IMPLEMENTING A ROADMAP TO REDUCING CHILD POVERTY

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END CHILD POVERTY

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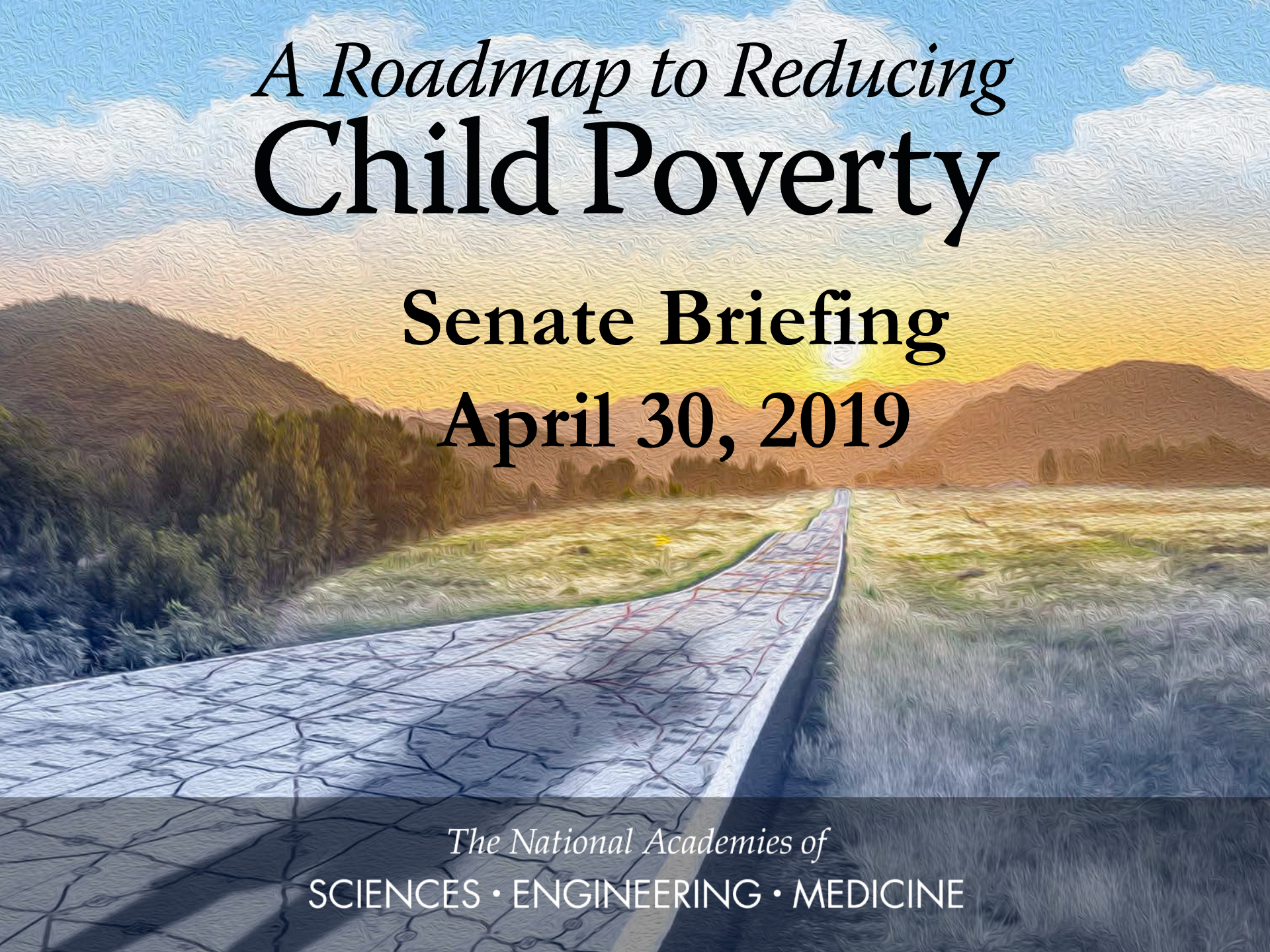
A Roadmap to Reducing
Child Poverty
Senate Briefing
April 30, 2019
The National Academies of
SCIENCES • ENGINEERING • MEDICINE

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

THANK YOU

Congresswomen Barbara Lee and Lucille Roybal-Allard for championing funding for this report

with bipartisan support

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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

Impacts of Poverty on Child Well-Being

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Reviewed All Rigorous, High-Quality Research

- Growing up poor has negative effects on birthweight, brain development, and child physical and mental health
- Growing up poor leads to worse education and employment outcomes as adults
- Effects worse, the younger the child

A Dollar Figure on the Cost of Child Poverty

- $800 million to $1.1 trillion
- 4% of GDP
- Lost earnings, employment
- Increased costs of health care
- Costs of incarceration, assistance programs

Public Programs Can Help

- Rigorous research shows that SNAP, the EITC, and public health insurance improves child well-being in many dimensions

Poverty Reducing Effects of Major Existing Assistance Programs

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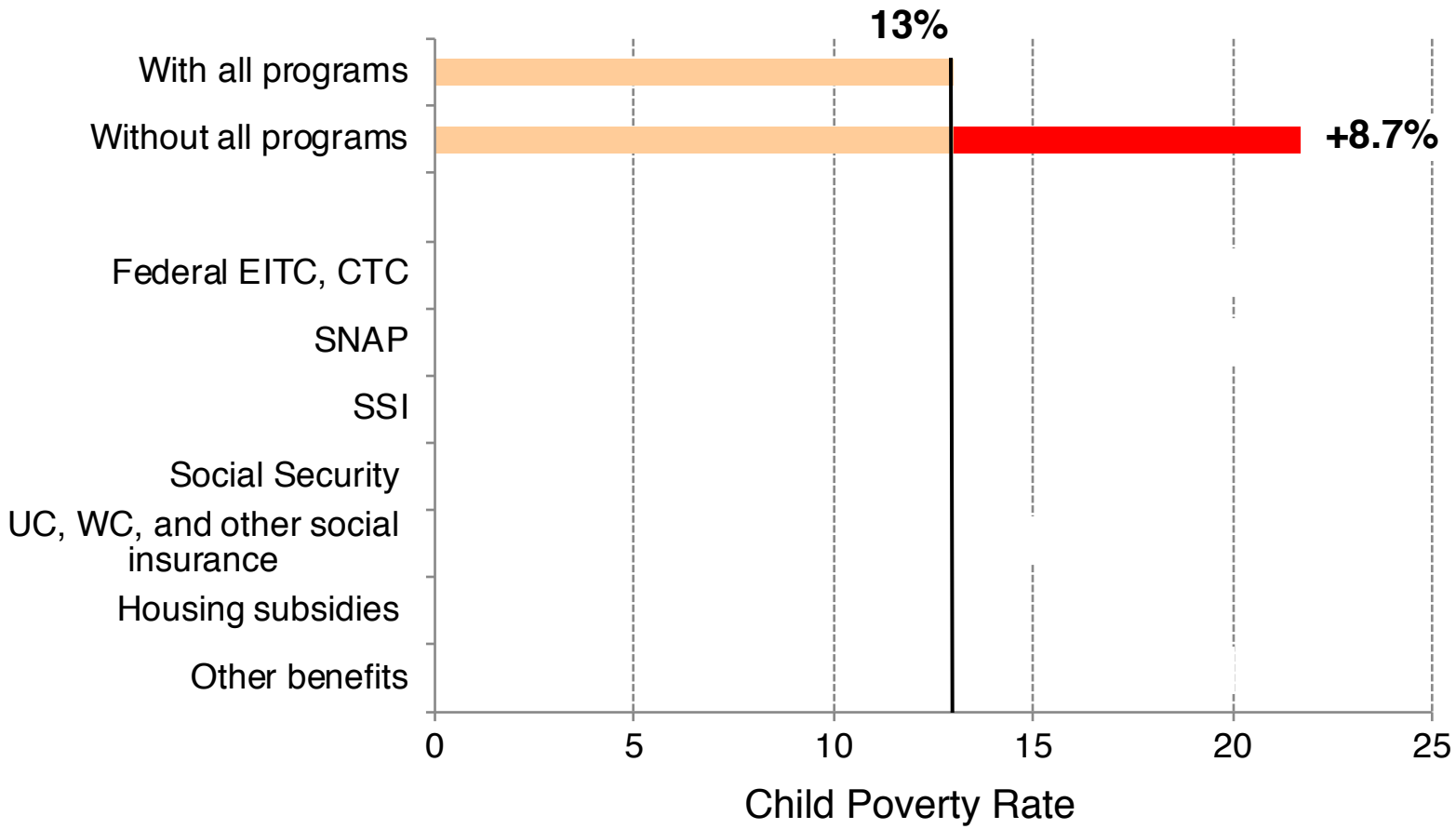
Child Poverty in 2015

- Child Poverty: In a household whose income is below the government poverty line*
- 2015: 13% of U.S. children were in families with incomes below the poverty line
- 9.6 million children

*Supplemental Poverty Measure

Child Poverty Rates Would Be Higher Without Existing Programs



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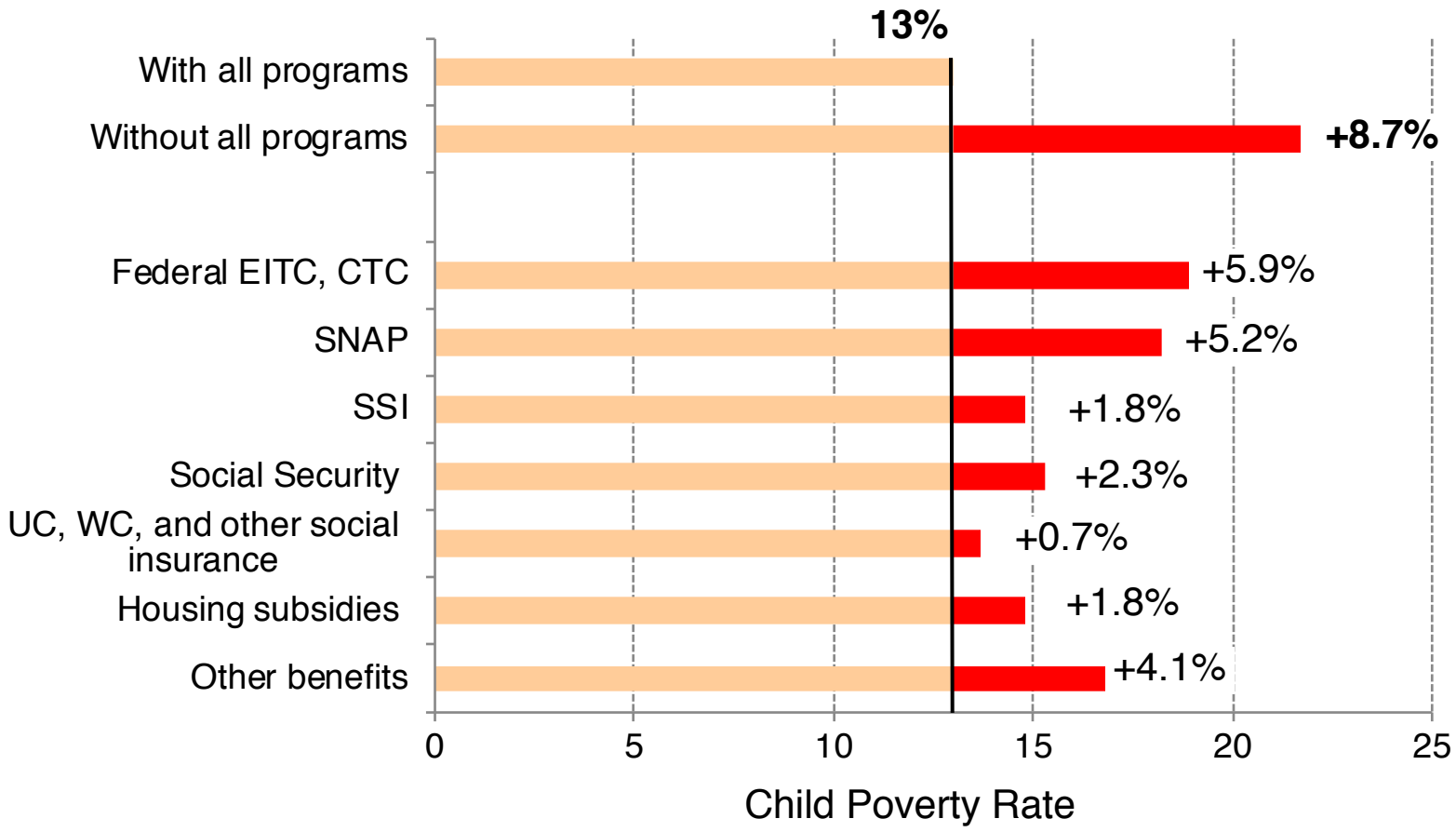
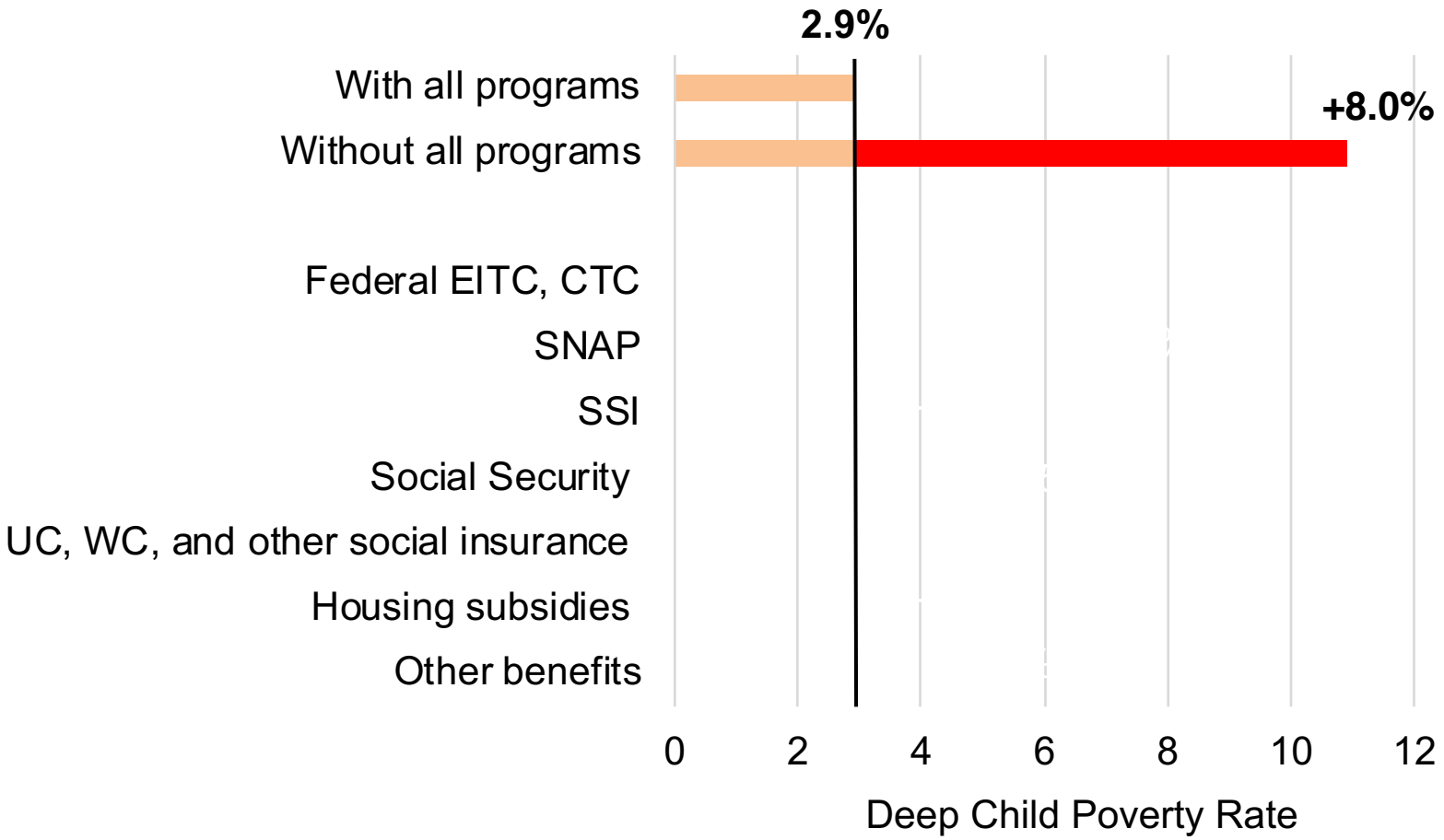


Deep Child Poverty Rates Would Also Be Higher Without Existing Programs



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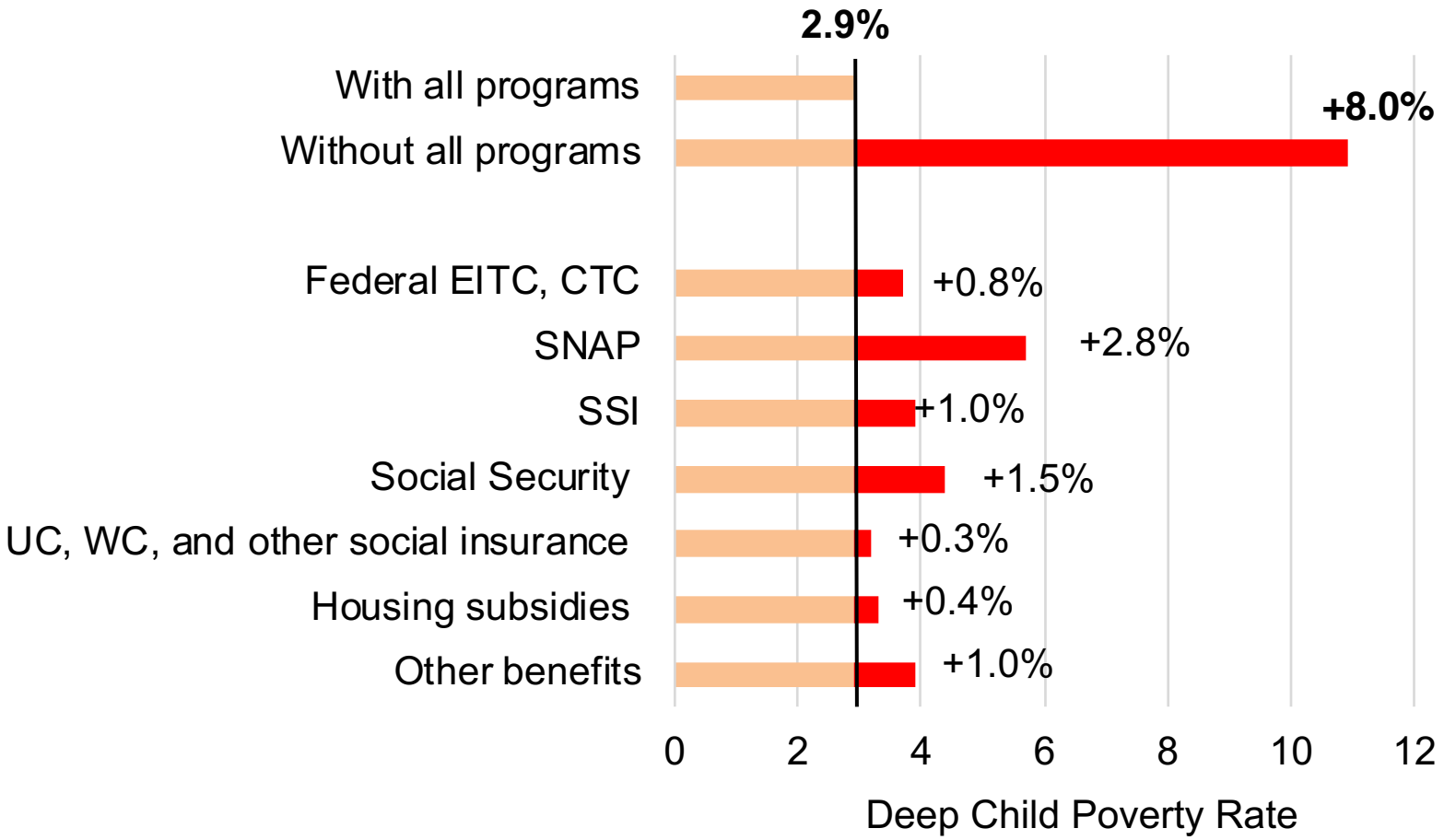
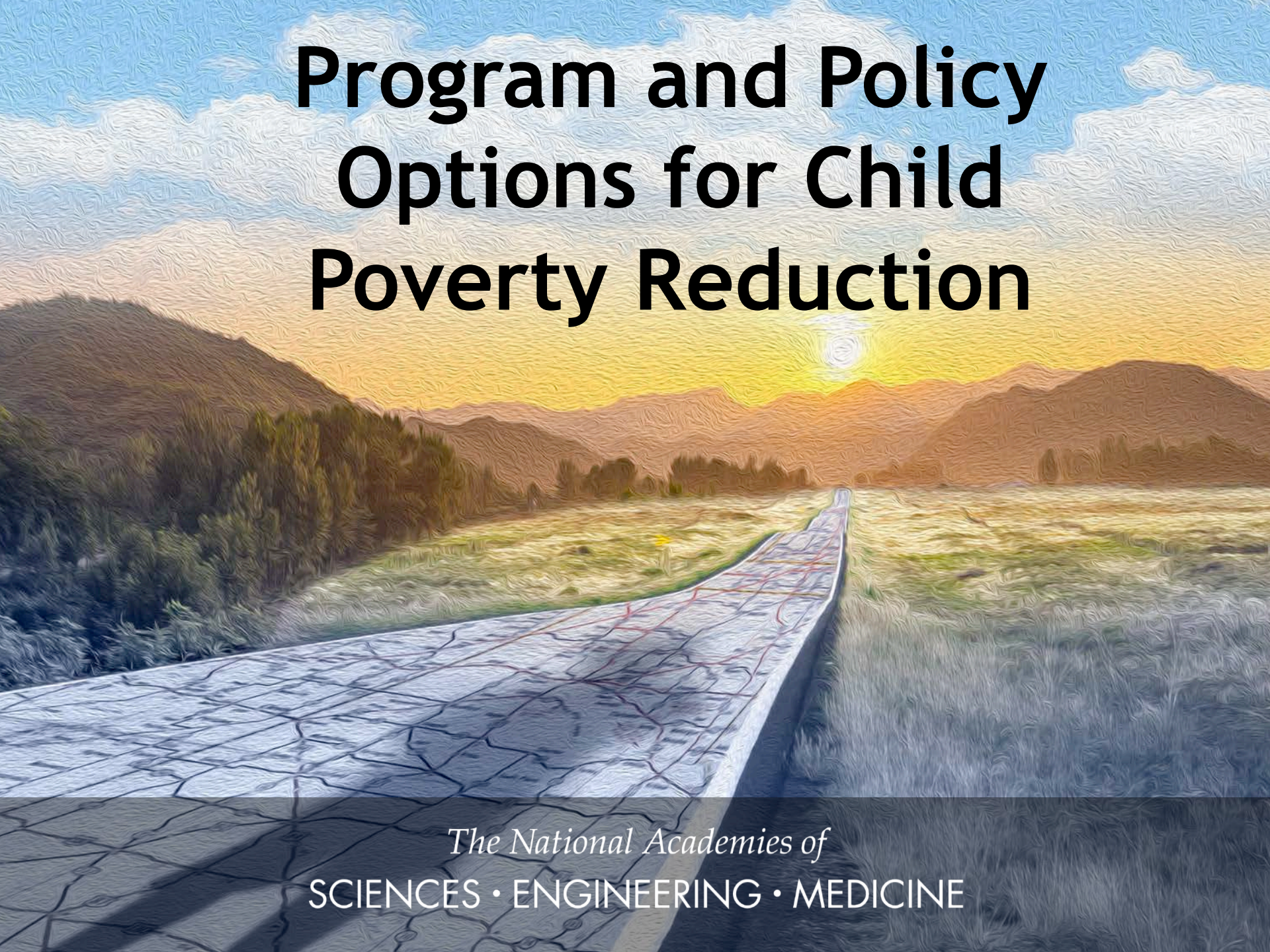


Program and Policy Options for Child Poverty Reduction



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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 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

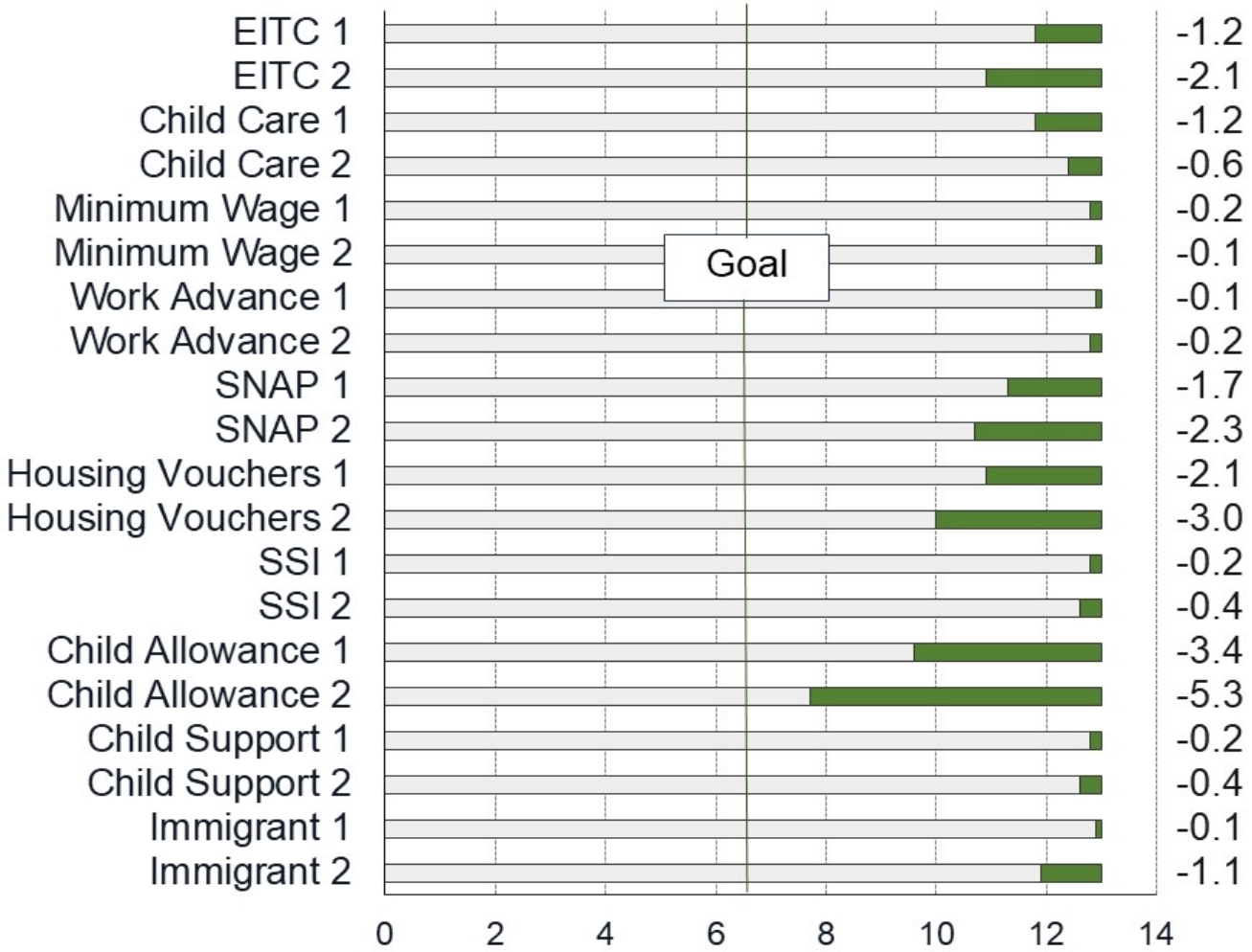
Policies used in other Countries:

- 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

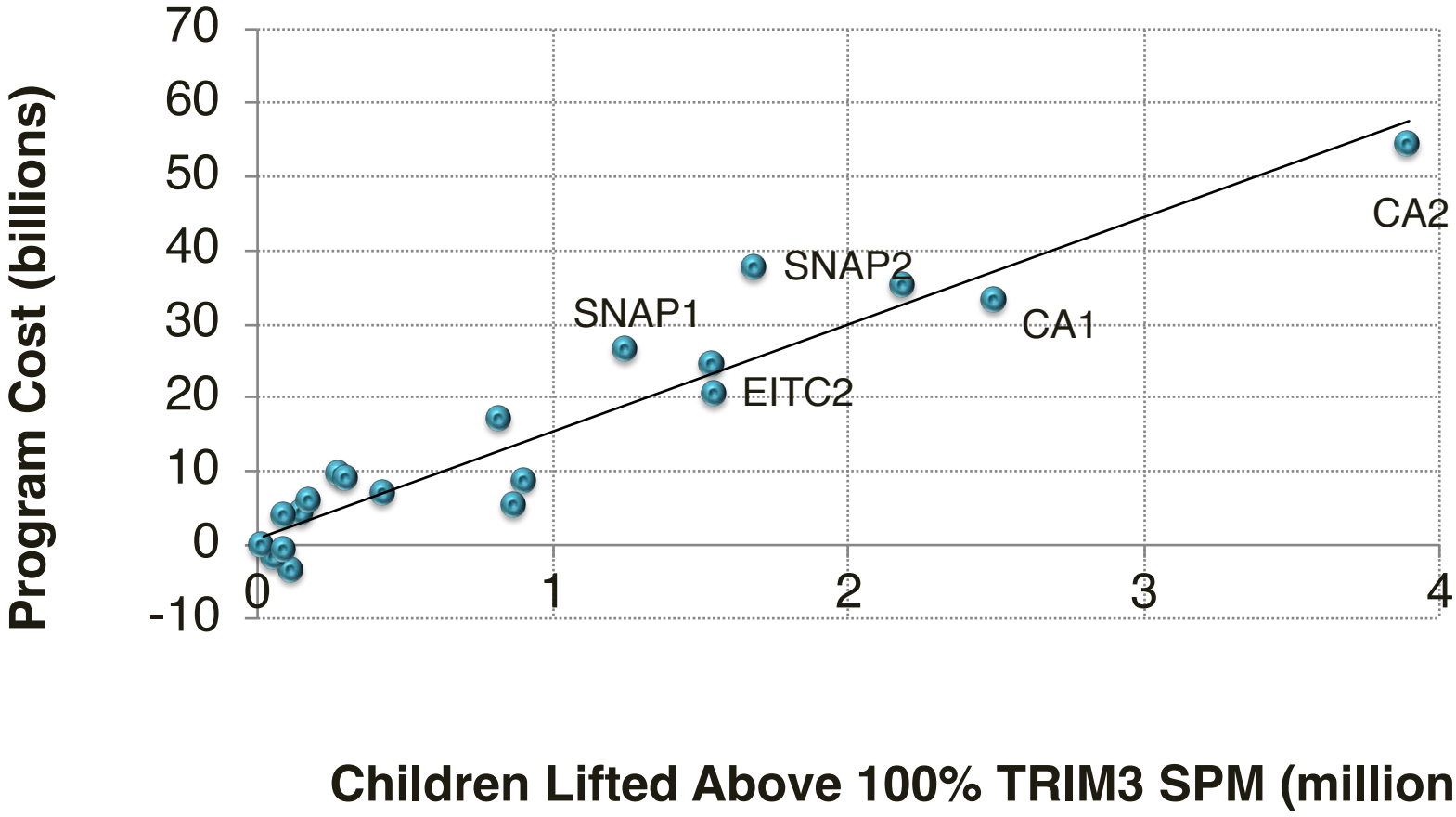
Other programs considered but not simulated for lack of:

- **Evidence on 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



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: Combinations of programs to meet different needs

The Idea of "Packages"

- Poor families have multiple needs
- Some need work support, some need housing support, some need food support, some just need cash assistance
- Many are in special situations
- Multiple programs ("packages") may be better than single programs

Work-based Packages 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			
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

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:

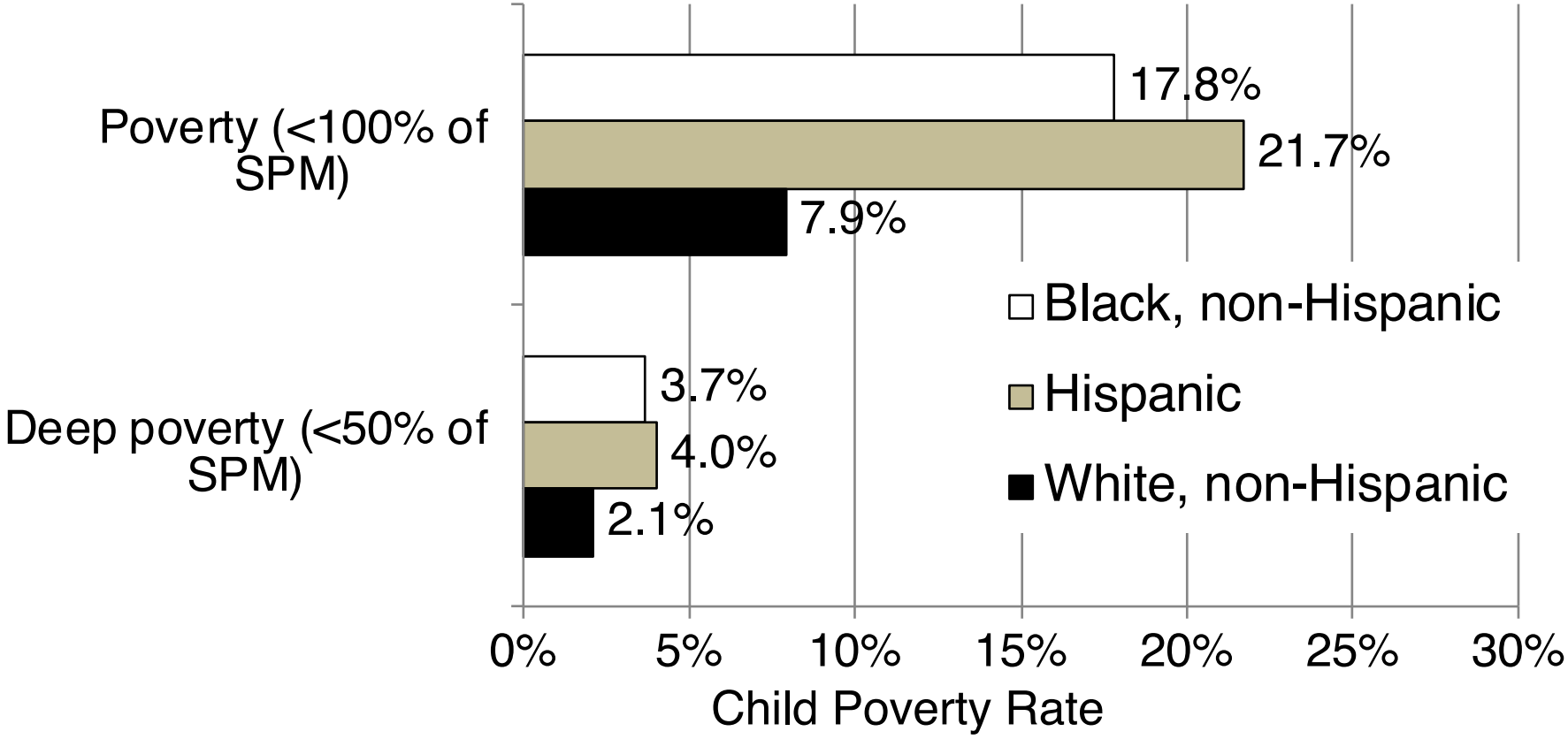
- Individual policy and program changes are insufficient
- Bundling work-oriented and income-support programs can reduce poverty AND increase employment

A 50% Reduction in Child Poverty is Achievable

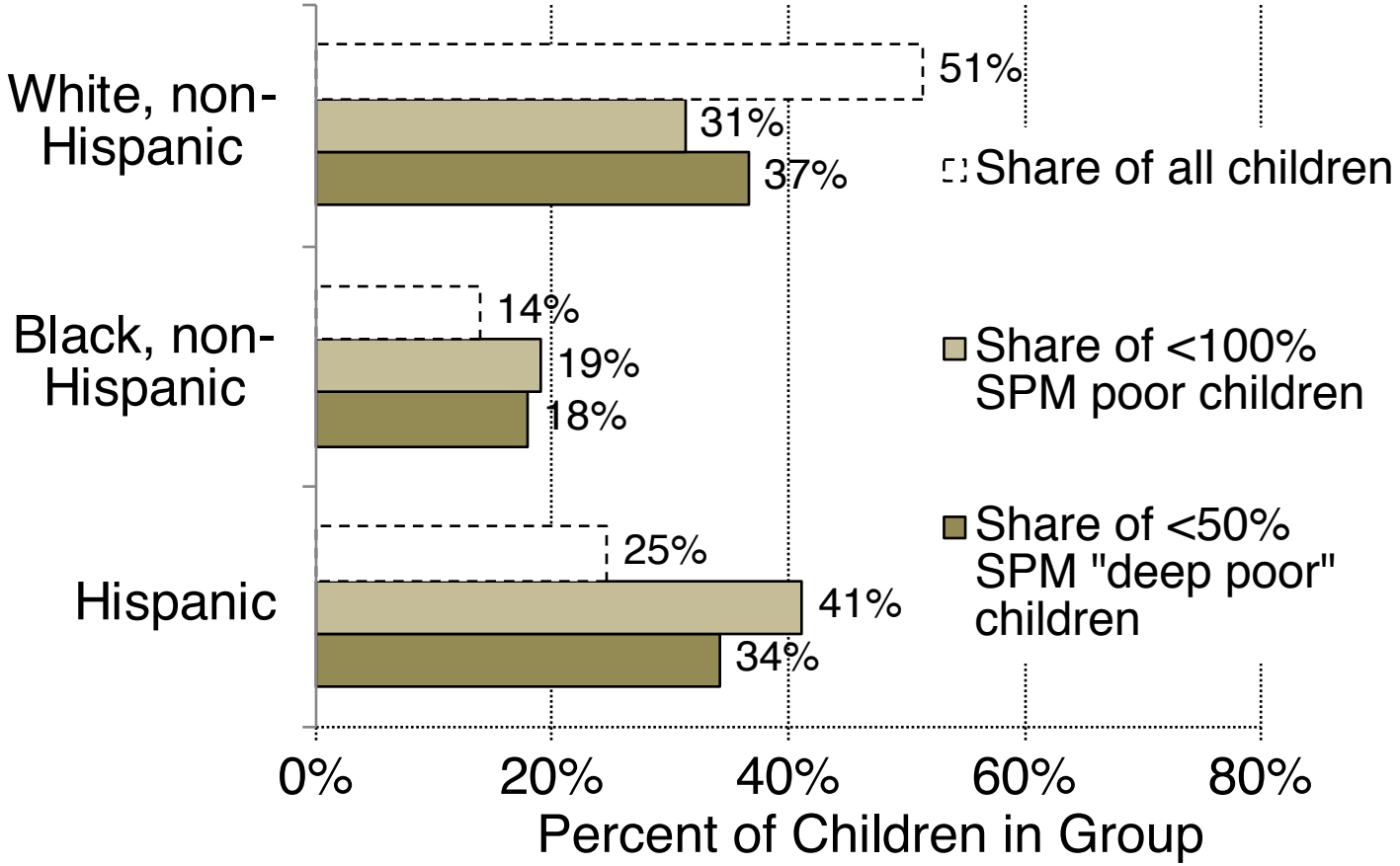
- The U.K. cut its child poverty rate in half from 2001-2008
- Canada's Child Benefit program is on course to cut child poverty in half
- The US nearly cut its child poverty rate in half between 1967 and 2016

Subgroups and Context

Poverty *Rates* by Race/Ethnicity

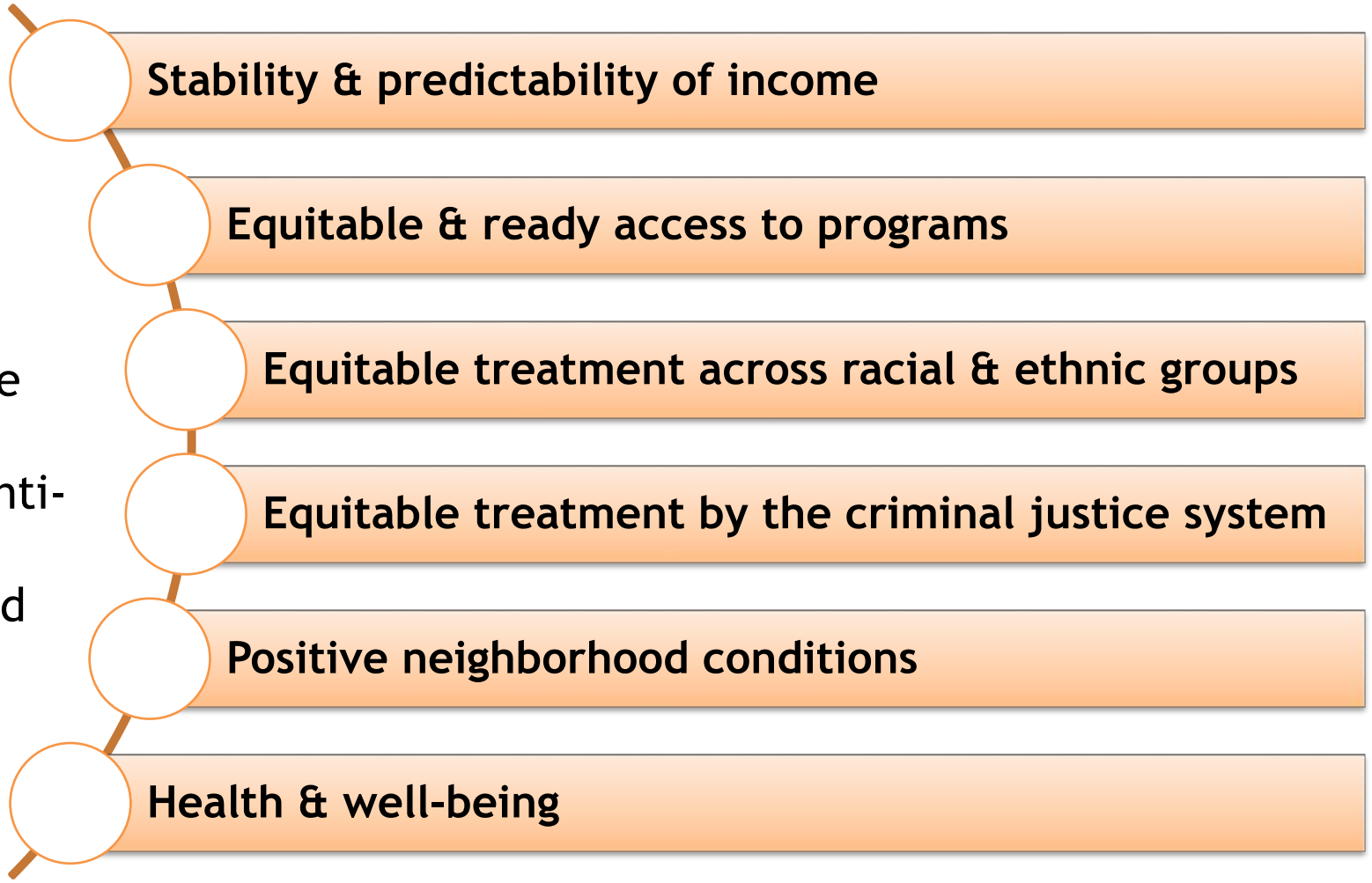


Poverty *Shares* by Race/Ethnicity



Contextual Factors

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

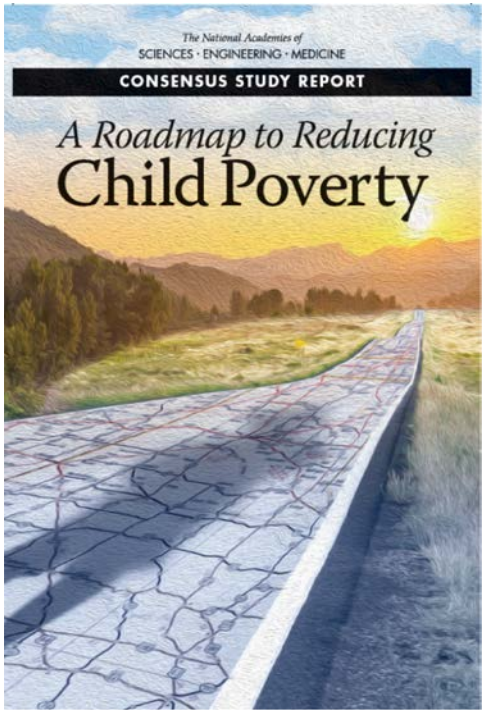
Establish a coordinating mechanism to ensure that well-considered decisions are made on priorities for programs and policies

Ensure that the associated research and data needed for monitoring, evaluating, and further improvement are supported

Learn More:
www.nap.edu/reducingchildpoverty

- ~220 page report
- Appendices
- Gigantic TRIM3 spreadsheet with demographic and state details for policy options
- Data Explorer Tool
- Report Highlights

#ChildPovertyInHalf



Thank you!

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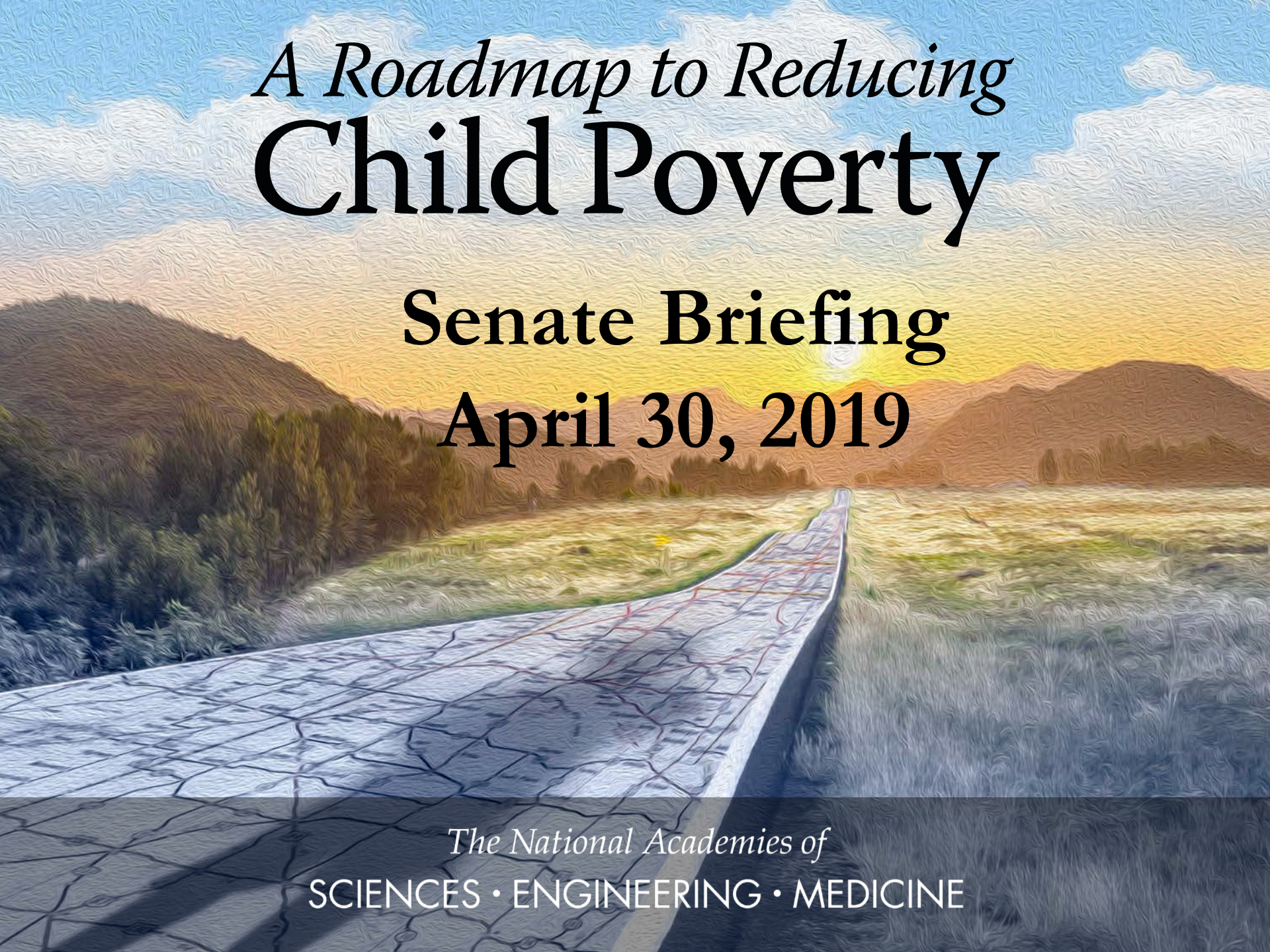
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