Study Sponsors

• Doris Duke Charitable Foundation
• The Foundation for Child Development
• The Joyce Foundation
• The Russell Sage Foundation
• The W.K. Kellogg Foundation
• The William T. Grant Foundation
• The U.S. Department of Health and Human Services
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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
Causal Impacts of Child 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...—e.g., SNAP, medical insurance—have been shown to improve child well-being.
Poverty Reducing Effects of Major Existing Assistance Programs

The National Academies of SCIENCES • ENGINEERING • MEDICINE
Child Poverty Rates Would Be Higher Without Existing Programs

- With all programs: 13%
- Without all programs: 21.7%

Programs:
- Federal EITC, CTC
- SNAP
- SSI
- Social Security
- UC, WC, and other social insurance
- Housing subsidies
- Other benefits
Child Poverty Rates Would Be Higher Without Existing Programs

- With all programs: 13%
- Without all programs: 13% + 8.7%
- Federal EITC, CTC: 13% + 5.9%
- SNAP: 13% + 5.2%
- SSI: 13% + 1.8%
- Social Security: 13% + 2.3%
- UC, WC, and other social insurance: 13% + 0.7%
- Housing subsidies: 13% + 1.8%
- Other benefits: 13% + 4.1%
Program and Policy Options for Child Poverty Reduction
The Committee Developed

20 individual policy and program options

4 policy and program packages
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 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

Modifications to existing provisions relating to immigrants:
• Increasing immigrants’ access to safety net programs
Other programs considered but not simulated for lack of:

• Evidence on poverty-reducing effectiveness:
  – LARC (Long Acting Reversible Contraceptives)
  – Mandatory Work Programs
  – Marriage Promotion
  – TANF
  – Paid Family and Medical Leave
  – Block Grants

• Data:
  – American Indian/Alaska Native

• Comprehensive poverty measurement:
  – Public Health care programs
    (1/3 of federal expenditures on children)
No Single Program or Policy Option Met the 50% Reduction Goal
More Effective Policies Generally Cost More

Children Lifted Above 100% TRIM3 SPM (millions)
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.
The Committee Developed

20 individual policy and program options

4 policy and program packages
# Work-based Packages Failed to Meet the Goal

<table>
<thead>
<tr>
<th>Package</th>
<th>Work-oriented package</th>
<th>Work-Based and Universal Support Package</th>
<th>Means-tested supports and work package</th>
<th>Universal supports and work package</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand EITC</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expand Child and Dependent Care Tax Credit</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase the minimum wage</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roll out WorkAdvance</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Percent Reduction in the number of poor children</strong></td>
<td>-18.8%</td>
<td></td>
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</tr>
<tr>
<td><strong>Percent Reduction in the number of children in deep poverty</strong></td>
<td>-19.3%</td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Change in number of low-income workers</strong></td>
<td>+1,003,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Annual cost, in billions</strong></td>
<td>$8.7</td>
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</table>
## Some Packages Met the Goal

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<tr>
<td>Roll out WorkAdvance</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expand housing voucher program</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Expand SNAP benefits</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Begin a child allowance</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Begin child support assurance</td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Eliminate 1996 immigration eligibility restrictions</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Percent Reduction in the number of poor children</td>
<td>-18.8%</td>
<td>-35.6%</td>
<td>-50.7%</td>
<td>-52.3%</td>
</tr>
<tr>
<td>Percent Reduction in the number of children in deep poverty</td>
<td>-19.3%</td>
<td>-41.3%</td>
<td>-51.7%</td>
<td>-55.1%</td>
</tr>
<tr>
<td>Change in number of low-income workers</td>
<td>+1,003,000</td>
<td>+568,000</td>
<td>+404,000</td>
<td>+611,000</td>
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<tr>
<td>Annual cost, in billions</td>
<td>$8.7</td>
<td>$44.5</td>
<td>$90.7</td>
<td>$108.8</td>
</tr>
</tbody>
</table>
Louisiana Data

Child Poverty and Deep Poverty

Key Programs
Reduction in Child Poverty Rates by Package, LA

<table>
<thead>
<tr>
<th>Package</th>
<th>Child Poverty</th>
<th>Deep Child Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Package 1</td>
<td>21.0%</td>
<td>27.0%</td>
</tr>
<tr>
<td>Package 2</td>
<td>38.3%</td>
<td>37.8%</td>
</tr>
<tr>
<td>Package 3</td>
<td>49.1%</td>
<td>46.9%</td>
</tr>
<tr>
<td>Package 4</td>
<td>51.5%</td>
<td>47.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>National Comparison</th>
<th>Package 1</th>
<th>Package 2</th>
<th>Package 3</th>
<th>Package 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Poverty</td>
<td>18.8%</td>
<td>35.6%</td>
<td>50.7%</td>
<td>52.2%</td>
</tr>
<tr>
<td>Deep Child Poverty</td>
<td>20%</td>
<td>42.3%</td>
<td>50.7%</td>
<td>54.3%</td>
</tr>
</tbody>
</table>
Reduction in LA Child Poverty Rates

<table>
<thead>
<tr>
<th>National Comparison</th>
<th>EITC 1</th>
<th>EITC 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Poverty</td>
<td>9.2%</td>
<td>16.2%</td>
</tr>
<tr>
<td>Deep Child Poverty</td>
<td>6.2%</td>
<td>13.8%</td>
</tr>
</tbody>
</table>
Costs of the Packages

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

Studies have estimated the annual macro costs of child poverty to range from $800 billion to $1.1 trillion (4% of GDP).
Lessons From the Packages:

Individual policy and program changes are insufficient

Bundling work-oriented and income-support programs can reduce poverty AND increase employment
Subgroups and Context
Poverty Rates by Race/Ethnicity

Poverty (<100% of SPM)

- Black, non-Hispanic: 7.9%
- Hispanic: 3.7%
- White, non-Hispanic: 2.1%

Deep poverty (<50% of SPM)

- Black, non-Hispanic: 4.0%
- Hispanic: 3.7%
- White, non-Hispanic: 2.1%
Poverty Shares by Race/Ethnicity

- **White, non-Hispanic**: 31% share of all children; 37% share of <100% SPM poor children; 51% share of <50% SPM "deep poor" children.
- **Black, non-Hispanic**: 14% share of all children; 19% share of <100% SPM poor children.
- **Hispanic**: 25% share of all children; 34% share of <50% SPM "deep poor" children.

Percent of Children in Group
Contextual Factors

- 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

Context can greatly influence the impact and success of anti-poverty programs and policies.
Research Priorities and Next Steps
Research Priorities

- State and local waivers to test new work-related programs, supported by federal funding
- More research on contextual impediments
- Improve federal data on and measurement of poverty
Next Steps

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.
Learn More:
www.nap.edu/reducingchildpoverty

• ~220 page report
• Appendices
• TRIM3 spreadsheet with demographic and state details for policy options
• Data Explorer Tool  

• Report Highlights
  • Suzanne Le Menestrel, Study Director
  • Email: slemenestrel@nas.edu