A Roadmap to Reducing Child Poverty

Overview of the Report

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Statement of Task

1 Review the research on linkages between child poverty and child well-being

2 Analyze the poverty-reducing effects of existing major assistance programs directed at children and families

3 Provide a list of alternative evidence-based policies and programs that could reduce child poverty and deep poverty by 50% within 10 years

TASK 1
Review Research on Linkages Between Child Poverty and Child Well-Being
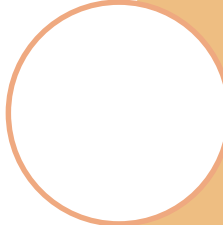
Causal Impacts of Child Poverty on Child Well-Being

Reviewed rigorous, high-quality research, mostly experiments and "natural experiments" that assessed the effects of increased income and "near cash" benefits

The weight of the causal evidence indicates that income poverty itself causes negative child outcomes, especially when poverty occurs in early childhood or is prolonged

Some programs that alleviate poverty (e.g., EITC, SNAP, medical insurance) have been shown to improve child well-being
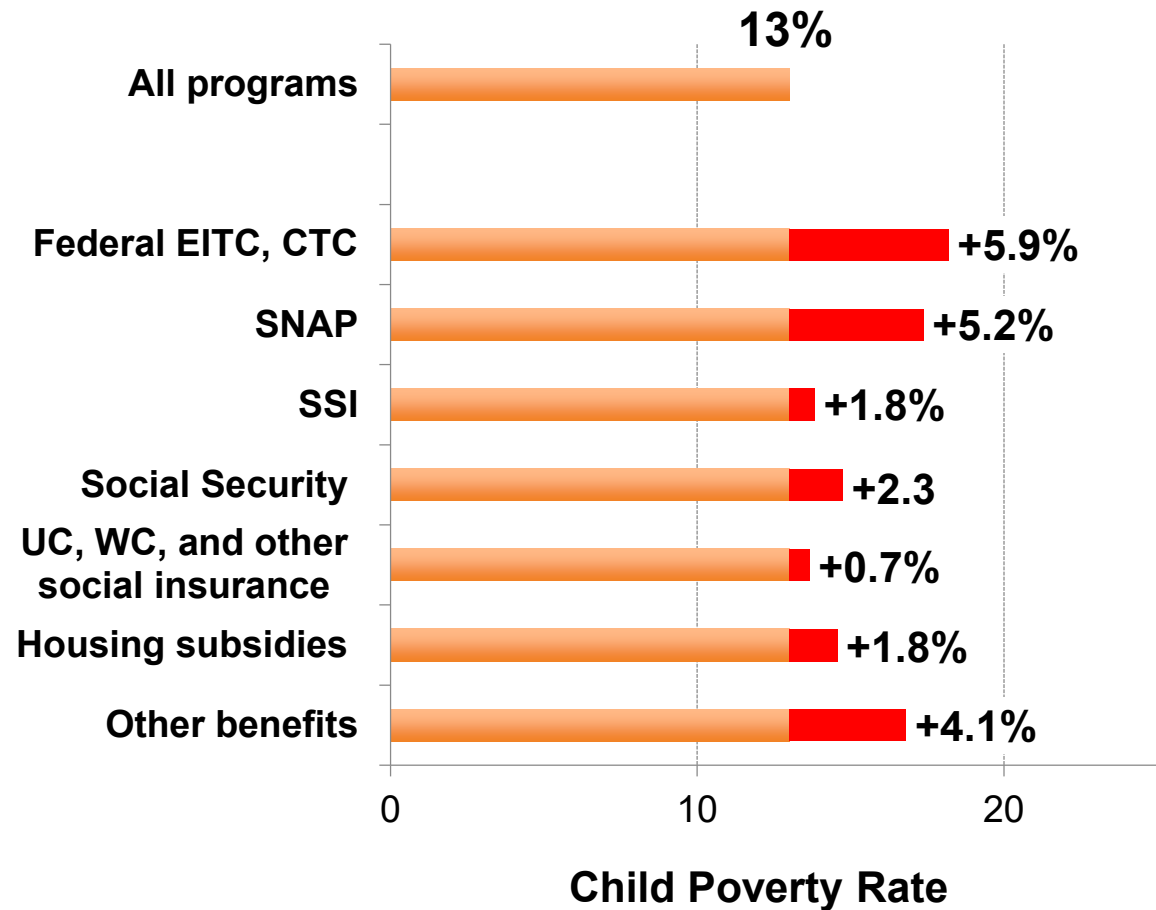
TASK 2

Analyze the Poverty Reducing Effects of Major Existing Assistance Programs

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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
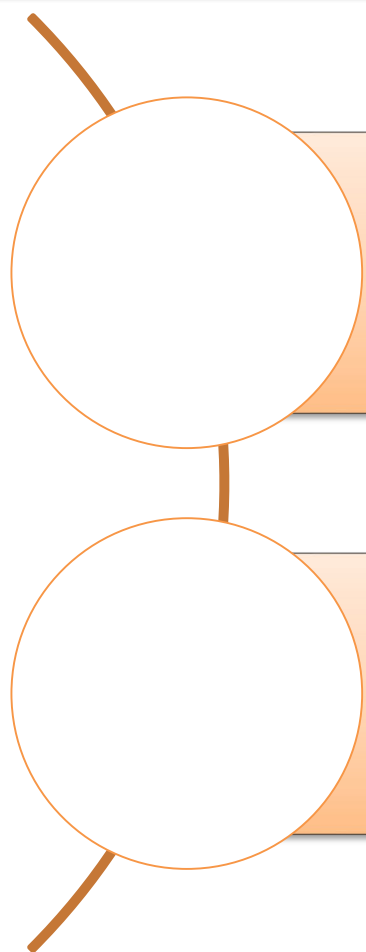

Child Poverty Rate

TASK 3
Provide Program and Policy Options for Reducing Child Poverty By Half Within 10 Years

The Committee Developed:

20 individual policy and program options

4 policy and program packages

Criteria for Selecting Programs and Policies for Simulation of Poverty Reduction Effects

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

Setting Benefits Levels and Features of Program and Policy Options in Simulations

Suggestions from outside experts

Avoided benefit levels that far exceeded the ranges examined in research because estimates of poverty reduction, employment responses, and costs could be highly unreliable

Expected budgetary costs—levels of benefits were set before knowing the impact on poverty reduction

Summary of Simulated Programs and Policies

Program and policy options tied to work:

- Expanding EITC & Child care subsidies

- Raising the federal minimum wage

- Implementing a promising training and employment program called WorkAdvance

Modifications to existing provisions relating to immigrants:

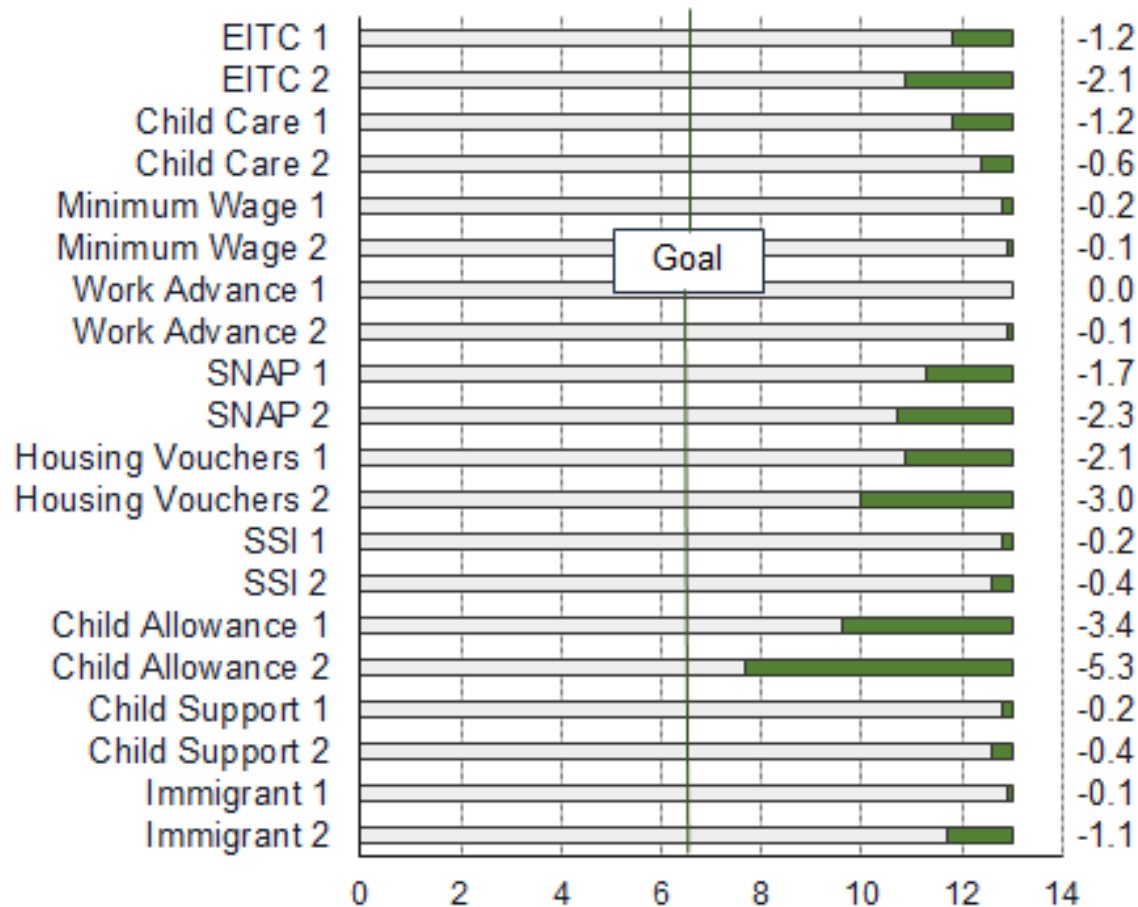- Increasing immigrants' access to safety net programs

Options used in other countries:

- Introducing a universal child allowance

- Introducing a child support assurance program that sets guaranteed minimum child support amounts per child per month

Modifications to existing safety net programs:

- Expanding SNAP

- Expanding the Housing Choice Voucher Program

- Expanding SSI

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

Program	Value
EITC 1	-1.2
EITC 2	-2.1
Child Care 1	-1.2
Child Care 2	-0.6
Minimum Wage 1	-0.2
Minimum Wage 2	-0.1
Work Advance 1	0.0
Work Advance 2	-0.1
SNAP 1	-1.7
SNAP 2	-2.3
Housing Vouchers 1	-2.1
Housing Vouchers 2	-3.0
SSI 1	-0.2
SSI 2	-0.4
Child Allowance 1	-3.4
Child Allowance 2	-5.3
Child Support 1	-0.2
Child Support 2	-0.4
Immigrant 1	-0.1
Immigrant 2	-1.1

Goal

The Advantages of "Packages"

- Multiple programs ("packages") make it possible to address both **poverty reduction** and **work incentive** goals by combining programs and policies that emphasize each goal

- Packages may be better than single programs in responding to multiple needs and situations of poor families

Simulated Program and Policy Packages: Only *Packages 3 and 4 Met the Goal*

		1. Work-Oriented Package	2. Work-Based and Universal Support Package	3. Means-Tested Supports and Work package	4. Universal Supports and Work Package
Work-oriented programs and policies	Expand EITC	X	X	X	X
	Expand Child Care Tax Credit	X	X	X	X
	Increase the minimum wage	X			X
	Roll out WorkAdvance	X			
Income support-oriented programs and policies	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	+614,000
	Annual cost, in billions	$8.7	$44.5	$90.7	$108.8

Lessons From the Packages:

Individual policy and program changes are insufficient

Bundling work-oriented and income-support programs can reduce poverty by half in 10 Years AND increase employment

Several Other Programs Were Considered
But Not Simulated

Contextual Factors that Influence the Effects of Anti-Poverty Policies and Programs

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Thank you!

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Learn More:

www.nap.edu/reducingchildpoverty

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

#ChildPovertyInHalf