A Roadmap to Reducing Child Poverty

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Study Sponsors

- The U.S. Department of Health and Human Services
- Congress—Congresswomen Barbara Lee and Lucille Roybal-Allard championed funding for this report with bipartisan support
Interdisciplinary Committee with Broad Perspectives

- Public Policy
- Developmental Psychology
- Economics
- Medicine
- Child Welfare
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.
- Provides objective analyses of the poverty-reducing effects of major assistance programs directed at children and families.
- Provides policy and program recommendations for reducing the number of children living in poverty (and deep poverty) in the U.S. by half within 10 years.
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.

• Some programs that alleviate poverty—e.g., SNAP, EITC, medical insurance—have been shown to improve child well-being.
Child Poverty Rates Would Be Higher Without Existing Programs

In the absence of current programs that provide income, food, housing, and medical care, child poverty rates would be much higher.

- Federal EITC, CTC: +5.9%
- SNAP: +5.2%
- SSI: +1.8%
- Social Security: +2.3%
- UC, WC, and other social insurance: +0.7%
- Housing subsidies: +1.8%
- Other benefits: +4.1%

Child Poverty Rate: 13%
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
Program and policy options tied to work:

- Expand 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 SNAP
- Expand the Housing Choice Voucher Program
- Expand SSI

Modifications to existing provisions relating to immigrants:

- Increasing immigrants’ access to safety net programs

Policies used in other countries:

- Replace Child Tax Credit with a universal child allowance
- Introduce a child support assurance program
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.
Findings

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

• More Effective Policies Generally Cost More

• Some Policies Incentivized Employment; Others Didn’t
Decided to combine policies and programs:

- Means-tested Supports and Work Package
- Universal Supports and Work Package
Composition and Impacts of Program and Policy Packages

• Two packages of policies were estimated to achieve the 50% reduction goal by combining programs.
  - Means-tested Supports and Work Package; and
  - Universal Supports and Work Package
• The costs of these policies are substantial ($90 to $110 billion a year) but small compared with the aggregate costs of child poverty to the nation, which are estimated to range between $800 billion and $1.1 trillion per year.
Composition and Impacts of Program and Policy Packages

• Because these two packages combined policies that increased work and pay among low-income parents with policies that strengthened the safety net, they not only cut child poverty in half but also increased employment and earnings.

• A promising smaller program package was estimated to reduce child poverty by a third, not a half, while at the same time increasing employment and earnings, at a cost of about $44 billion per year.
Lessons From the Packages:

- Individual policy and program changes are insufficient

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

Substantial reductions in U.S. child poverty are an attainable goal.