

# *A Roadmap to Reducing* **Child Poverty**

***PRESENTED TO:  
NATIONAL GOVERNORS ASSOCIATION***

***September 11, 2019***

**Christine James-Brown  
Child Welfare League of America  
Member Study Committee**

*The National Academies of*  
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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

# Key Drivers

- Use of supplemental poverty measure
- Ten year timeframe
- Evidence/research requirement

# Summary of Findings

- **Causal evidence** indicates that poverty itself causes negative child outcomes
- **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**
- **These federal programs and policies have kept the child poverty rate lower than it would have been without them**

# Summary of Findings (Continued)

- **A package of programs and policies is required to meet the 50 percent in ten years goal.**
- **A variety of contextual factors should be considered when designing and implementing anti-poverty programs to maximize impact**
- **Additional research and data is needed**



# Causal Evidence

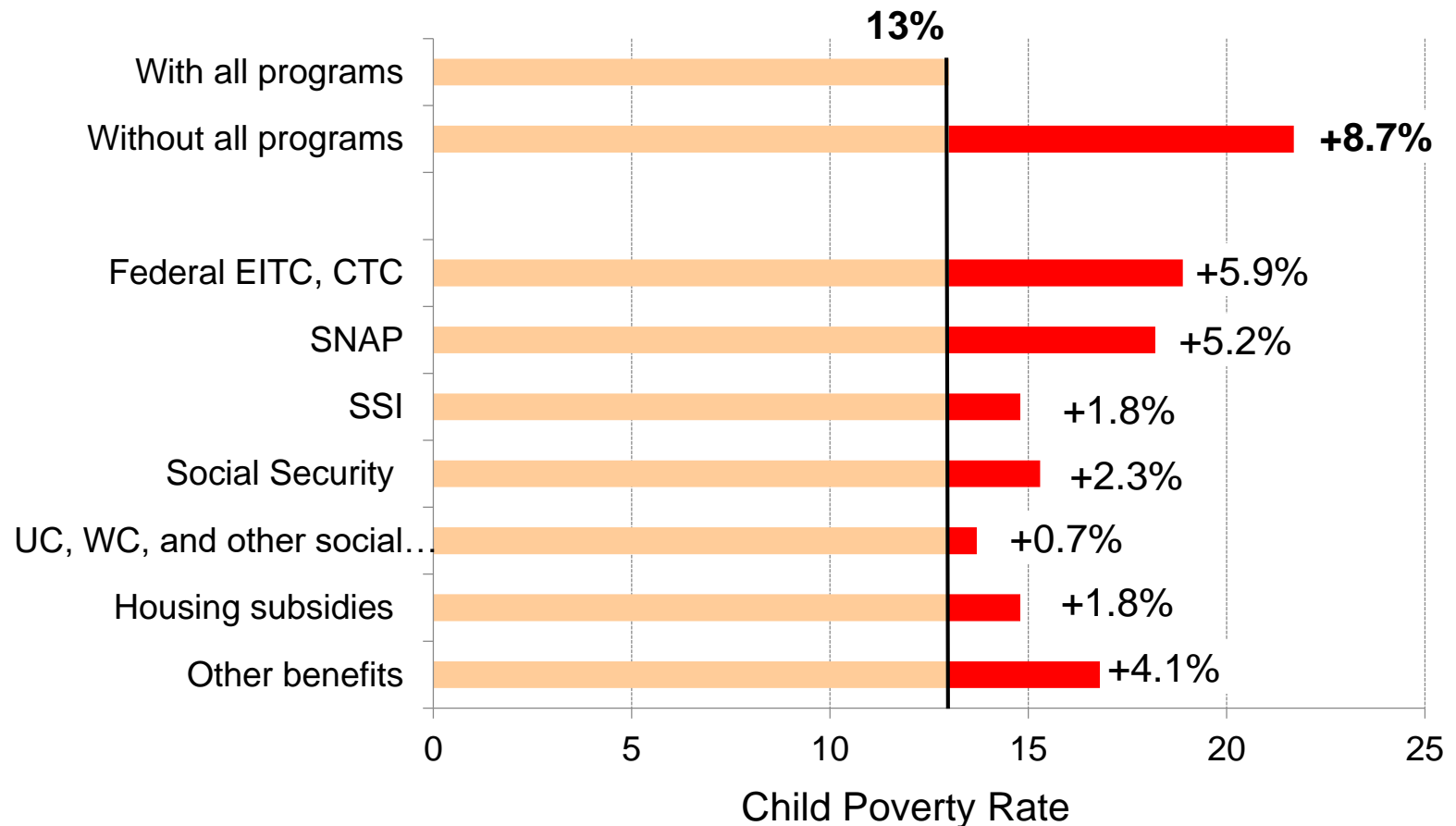
- Growing up poor has negative effects on birthweight, brain development, and child physical and mental health
- Growing up poor leads to worse education and employment outcomes as adults
- Effects are worst the younger the child/longer in poverty

# Many Anti-Poverty Programs Improve Child Wellbeing

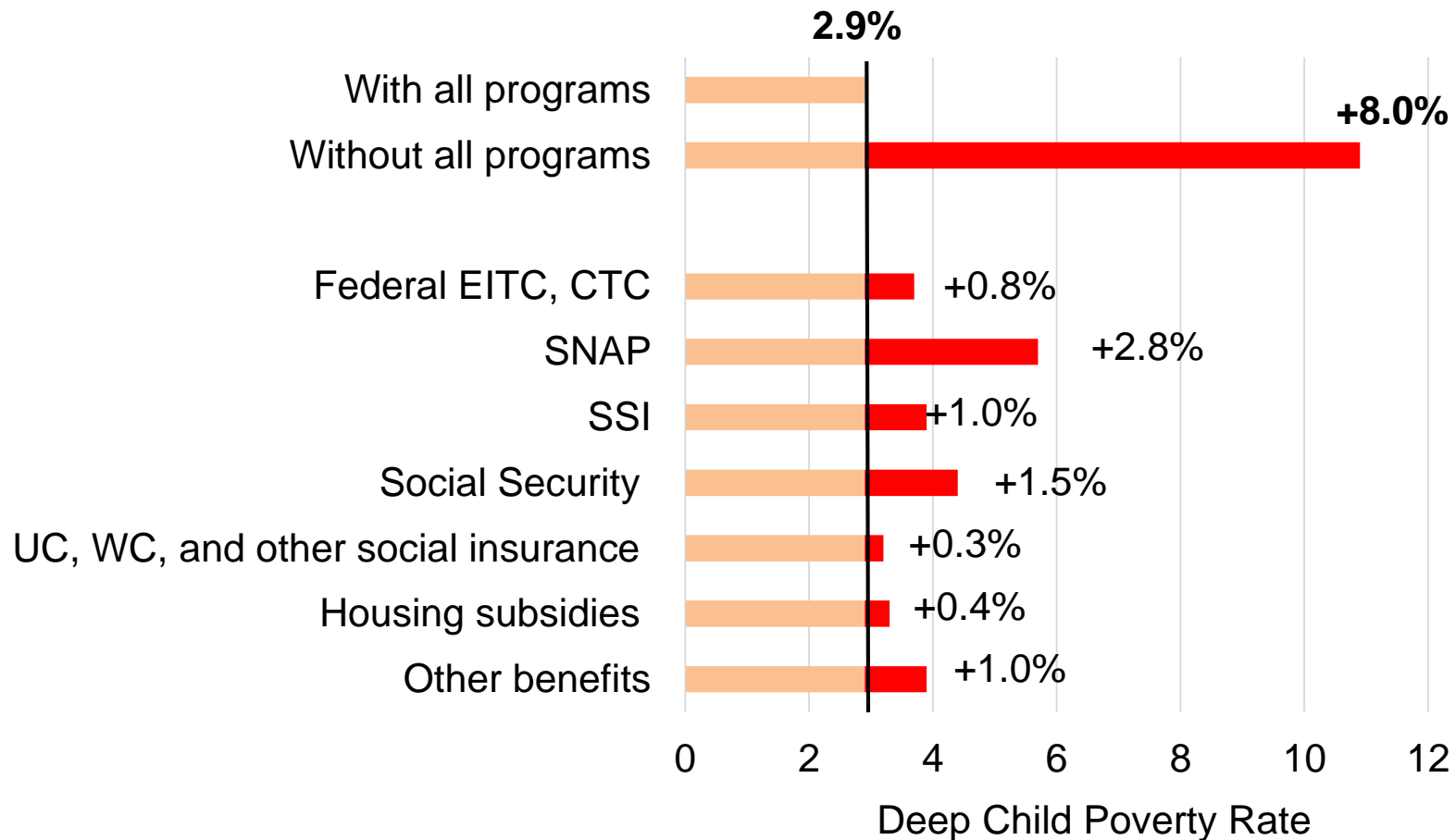
- EITC-improved child educational and health outcomes
- SNAP-improved birth outcomes as well as many important child and adult outcomes
- Public health insurance for pregnant women, infants and children-improved child and adult health, educational attainment, employment and earnings
- Housing assistance mixed but when benefits allow move to a lower poverty neighborhood- improved educational and adult outcomes

**Existing federal programs have kept the  
child poverty rate lower than it would  
have been without them**

# Child Poverty Rates Would Be Higher Without Existing Programs



# Deep Child Poverty Rates Would Also Be Higher Without Existing Programs





# The Committee Evaluated Individual Policies and Programs

## 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

# Lessons from Evaluation of Individual Policies and Programs

- No single program or policy option met the 50 % reduction goal
- More effective policies generally cost more
- 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 Evaluated Packages of Policies and Programs

	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

# Results of Package Evaluation

- Two of four packages met goal:
- Means-tested supports and work package
- Universal supports and work package
- A third package which combined expansion of the EITC and CDCTC with a \$2k child allowance that replaces the Child Tax Credit was lower cost and reduced child poverty by 36 percent (\$44.5 billion per year but increases employment by 568k jobs and earnings by \$10 billion)

# Means Tested Supports and Work Package

- Increase EITC payments
- Convert the Child and Dependent Care Tax Credits to a fully refundable tax credit and focus on families with lowest income with children under 5
- Increase SNAP benefits by 35 percent and increase benefits for older children
- Increase number of housing vouchers directed to families with children-cover 70 percent of uncovered



# Universal Supports and Work Package

- Increase EITC payments by 40 percent
- Convert the CDCTC to a fully refundable tax credits and concentrate benefits -low income families with children under five
- Raise minimum wage to 10.25 and index to inflation
- Restore eligibility of means-tested federal programs to legal immigrants
- Institute a new child allowance
- Institute a child support assurance policy as back up source of income if child support not received and set minimum child support \$100 per month per child

# Key Findings Related to the Simulated Packages

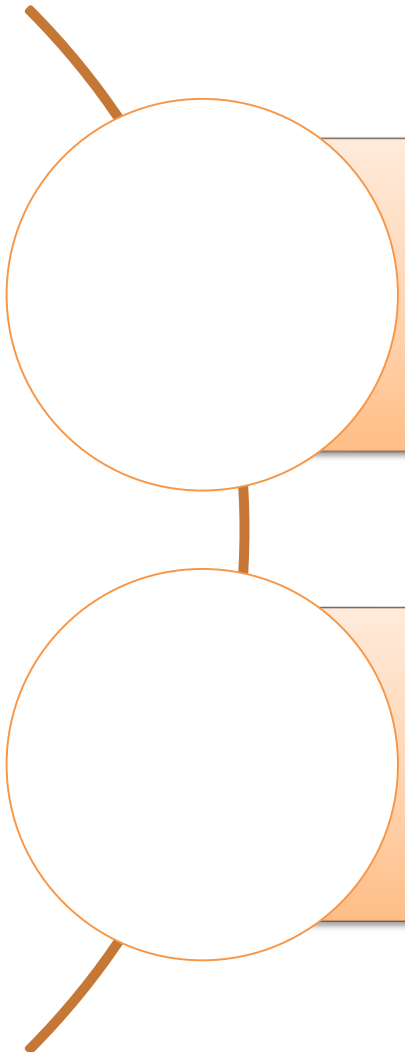
# Balancing Goals

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

# Impact on Subgroups

- Disparate impacts across population subgroups in our simulations
- Virtually all would reduce poverty across all of the subgroups we considered
- Disproportionately large decreases in child poverty occur only for Black children and children of mothers with low levels of education. Hispanic children and immigrant children would benefit relatively less.

# Costs of the Packages



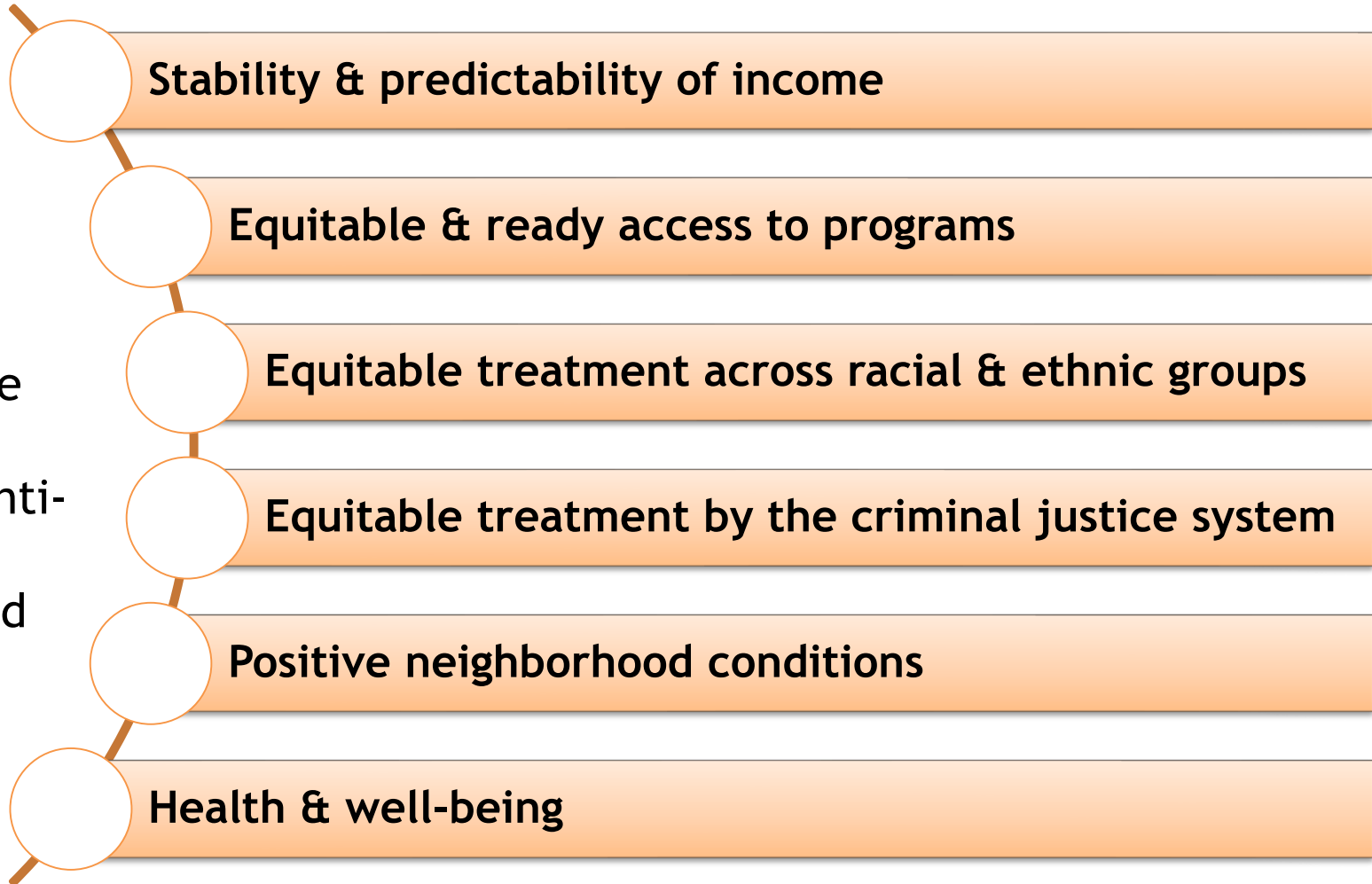
Package costs range from \$8.7 billion to \$108.8 billion per year

Studies have estimated the annual macro costs of child poverty to range from \$800 billion to \$1.1 trillion (4% of GDP)



# Contextual Factors

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

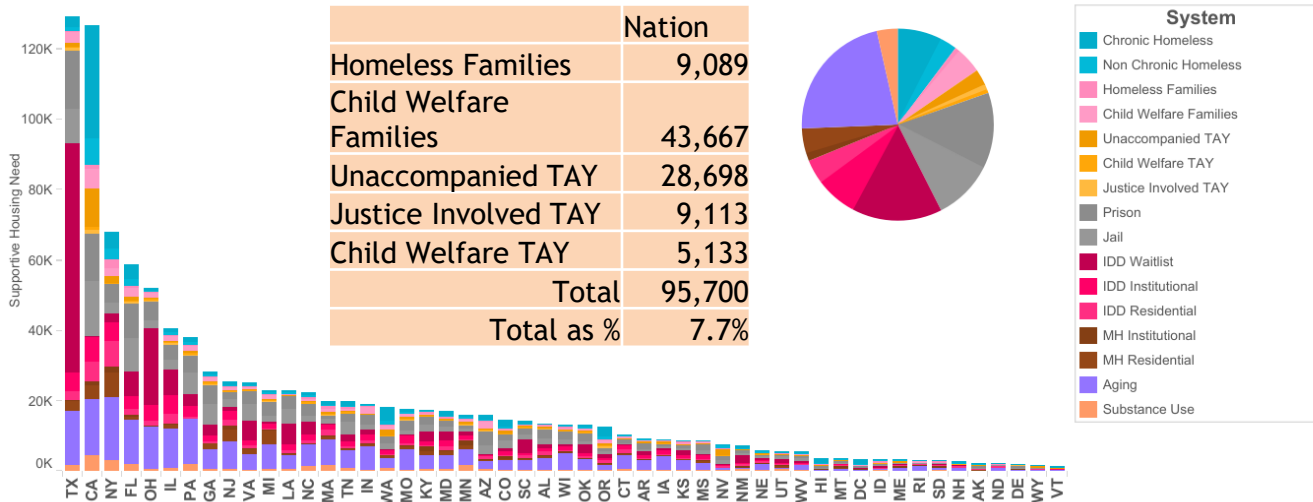
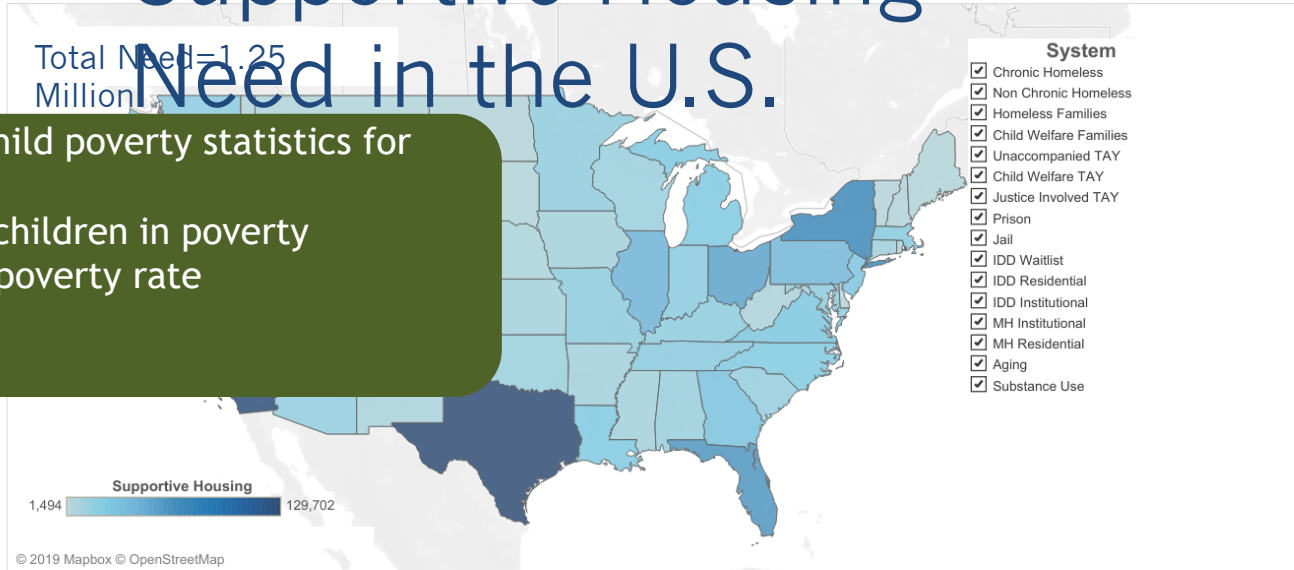


# Supportive Housing Need in the U.S.

Total Need = 1.25 Million

Contextual child poverty statistics for U.S.:

- 2,136,000 children in poverty
- 2.9% child poverty rate



# Supportive Housing Need in Kentucky

Total Need=17,491

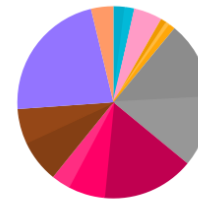
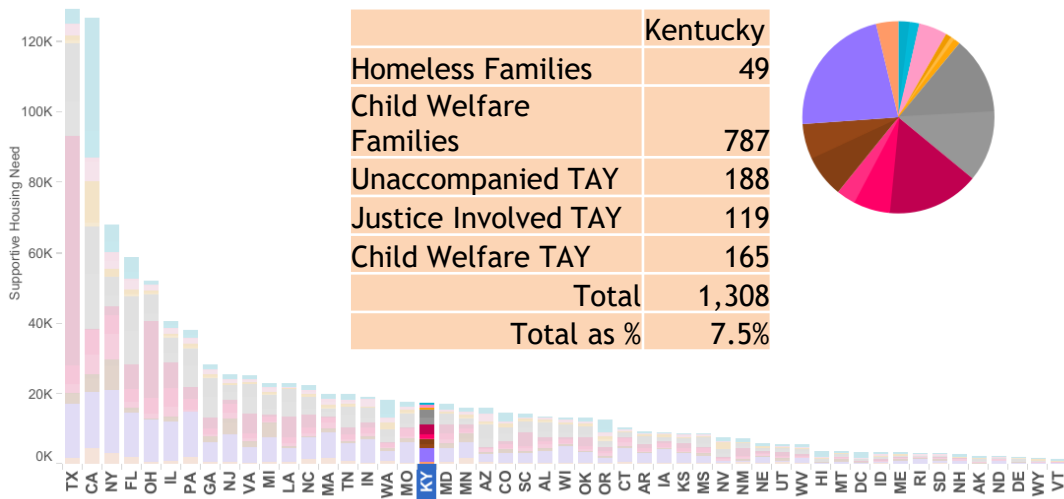
Contextual child poverty statistics for Kentucky:

- 45,000 children in poverty
- 4.3% child poverty rate
- 2.4% higher than national average

- System**
- Chronic Homeless
  - Non Chronic Homeless
  - Homeless Families
  - Child Welfare Families
  - Unaccompanied TAY
  - Child Welfare TAY
  - Justice Involved TAY
  - Prison
  - Jail
  - IDD Waitlist
  - IDD Residential
  - IDD Institutional
  - MH Institutional
  - MH Residential
  - Aging
  - Substance Use



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# Supportive Housing Need in Maryland

Total Need=17,192

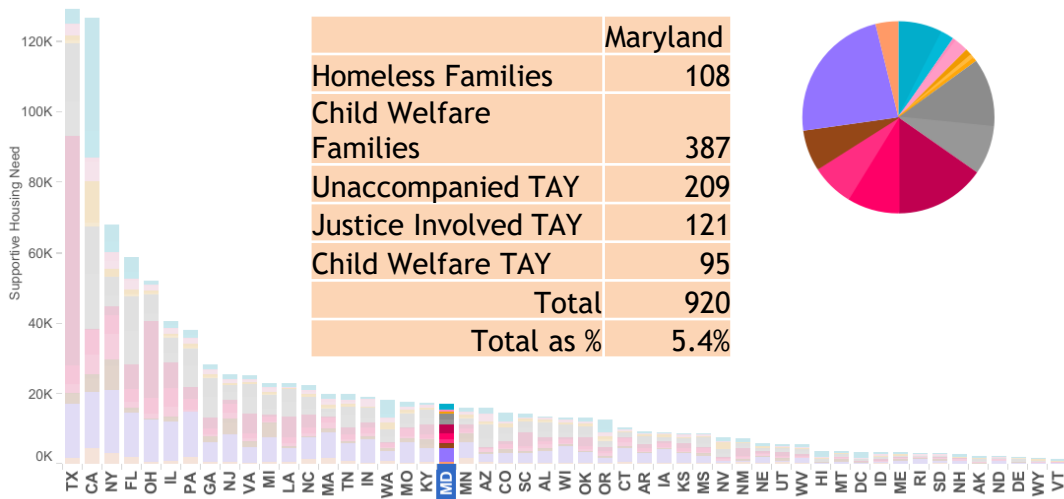
Contextual child poverty statistics for Maryland:

- 20,000 children in poverty
- 1.5% child poverty rate
- 2.5% lower than national average

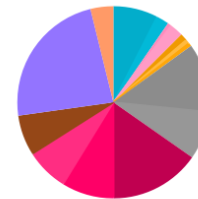
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	Maryland
Homeless Families	108
Child Welfare Families	387
Unaccompanied TAY	209
Justice Involved TAY	121
Child Welfare TAY	95
<b>Total</b>	<b>920</b>
<b>Total as %</b>	<b>5.4%</b>



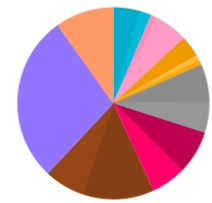
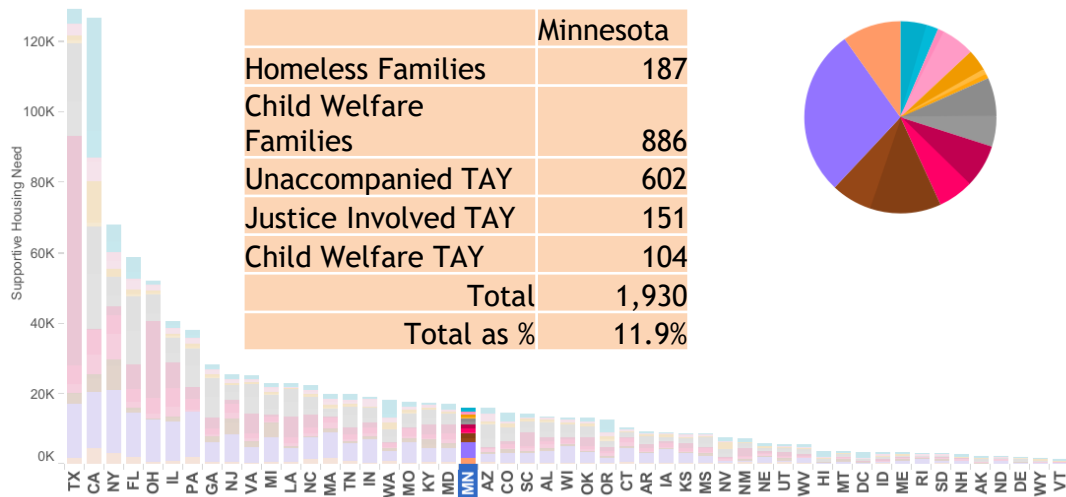
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# Supportive Housing Need in Minnesota

Total Need=16,208

Contextual child poverty statistics for Minnesota:

- 28,000 children in poverty
- 2.1% child poverty rate
- 0.8% lower than national average



# Supportive Housing New Jersey



Total Need=25,396

## New Jersey

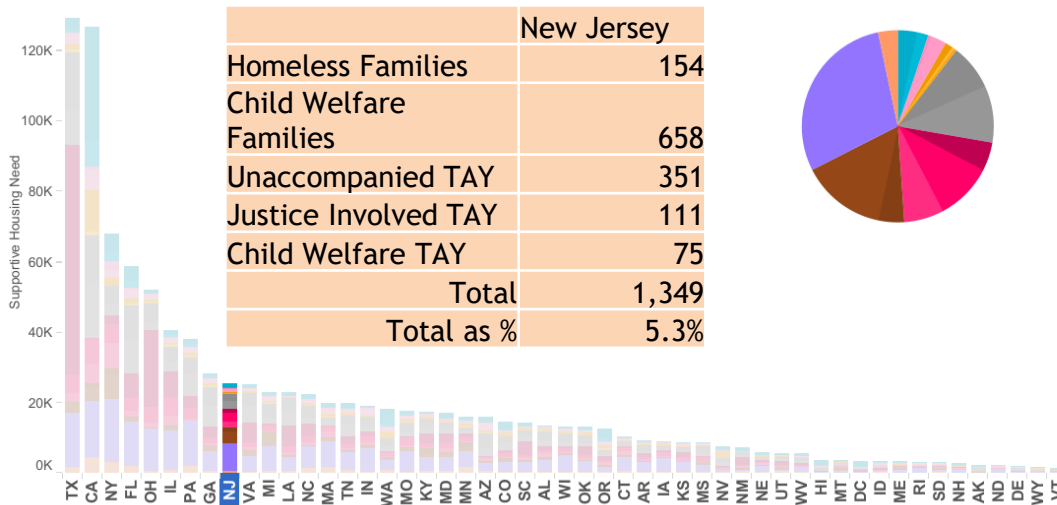
Contextual child poverty statistics for New Jersey:

- 47,000 children in poverty
- 2.3% child poverty rate
- 2.2% lower than national average

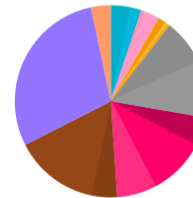
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New Jersey	
Homeless Families	154
Child Welfare Families	658
Unaccompanied TAY	351
Justice Involved TAY	111
Child Welfare TAY	75
<b>Total</b>	<b>1,349</b>
<b>Total as %</b>	<b>5.3%</b>



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# Supportive Housing Need in Wash. DC

Total Need=3,598

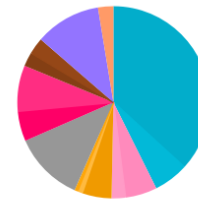
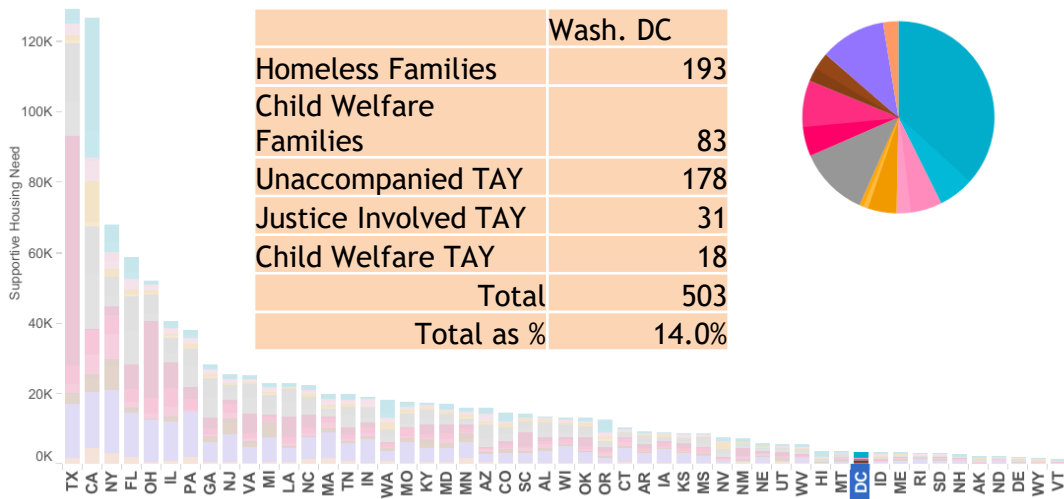
Contextual child poverty statistics for Washington, DC:

- 7,000 children in poverty
- 5.6% child poverty rate
- 3.6% higher than national average

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# Research and Data Collection Concerns

- Limited evaluation-SSI, various housing assistance and family related issues
- Issues with data collection and measurement-poverty measures, sample size
- Limited research about how to offset added barriers to poverty reduction-contextual impediments



# A 50% Reduction in Child Poverty is Achievable

- The U.K. cut its child poverty rate in half from 2001 to 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

# Forces of Poverty

- Demographics
- Economy
- Labor market
- Government policies (federal, state and local)

# State Role

- Federal government sets overall policy for most safety net and social service programs
- States play an important role in establishing specific policies around eligibility and providing additional funding for social support efforts.
- The state role has become increasingly important in the past 20 years
- There are variations across states so children in some states will have access to fewer public resources than children in other states.

# State Role

- Leadership
- State Level EITC
- Minimum wage
- Family/parental leave
- SNAP policies
- Contextual impediments

# Implications for States

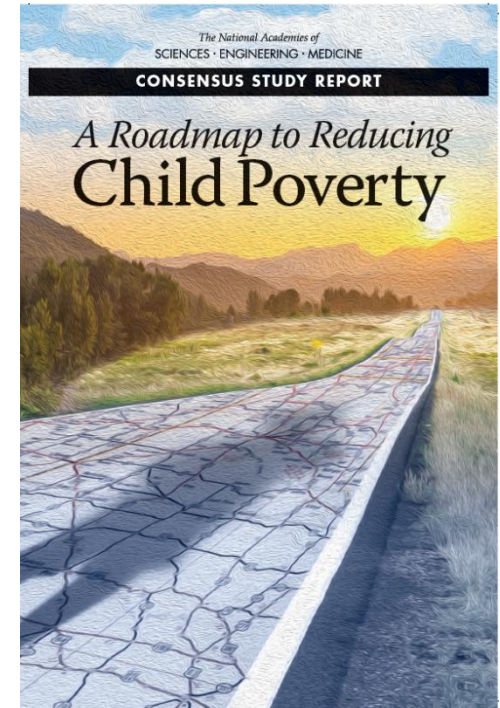
- Partners, organizations, sectors and/or people needed to reach the goal of reducing child poverty by half
- Key recommendations for governors' offices and senior state agency leaders in the audience?

Learn More:

[www.nap.edu/reducingchildpoverty](http://www.nap.edu/reducingchildpoverty)

- ~220 page report
- Appendices
- Spreadsheet with demographic and state details for policy options
- **Data Explorer Tool**
- Report Highlights

#ChildPovertyInHalf



# Thank you!

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