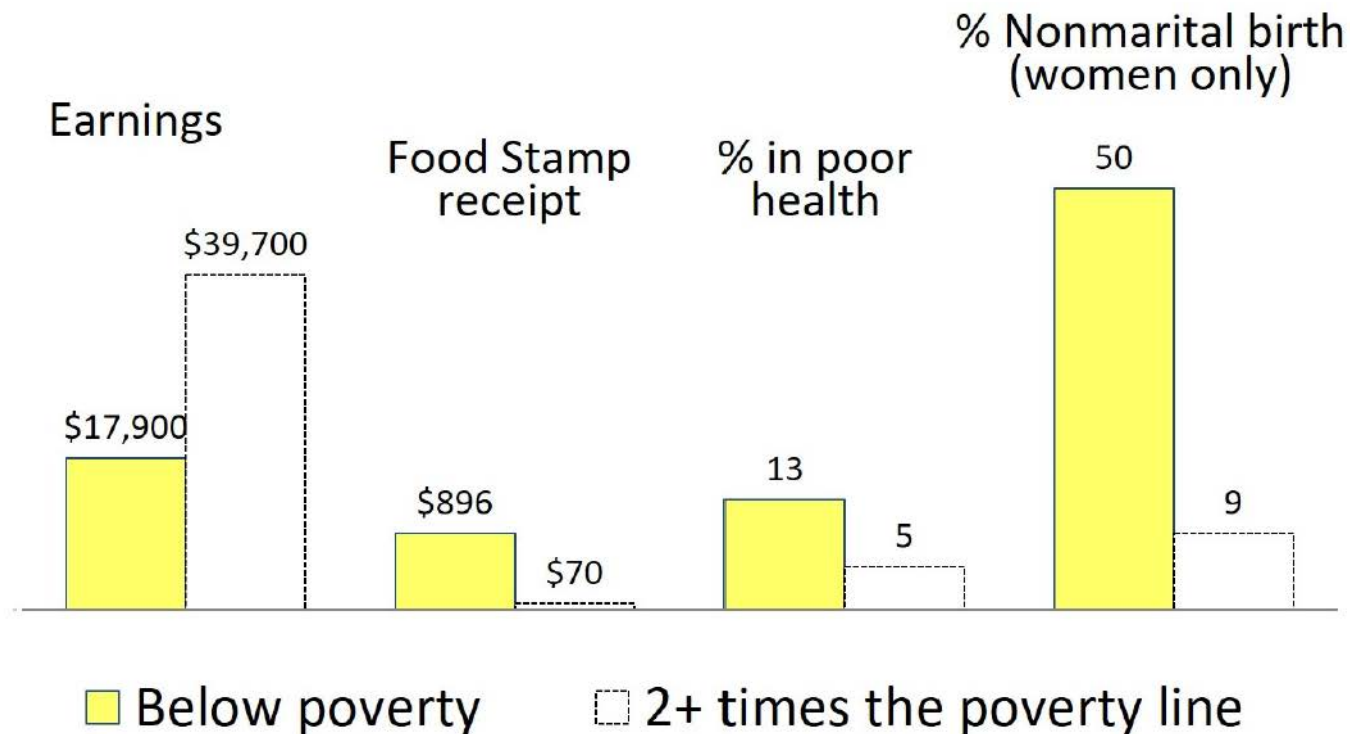
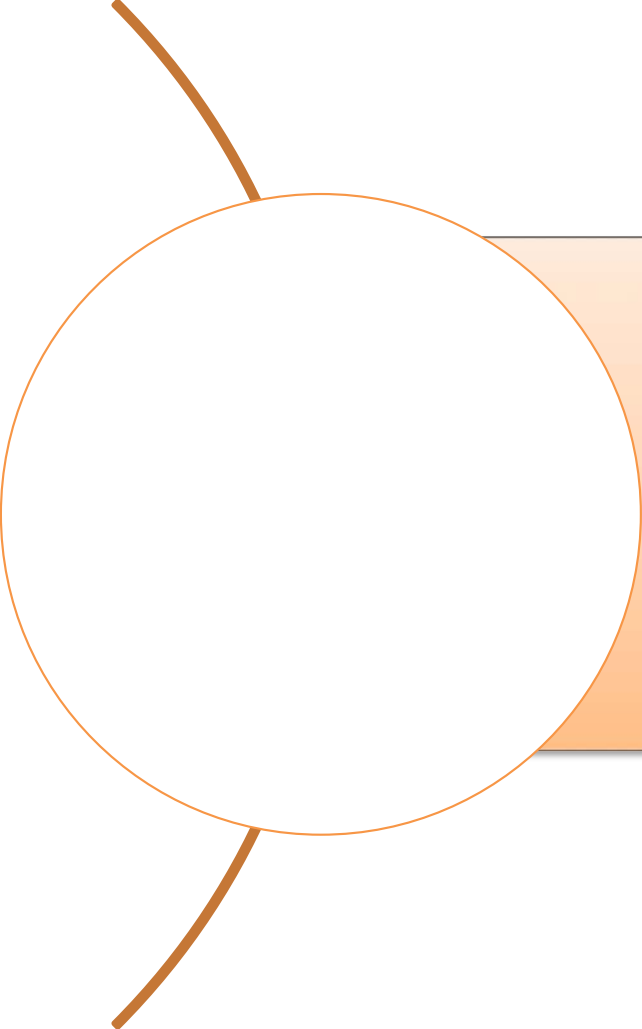


FIGURE 3-2 Adult Outcomes for Children With Lower and Higher Levels of Early Childhood Income.

SOURCE: Adapted from Duncan, Ziol-Guest, and Kalil (2010).



Causal Studies: Does Income Poverty Matter?



**Child outcomes with
programs that increased
family income through
experiments or “natural
experiments”**

Causal Studies: Does Income Poverty Matter?

EITC: study of child outcomes from policy-induced increases

Welfare to Work Programs: experiments

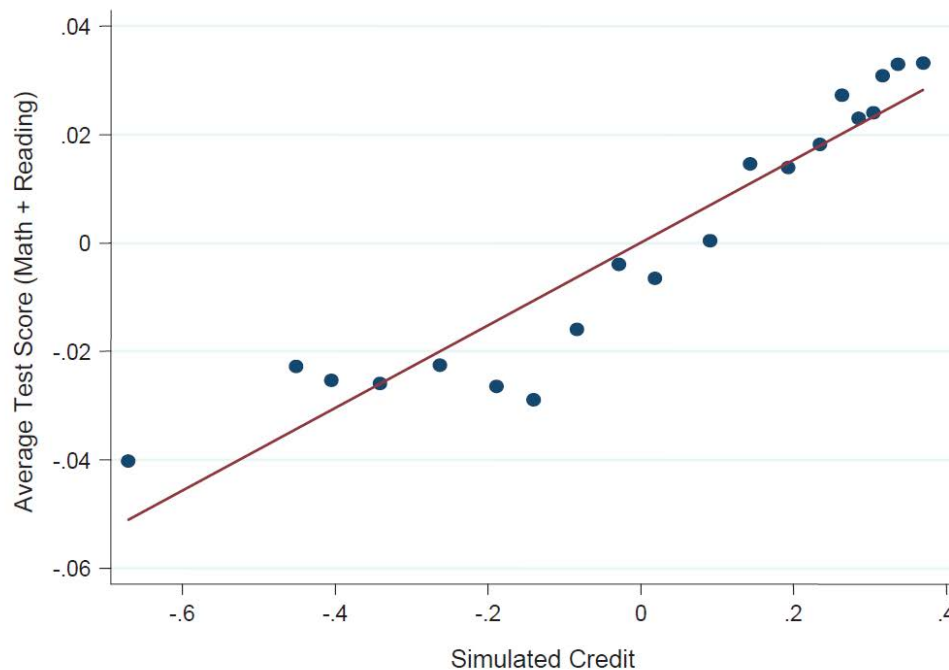
SSI: child development on either side of birthweight cutoff

Tribal Govt Supplemental Income: natural experiments

SNAP: outcomes due to roll-out of increases

Natural Experiments with Increases in EITC

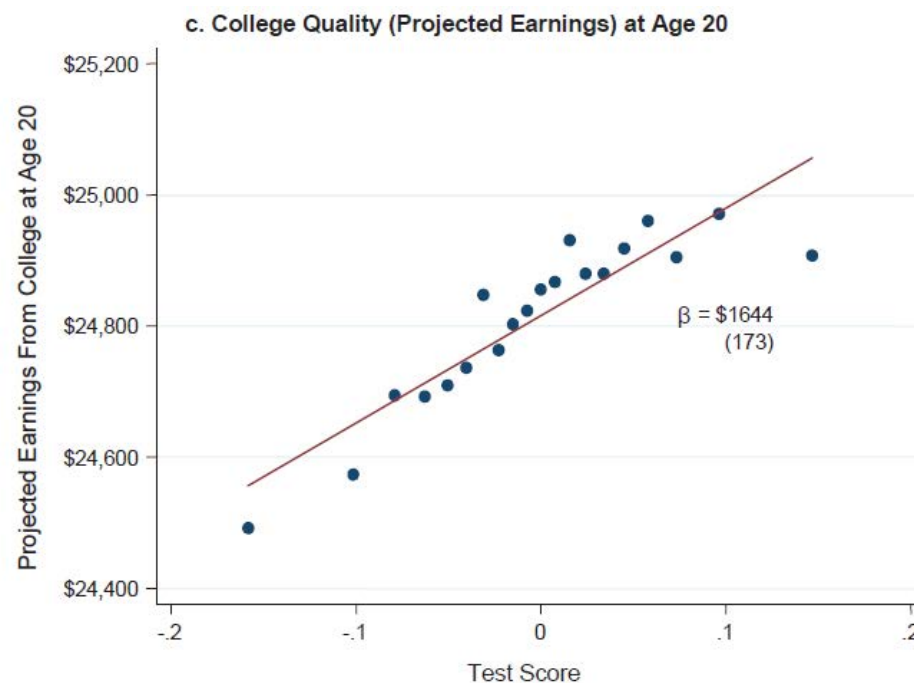
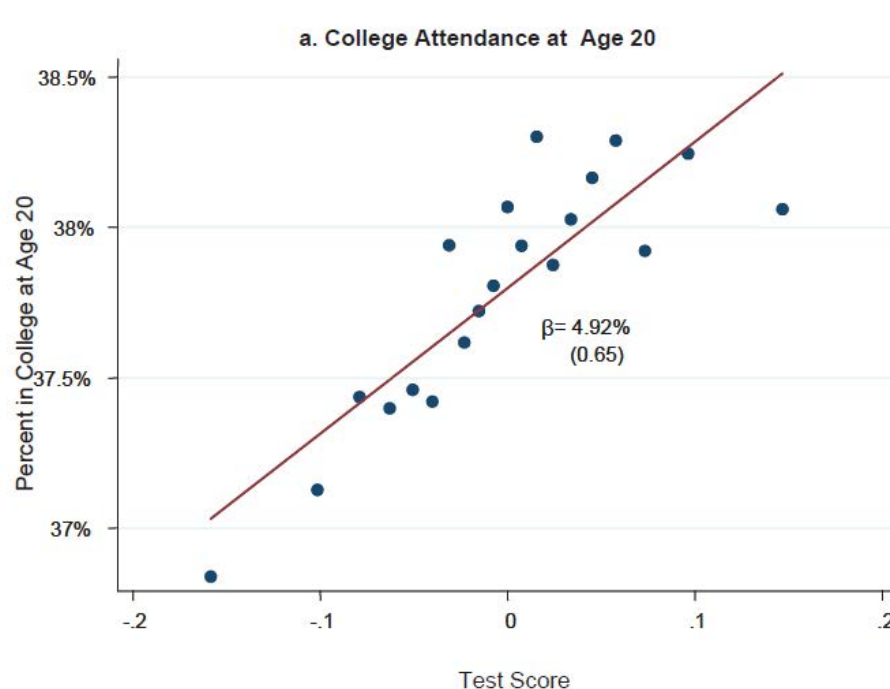
FIGURE 5: Average Test Score vs. Credit



Notes: This figure represents the data underlying the regression in Column 3 of Table 2. We regress both average test score and household credit amount on the full vector of control variables, including a five-degree polynomial in household income, student English proficiency, receipt of special education status, age, and gender, as well as the household background characteristics including a dummy variable for married filing status, a dummy variable for the difference between the age of the claiming parent and dependent less than 20 years, a dummy variable for home ownership, and average savings in tax-deferred account. We add back the sample means of each variable, and then group observations into 20 equal-sized (5 percentile point) bins and plot the mean residual test score in each bin. The best-fit line is that fitted on the underlying individual data.

Chetty, R., Friedman, J.N., and Rockoff, J. (2011, November). *New Evidence on the Long-Term Impacts of Tax Credits*. Cambridge, MA: National Bureau of Economic Research.

Natural Experiments with Increases in EITC



Chetty, R., Friedman, J.N., and Rockoff, J. (2011, November). *New Evidence on the Long-Term Impacts of Tax Credits*. Cambridge, MA: National Bureau of Economic Research.



Causal impacts of poverty

- The weight of the causal evidence indicates that poverty itself causes negative child outcomes, especially when poverty occurs in early childhood or persists throughout a large portion of childhood.
- Many programs that alleviate poverty, either directly, by providing income transfers —e.g., ETIC— or indirectly, by providing food, housing or medical care —e.g., SNAP, medical insurance—have been shown to improve child well-being.

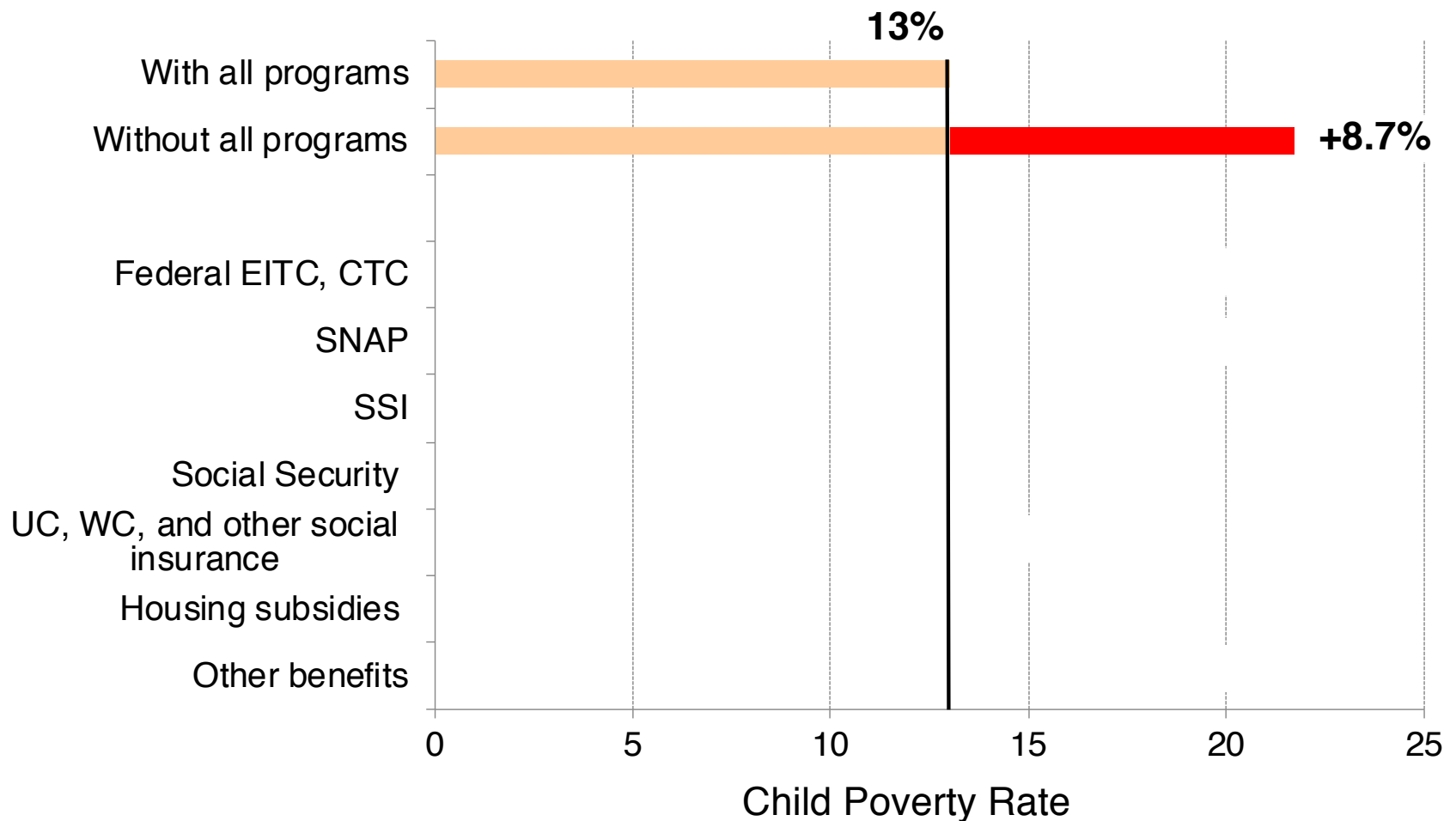


Poverty Reducing Effects of Major Existing Assistance Programs

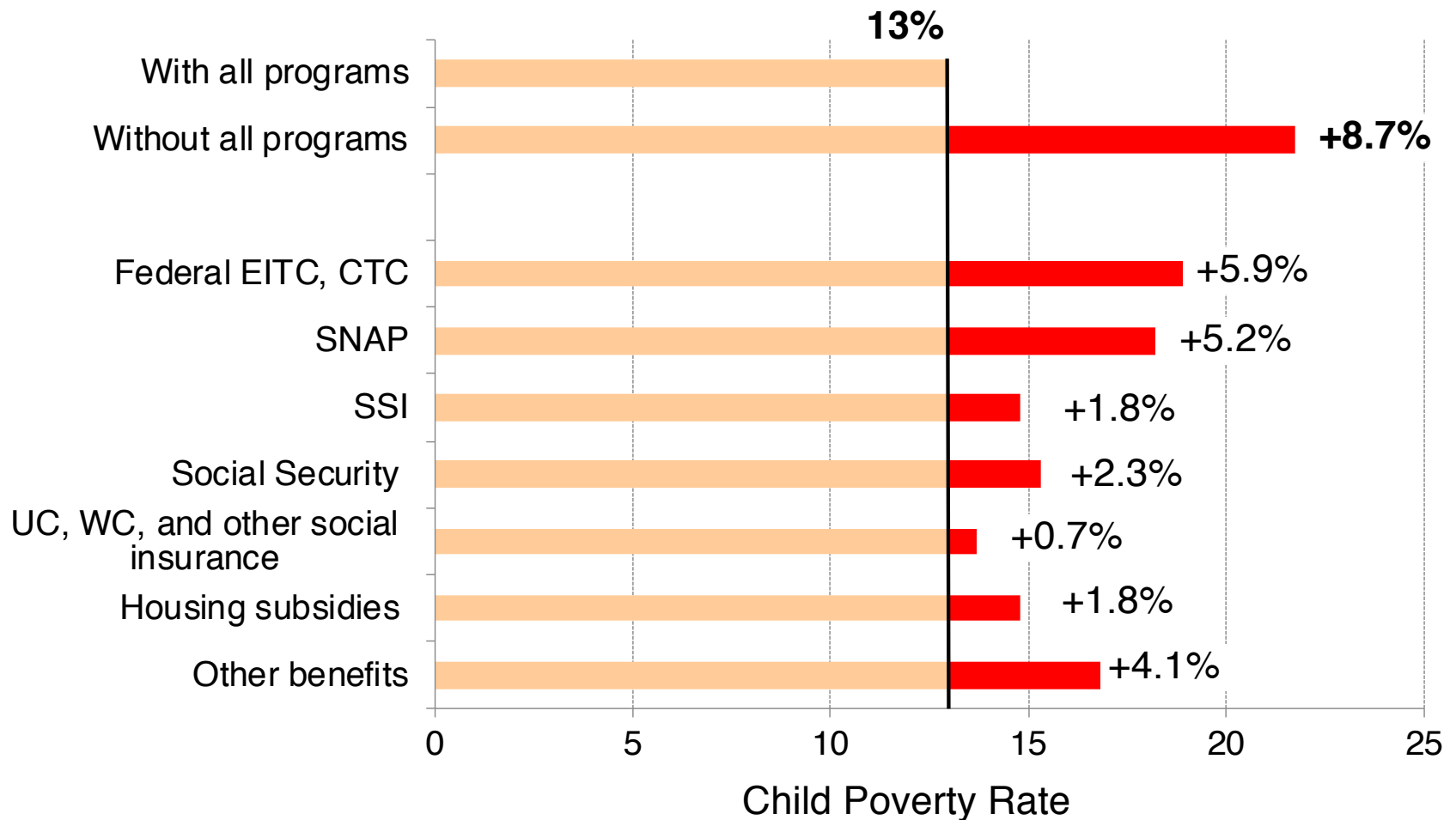
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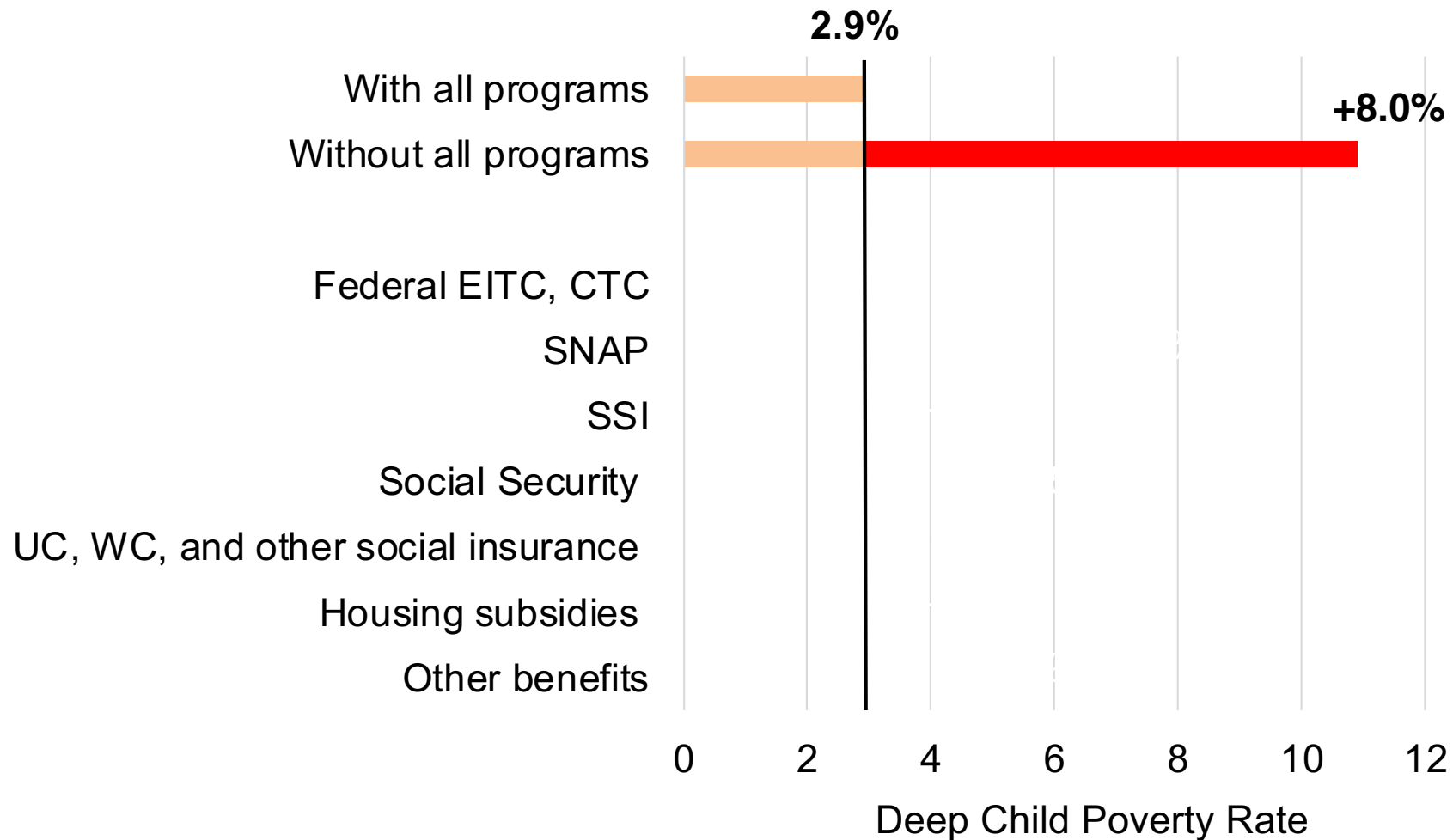
Child Poverty Rates Would Be Higher Without Existing Programs



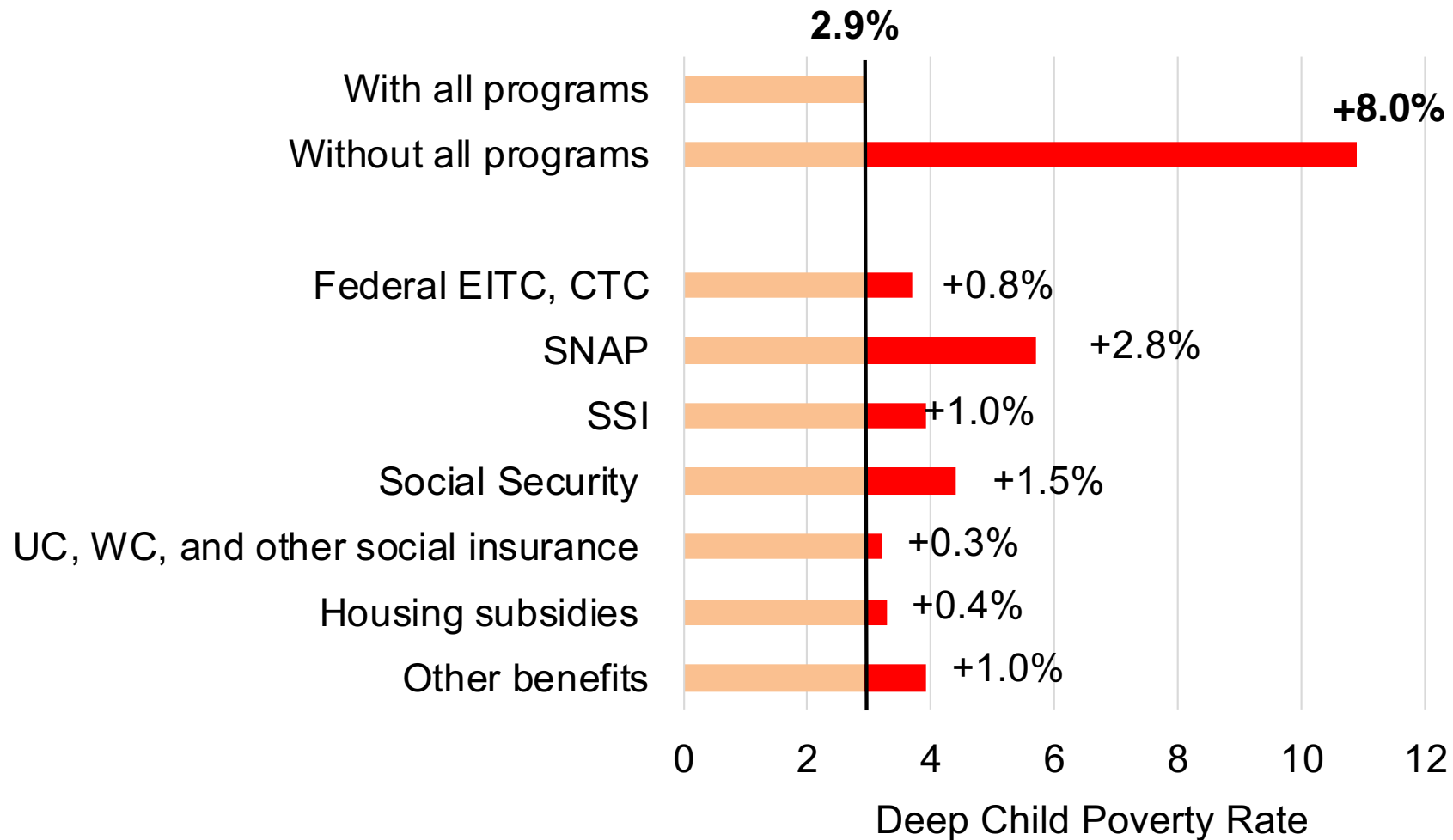
Child Poverty Rates Would Be Higher Without Existing Programs



Deep Child Poverty Rates Would Also Be Higher Without Existing Programs



Deep Child Poverty Rates Would Also Be Higher Without Existing Programs





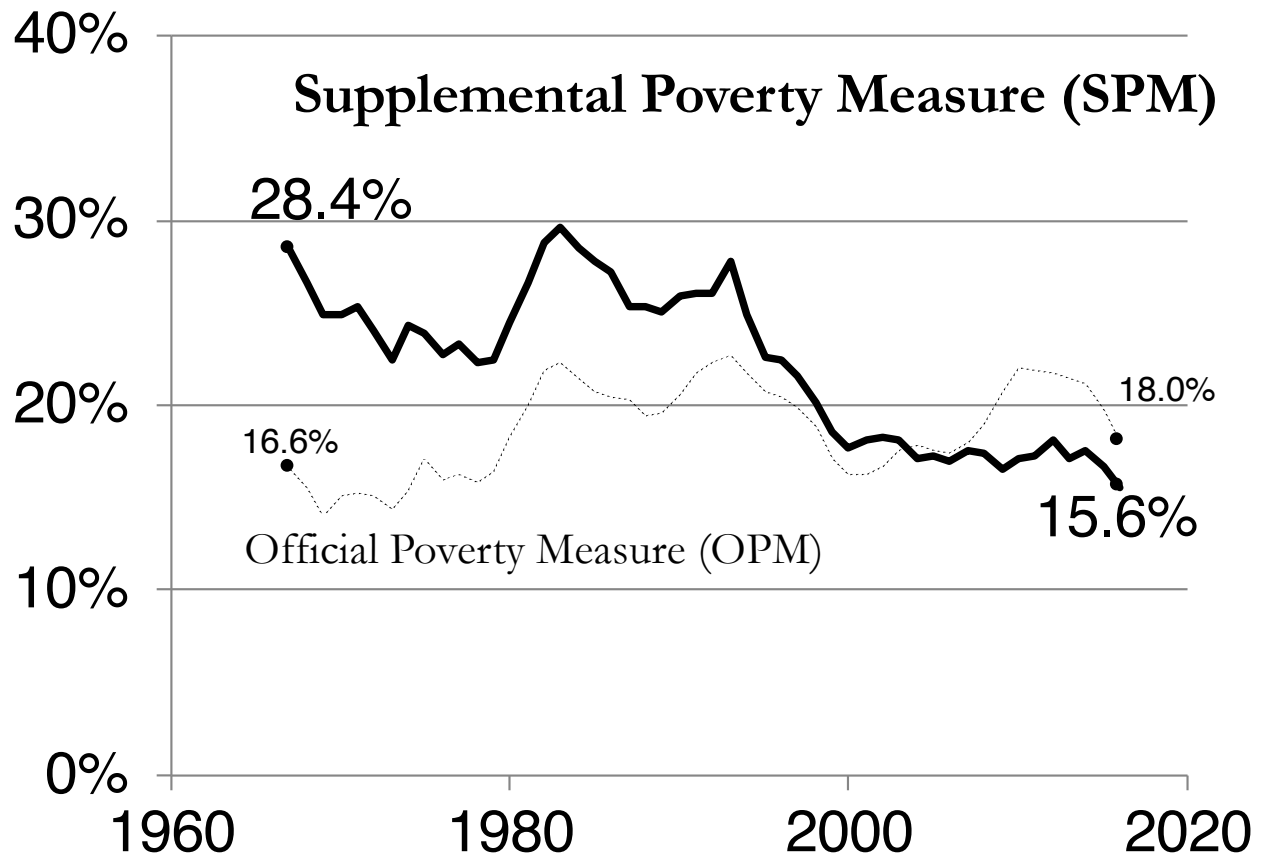
Program and Policy Options for Child Poverty Reduction

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A 50% Reduction in Child Poverty is Achievable

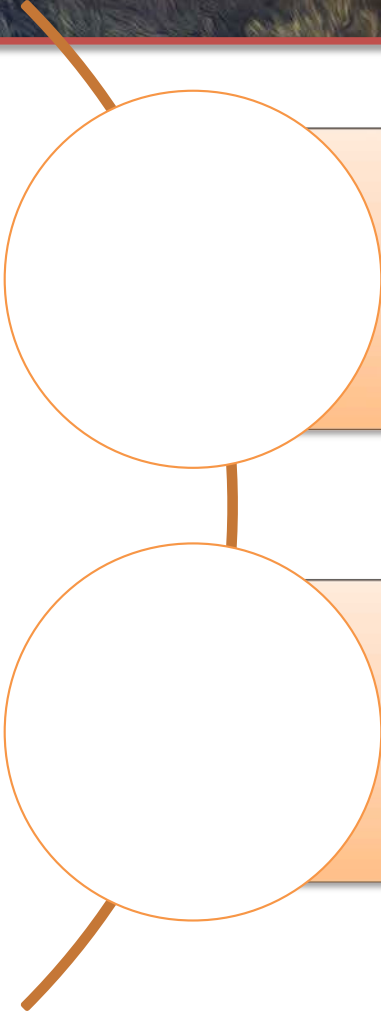
- The U.K. cut its child poverty rate in half from 2001-2008
- Canada's Child Benefit program is on course to cut child poverty in half
- The US nearly cut its child poverty rate in half between 1967 and 2016



Anchored U.S. SPM child poverty rate. SOURCE: Original analyses commissioned by the committee from Christopher Wimer (2017, October).



The Committee Developed



20 individual policy and program options

4 policy and program packages





Criteria for Selecting Programs and Policies



Strength of the research & evaluation evidence

Magnitude of the reduction in child poverty

Poverty reduction within high-risk subgroups

Cost

Impacts on work, marriage, opportunity & social inclusion





Simulated Programs and Policies

Program and policy options tied to work:

- Expand the Earned Income Tax Credit (EITC)
- Expand child care subsidies
- Raise the federal minimum wage
- Implement a promising training and employment program called WorkAdvance

Modifications to existing provisions relating to immigrants:

- Increasing immigrants' access to safety net programs

Modifications to existing safety net programs:

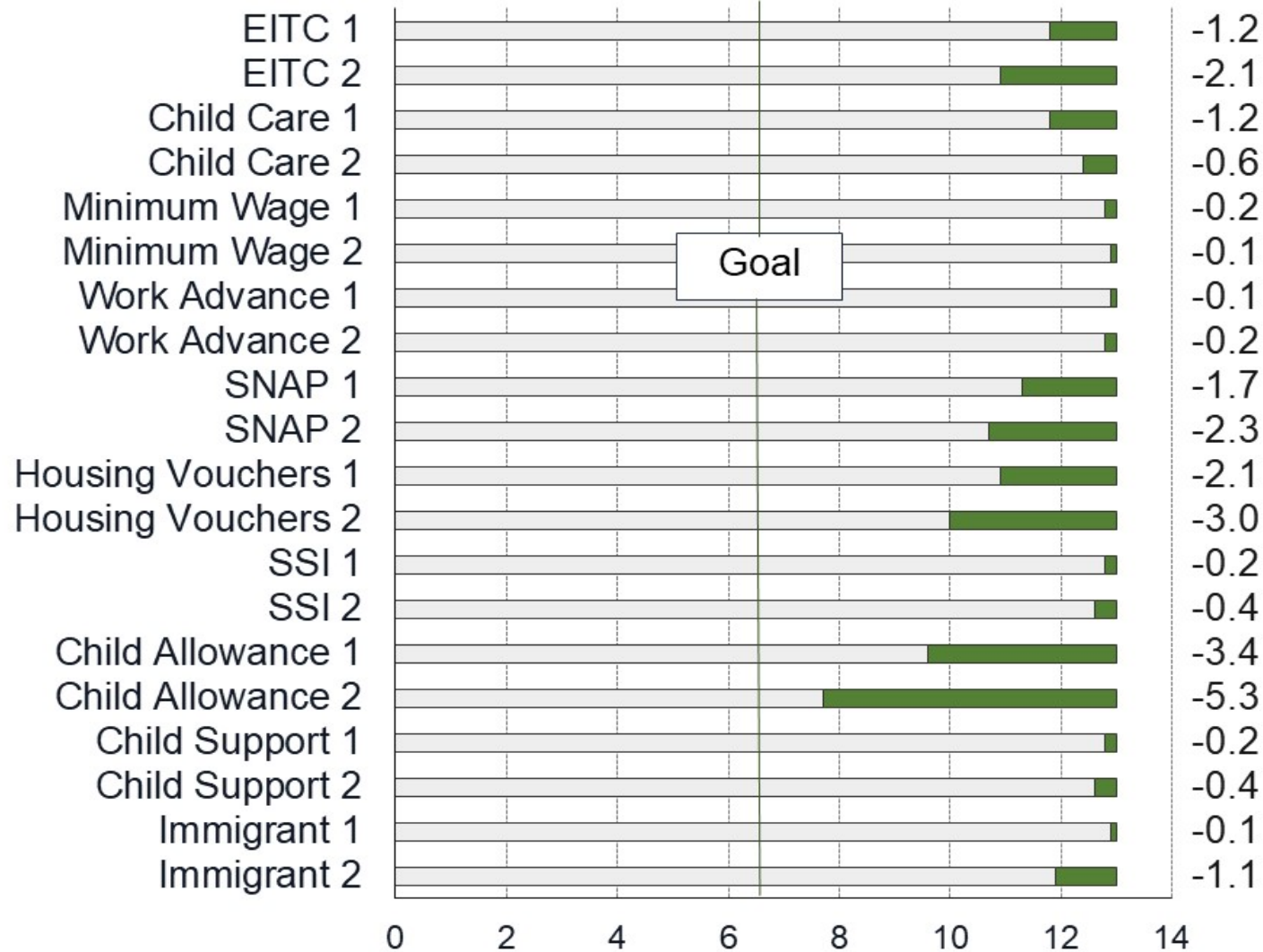
- Expand Supplemental Nutrition Assistance Program (SNAP)
- Expand the Housing Choice Voucher Program
- Expand Child Supplemental Security Income (SSI) levels

Policies used in other Countries:

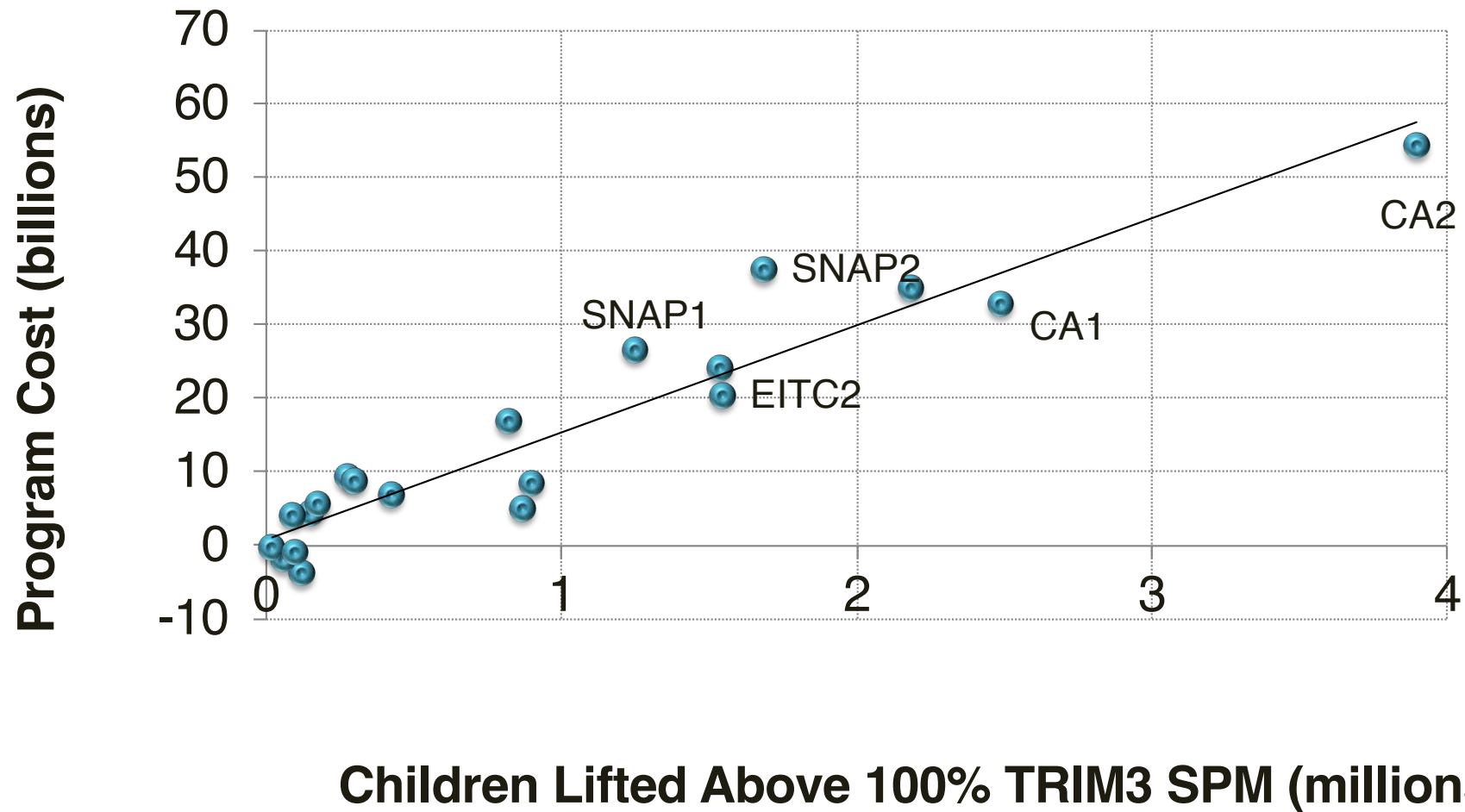
- Replace Child Tax Credit with a nearly-universal child allowance
- Introduce a child support assurance program that sets guaranteed minimum child support amounts per child per month



No Single Program or Policy Option Met the 50% Reduction Goal



More Effective Policies Generally Cost More

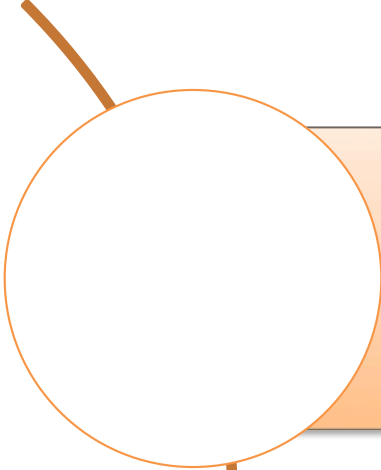




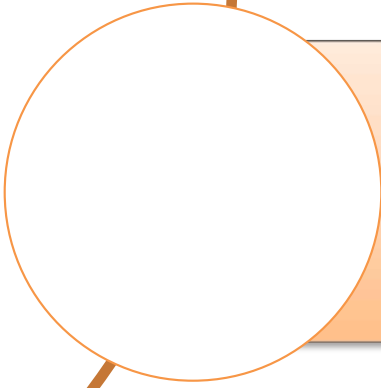
Impacts on Employment

- Income support enhancements decreased employment by up to 160,000.
- Work-based enhancements (e.g., to EITC, CDCTC) increased employment by up to 550,000.





20 individual policy and
program options



**4 policy and program
packages**



Work-based Policies Alone Failed to Meet the Goal

	Work-oriented package	Work-Based and Universal Support Package	Means-tested supports and work package	Universal supports and work package
Expand EITC	X			
Expand Child and Dependent Care Tax Credit	X			
Increase the minimum wage	X			
Roll out WorkAdvance	X			
Expand housing voucher program				
Expand SNAP benefits				
Begin a child allowance				
Begin child support assurance				
Eliminate 1996 immigration eligibility restrictions				
Percent Reduction in the number of poor children	-18.8%			
Percent Reduction in the number of children in deep poverty	-19.3%			
Change in number of low-income workers	+1,003,000			
Annual cost, in billions	\$8.7			

Some Packages Met the Goal

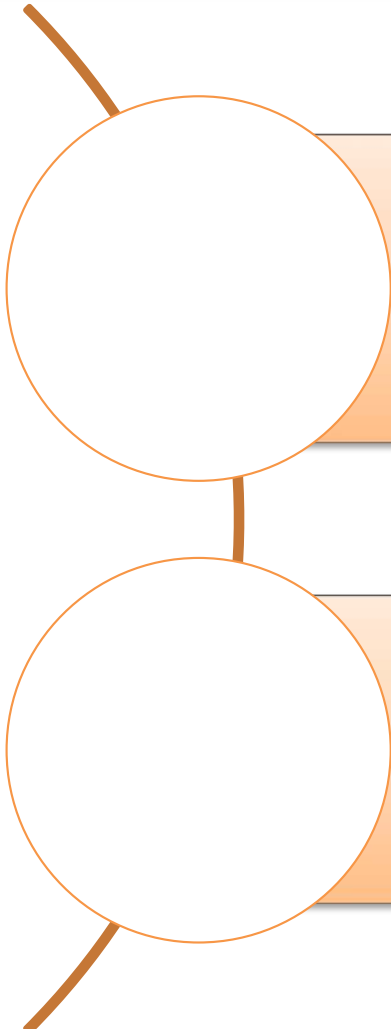
	Work-oriented package	Work-Based and Universal Support Package	Means-tested supports and work package	Universal supports and work package
Expand EITC	X	X	X	X
Expand Child and Dependent Care Tax Credit	X	X	X	X
Increase the minimum wage	X			X
Roll out WorkAdvance	X			
Expand housing voucher program			X	
Expand SNAP benefits			X	
Begin a child allowance		X		X
Begin child support assurance				X
Eliminate 1996 immigration eligibility restrictions				X
Percent Reduction in the number of poor children	-18.8%	-35.6%	-50.7%	-52.3%
Percent Reduction in the number of children in deep poverty	-19.3%	-41.3%	-51.7%	-55.1%
Change in number of low-income workers	+1,003,000	+568,000	+404,000	+611,000
Annual cost, in billions	\$8.7	\$44.5	\$90.7	\$108.8

Some Packages Met the Goal

	Work-oriented package	Work-Based and Universal Support Package	Means-tested supports and work package	Universal supports and work package
Expand EITC	X	X	X	X
Expand Child and Dependent Care Tax Credit	X	X	X	X
Increase the minimum wage	X			X
Roll out WorkAdvance	X			
Expand housing voucher program			X	
Expand SNAP benefits			X	
Begin a child allowance		X		X
Begin child support assurance				X
Eliminate 1996 immigration eligibility restrictions				X
Percent Reduction in the number of poor children	-18.8%	-35.6%	-50.7%	-52.3%
Percent Reduction in the number of children in deep poverty	-19.3%	-41.3%	-51.7%	-55.1%
Change in number of low-income workers	+1,003,000	+568,000	+404,000	+611,000
Annual cost, in billions	\$8.7	\$44.5	\$90.7	\$108.8



Lessons From the Packages:

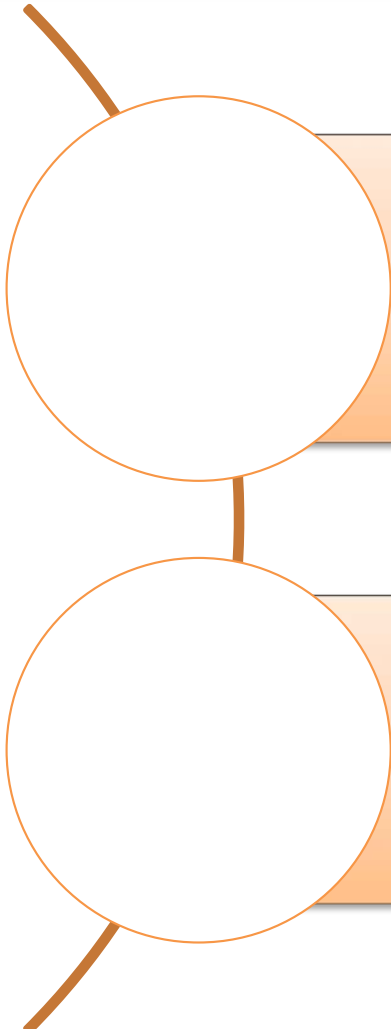


Individual policy and program changes are insufficient

Bundling work-oriented and income-support programs can reduce poverty AND increase employment



Costs of the Packages:



Package costs range from \$8.7 billion to \$108.8 billion per year

Studies have estimated the annual costs of child poverty to range between \$800 billion to \$1.1 trillion



Other Programs Considered by the Committee

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Other Programs Considered

Long-acting Reversible Contraception (LARC)

LARC devices reduce the incidence of unplanned births, which could in turn reduce child poverty.

Mandatory Work Policies

Evidence is insufficient to identify policies that would reliably reduce child poverty.

Marriage Promotion

Likely to reduce child poverty, but no successful models of marriage promotion



Other Programs Considered

Health insurance

Current poverty measures (SPM) do not incorporate health spending.

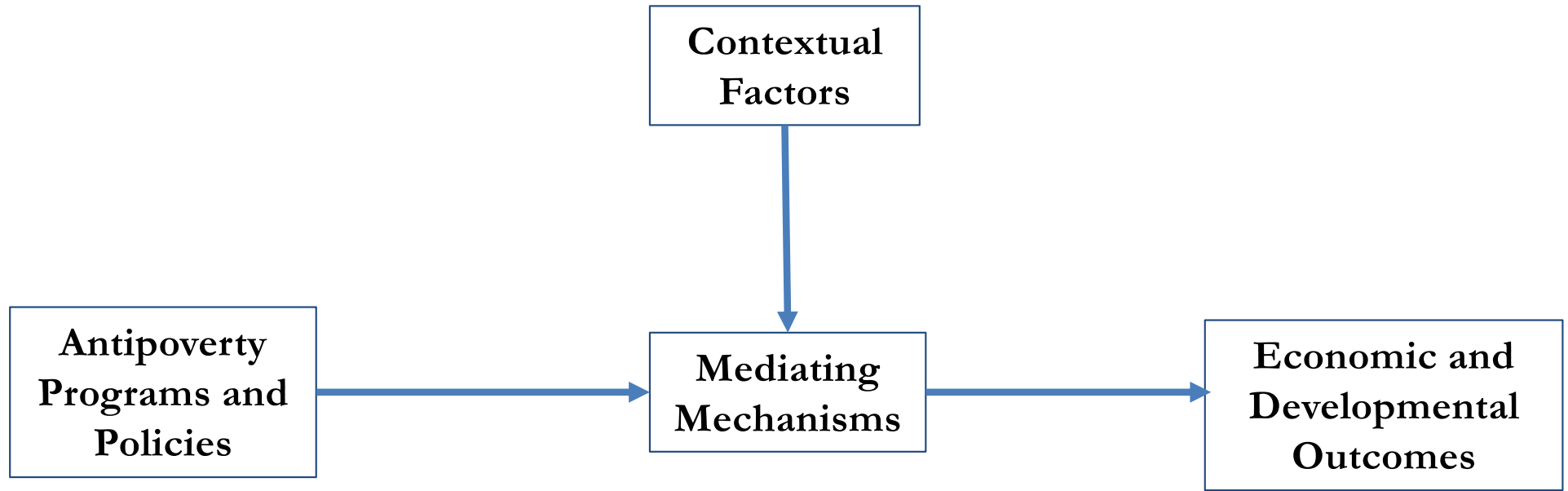
Policies for Native Americans

Small sample sizes in population surveys make it difficult to simulate effects for this group.

TANF

TANF had mixed effects on child poverty in the SR, and little effect on the LR.

Contextual Factors



Contextual Factors

Context can greatly influence the impact and success of anti-poverty programs and policies.

Stability & predictability of income

Equitable & ready access to programs

Equitable treatment across racial & ethnic groups

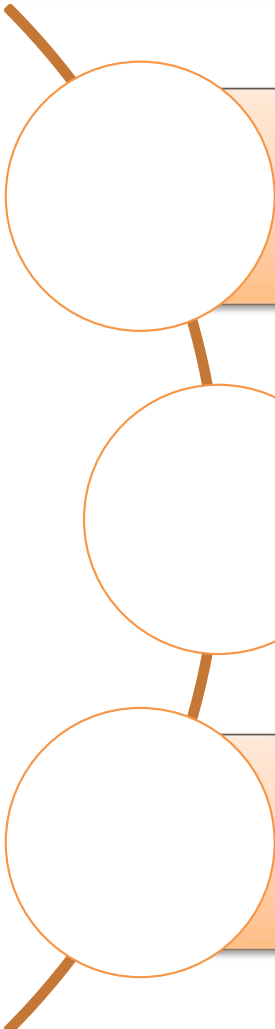
Equitable treatment by the criminal justice system

Positive neighborhood conditions

Health & well-being



Research Priorities



State and local waivers to test new work-related programs, supported by federal funding impediments

More research on contextual factors

Improve federal data on and measurement of poverty



Where Do We Go From Here?



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Next Steps

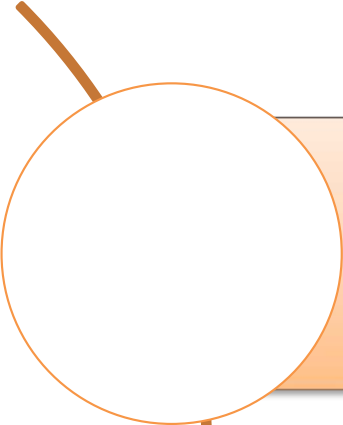
Develop and evaluate a health-inclusive poverty measure (HIPM) that builds on the SPM and would permit an assessment of the effectiveness of health insurance, such as Medicaid/CHIP in reducing child poverty

Establish a coordinating mechanism to ensure that the report is followed up and that well-considered decisions are made on priorities for new and improved anti-poverty programs and policies

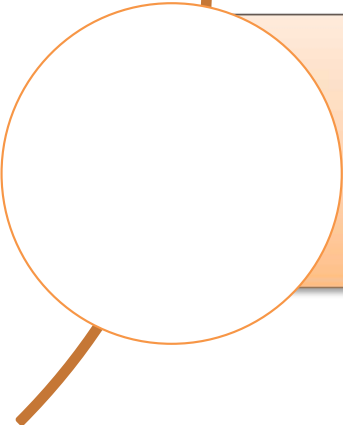
This mechanism should also ensure that the associated research and data needed for monitoring, evaluating, and further improvement are supported as well.



Conclusions



Government Programs Work: There have been significant reductions in child poverty



Reducing U.S. child poverty in half in 10 years is an attainable goal

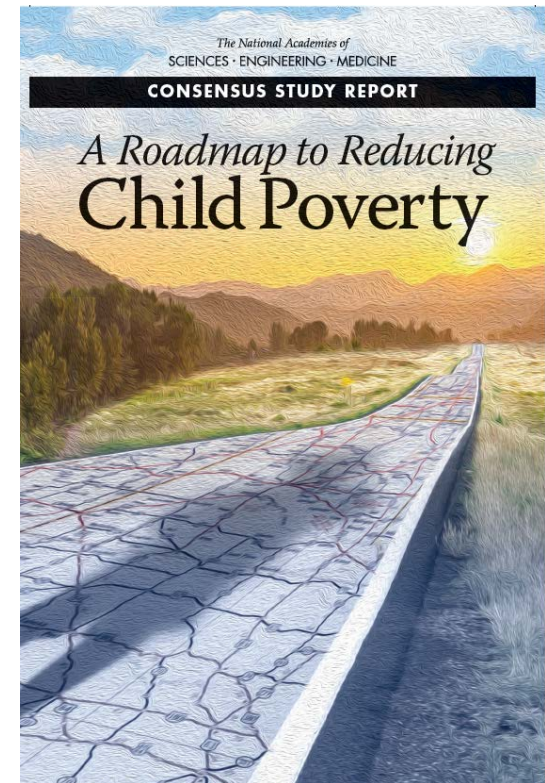




Learn More:
www.nap.edu/reducingchildpoverty

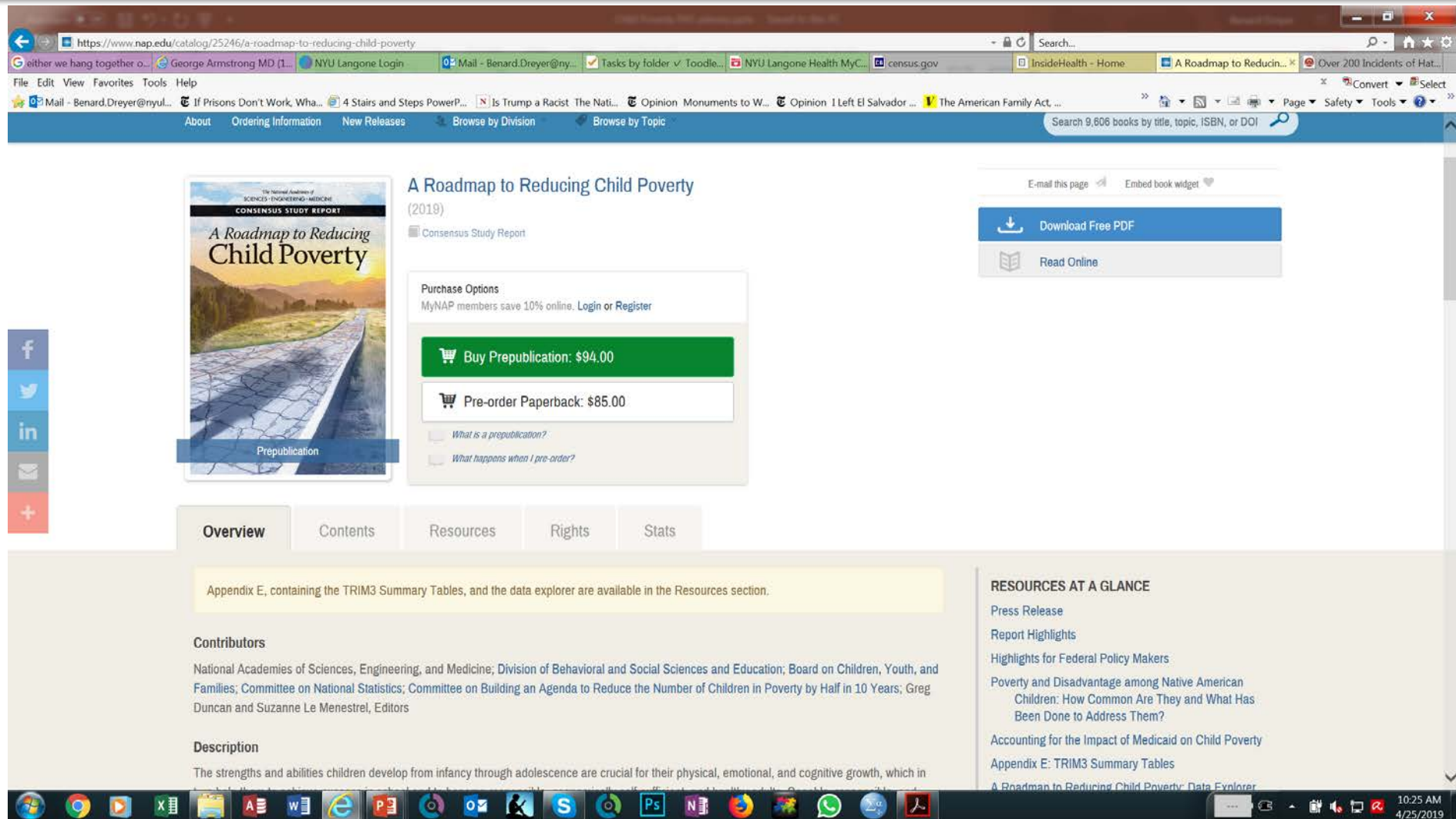
- ~220 page report
- Appendices
- Data Explorer Tool
- Report Highlights

#ChildPovertyInHalf



National Academy Press

Nap.edu/25246



The screenshot shows a web browser window displaying the National Academy Press website. The address bar shows the URL: <https://www.nap.edu/catalog/25246/a-roadmap-to-reducing-child-poverty>. The page features a large image of a road winding through a landscape, with the title "A Roadmap to Reducing Child Poverty" and the subtitle "CONSENSUS STUDY REPORT" overlaid. The page includes a "Purchase Options" section with buttons for "Buy Prepublication: \$94.00" and "Pre-order Paperback: \$85.00". A "Resources at a Glance" sidebar on the right lists various links such as "Press Release", "Report Highlights", and "Data Explorer". The bottom of the page shows a Windows taskbar with various application icons.

A Roadmap to Reducing Child Poverty
(2019)
Consensus Study Report

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Overview Contents Resources Rights Stats

Appendix E, containing the TRIM3 Summary Tables, and the data explorer are available in the Resources section.

Contributors
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Description
The strengths and abilities children develop from infancy through adolescence are crucial for their physical, emotional, and cognitive growth, which in

RESOURCES AT A GLANCE
[Press Release](#)
[Report Highlights](#)
[Highlights for Federal Policy Makers](#)
[Poverty and Disadvantage among Native American Children: How Common Are They and What Has Been Done to Address Them?](#)
[Accounting for the Impact of Medicaid on Child Poverty](#)
[Appendix E: TRIM3 Summary Tables](#)
[A Roadmap to Reducing Child Poverty: Data Explorer](#)