Thank You

Congresswomen Barbara Lee and Lucille Roybal-Allard for championing funding for this report, and for its bipartisan support
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
Committee

GREG J. DUNCAN (Chair)
School of Education
University of California, Irvine

J. LAWRENCE ABER
Steinhardt School of Culture, Education and Human Development
New York University

DOLORES ACEVEDO-GARCIA
The Heller School for Social Policy and Management
Brandeis University

JANET CURRIE
Department of Economics
Princeton University

BENARD P. DREYER
New York University School of Medicine

IRWIN GARFINKEL
School of Social Work
Columbia University

RON HASKINS
Brookings Institution

HILARY HOYNES
Department of Economics and the Goldman School of Public Policy,
University of California, Berkeley

CHRISTINE JAMES-BROWN
Child Welfare League of America

VONNIE C. MCLOYD
Department of Psychology
University of Michigan

ROBERT MOFFITT
Department of Economics
Johns Hopkins University

CYNTHIA OSBORNE
Lyndon B. Johnson School of Public Affairs
University of Texas at Austin

ELDAR SHAFFIR
Woodrow Wilson School of Public and International Affairs
Princeton University

TIMOTHY SMEEDING
Robert M. La Follette School of Public Affairs
University of Wisconsin-Madison

DON WINSTEAD JR.
Don Winstead Consulting, LLC
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
Reviewed Rigorous, High-Quality Research

• Growing up poor has negative effects on birthweight, cognitive 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/longer in poverty
A Dollar Figure on the Annual Cost of Child Poverty

• $800 million to $1.1 trillion (4% of GDP) per year
  • 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
Child Poverty in 2015

• Defined as living in a household whose after-tax-and-transfer income is below the government poverty line*

• 13% of U.S. children were in families with incomes below the poverty line (in CA: 17%)

• 9.6 million children (in CA: 1.56 million)

*Supplemental Poverty Measure
Poverty Rates by Race/Ethnicity

- **Poverty (<100% of SPM)**:
  - Black, non-Hispanic: 7.9%
  - Hispanic: 3.7%
  - White, non-Hispanic: 4.0%
- **Deep poverty (<50% of SPM)**:
  - Black, non-Hispanic: 2.1%
  - Hispanic: 4.0%
  - White, non-Hispanic: 2.1%

Legend:
- □ Black, non-Hispanic
- □ Hispanic
- ▪ White, non-Hispanic

Child Poverty Rate:
- 0% 5% 10% 15% 20% 25% 30%
Child Poverty Rates Would Be Higher Without Existing Programs

With all programs: 13%
Without all programs: +8.7%

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

With all programs: 13%
Without all programs: +8.7%

- Federal EITC, CTC: +5.9%
- SNAP: +5.2%
- SSI: +1.8%
- Social Security: +2.3%
- UC, WC, and other social...: +0.7%
- Housing subsidies: +1.8%
- Other benefits: +4.1%
Deep Child Poverty Rates Would Also Be Higher Without Existing Programs

With all programs: 2.9% (In CA: 2.6%)
Without all programs: +8.0%

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

- With all programs: +2.9%
- Without all programs: +8.0%

- Federal EITC, CTC: +0.8%
- SNAP: +2.8%
- SSI: +1.0%
- Social Security: +1.5%
- UC, WC, and other social insurance: +0.3%
- Housing subsidies: +0.4%
- Other benefits: +1.0%
Program and Policy Options for Child Poverty Reduction
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”
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

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 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

- 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

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

20 individual policy and program options

4 policy and program packages: Combinations of programs to meet different needs
## Work-based Packages Failed to Meet the Goal

<table>
<thead>
<tr>
<th>Initiative</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>Percent Reduction in the number of poor children</td>
<td>-18.8%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Reduction in the number of children in deep poverty</td>
<td>-19.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in number of low-income workers</td>
<td>+1,003,000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual cost, in billions</td>
<td>$8.7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Some Packages Met the Goal

<table>
<thead>
<tr>
<th></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>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Expand Child and Dependent Care Tax Credit</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Increase the minimum wage</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<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></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Begin child support assurance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eliminate 1996 immigration eligibility restrictions</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Percent Reduction in the number of poor children</th>
<th>Percent Reduction in the number of children in deep poverty</th>
<th>Change in number of low-income workers</th>
<th>Annual cost, in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Reduction in the number of poor children</td>
<td>-18.8%</td>
<td>-35.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Reduction in the number of children in deep poverty</td>
<td>-19.3%</td>
<td>-41.3%</td>
<td></td>
<td></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>
</tr>
<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>
## U.S. vs. California

<table>
<thead>
<tr>
<th>Policy</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>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Expand Child and Dependent Care Tax Credit</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Increase the minimum wage</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
</tr>
<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>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expand SNAP benefits</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Begin a child allowance</td>
<td>X</td>
<td></td>
<td></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></td>
<td>X</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent Reduction in the number of poor children</th>
<th>U.S.</th>
<th>California</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Reduction in the number of poor children</td>
<td>-18.8%/-16.4%</td>
<td>-35.6%/-25.3%</td>
</tr>
<tr>
<td>Percent Reduction in the number of children in deep poverty</td>
<td>-19.3%/-19.2%</td>
<td>-41.3%/-50.0%</td>
</tr>
<tr>
<td>Percent Reduction in the number of children in deep poverty</td>
<td>-51.7%/-46.1%</td>
<td>-55.1%/-57.6%</td>
</tr>
</tbody>
</table>

Baseline CA poverty rate: 17.0%
Baseline CA deep poverty rate: 2.6%
Lessons From the Packages:

- Individual policy and program changes are insufficient
- Bundling work-oriented and income-support programs can reduce poverty AND increase employment
The Context for Child Poverty Reduction
Six 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
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

Encourage all levels of government—federal, state, and local—to build upon the Report by renewing their efforts to reduce child poverty and by establishing new initiatives.

Encourage all levels of government to assist in new data collection and in new research and evaluation projects to increase our knowledge base and to search for even better policies and programs.
Thank you!

Contact:

Suzanne Le Menestrel, Study Director  
Phone: 202-334-3993  
Email: slemenestrel@nas.edu

Lesley Webb, Senior Program Assistant  
Phone: 202-334-1663  
Email: lwebb@nas.edu
Learn More:
www.nap.edu/reducingchildpoverty

- 290 page report
- On-Line Appendices
- TRIM3 spreadsheet with demographic and state details for policy options
- Data Explorer Tool
- Report Highlights

#ChildPovertyInHalf
California has some of the elements of these packages

- EITC supplements federal credit for non-self-employed earned income up to $30,000. Feds gives up to $5,800; CA gives up to $2,600.

- $1,000 extra child tax credit for children under age 6, for families earning at least $1
  - Paid annually