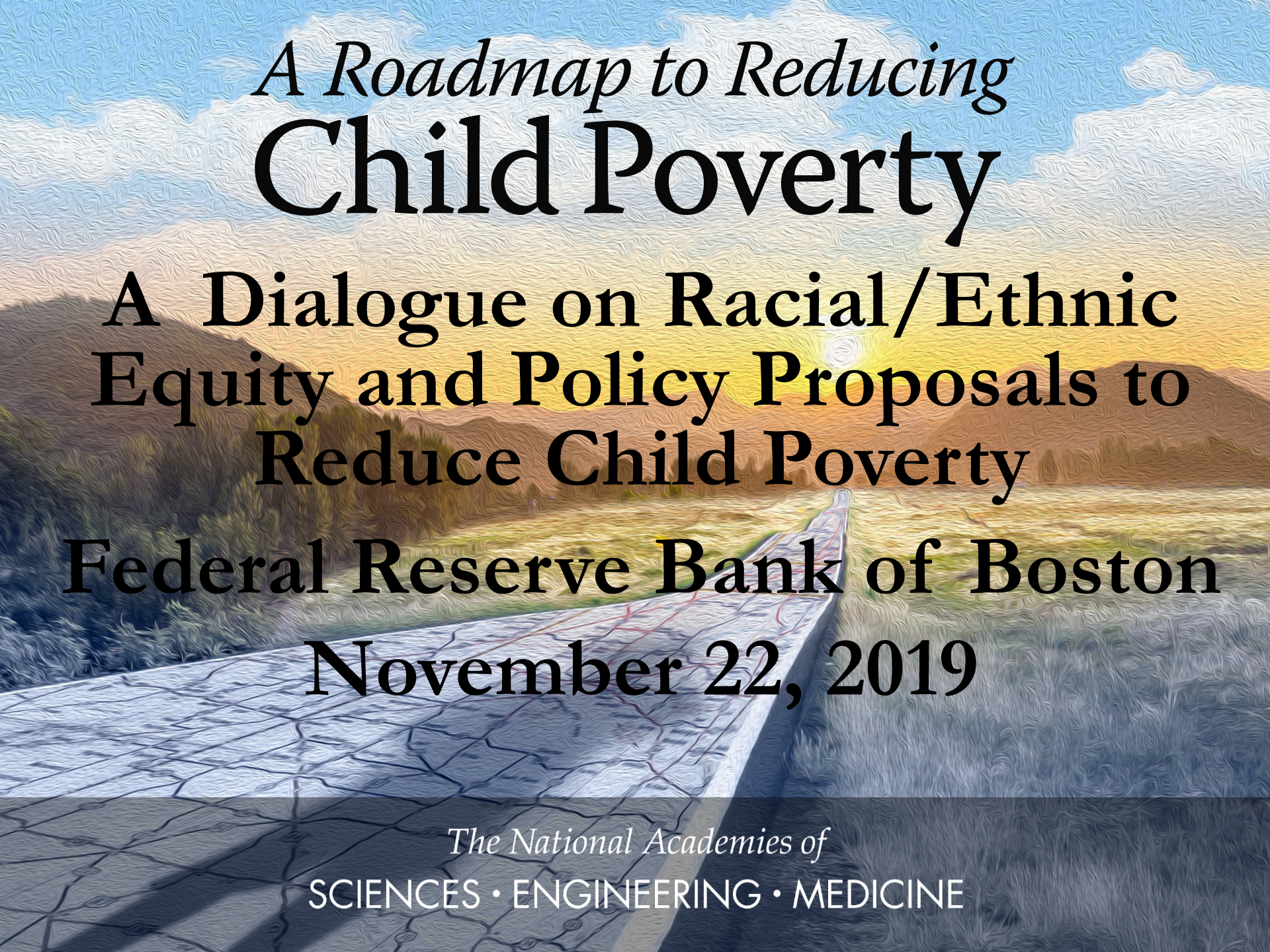




A Roadmap to Reducing **Child Poverty**

**A Dialogue on Racial/Ethnic
Equity and Policy Proposals to
Reduce Child Poverty**

Federal Reserve Bank of Boston

November 22, 2019

The National Academies of
SCIENCES • ENGINEERING • MEDICINE

Study Sponsors

- The Joyce Foundation
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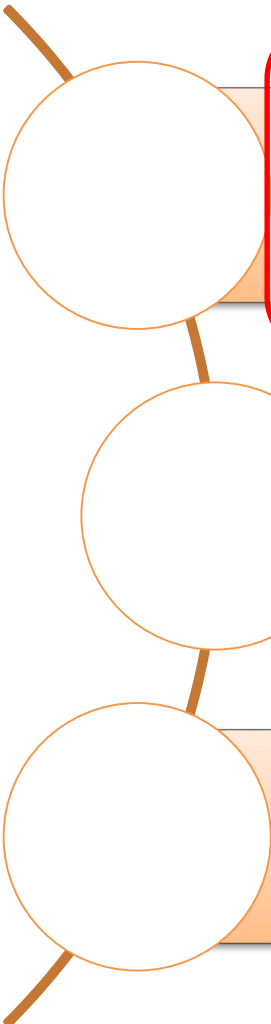
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Statement of Task



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

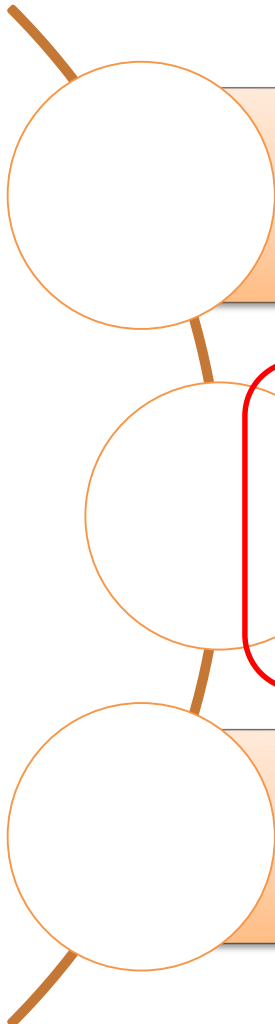
Analyze the poverty-reducing effects of existing major assistance programs directed at children and families

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

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.

Statement of Task

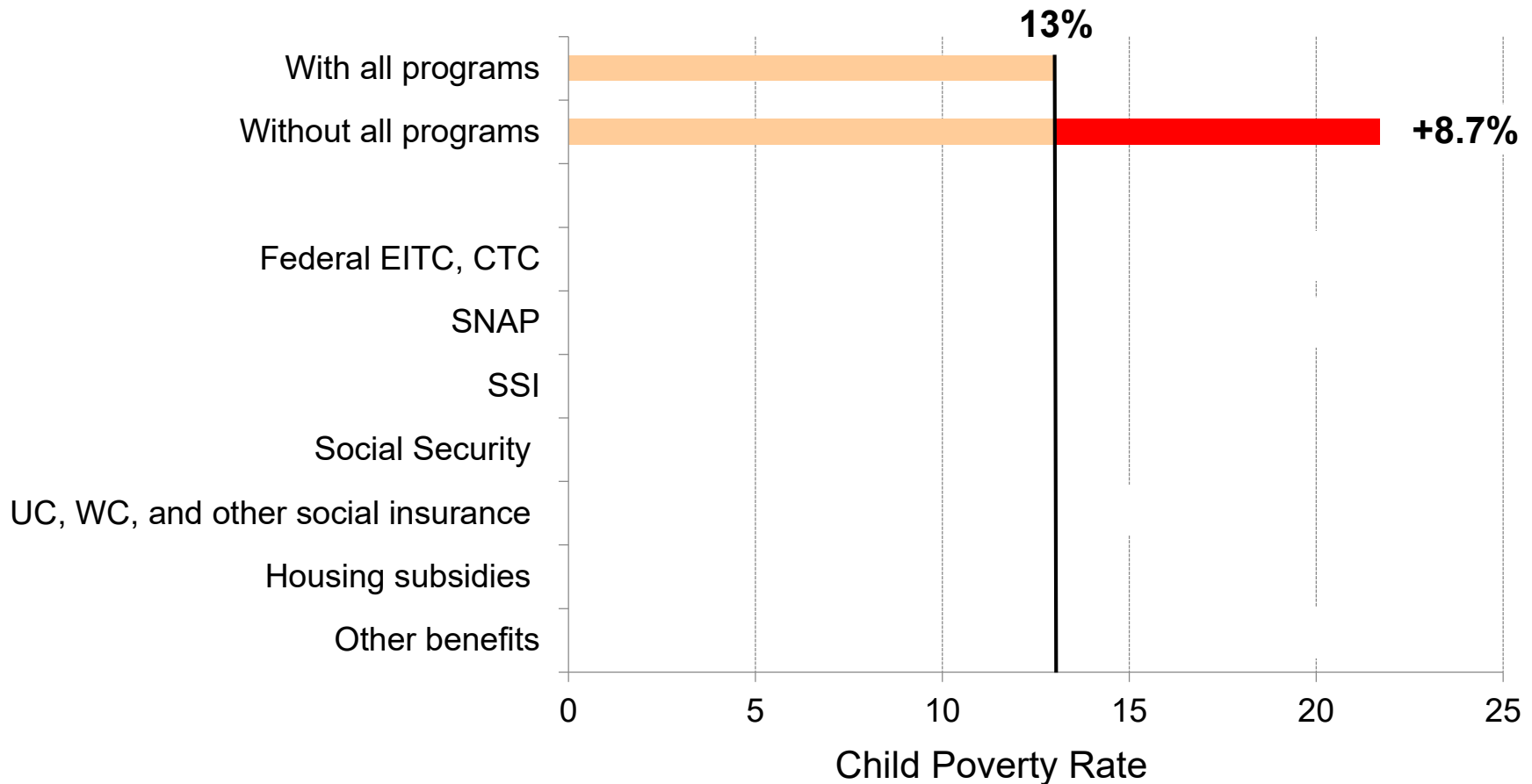


Review research on linkages between child poverty and child well-being

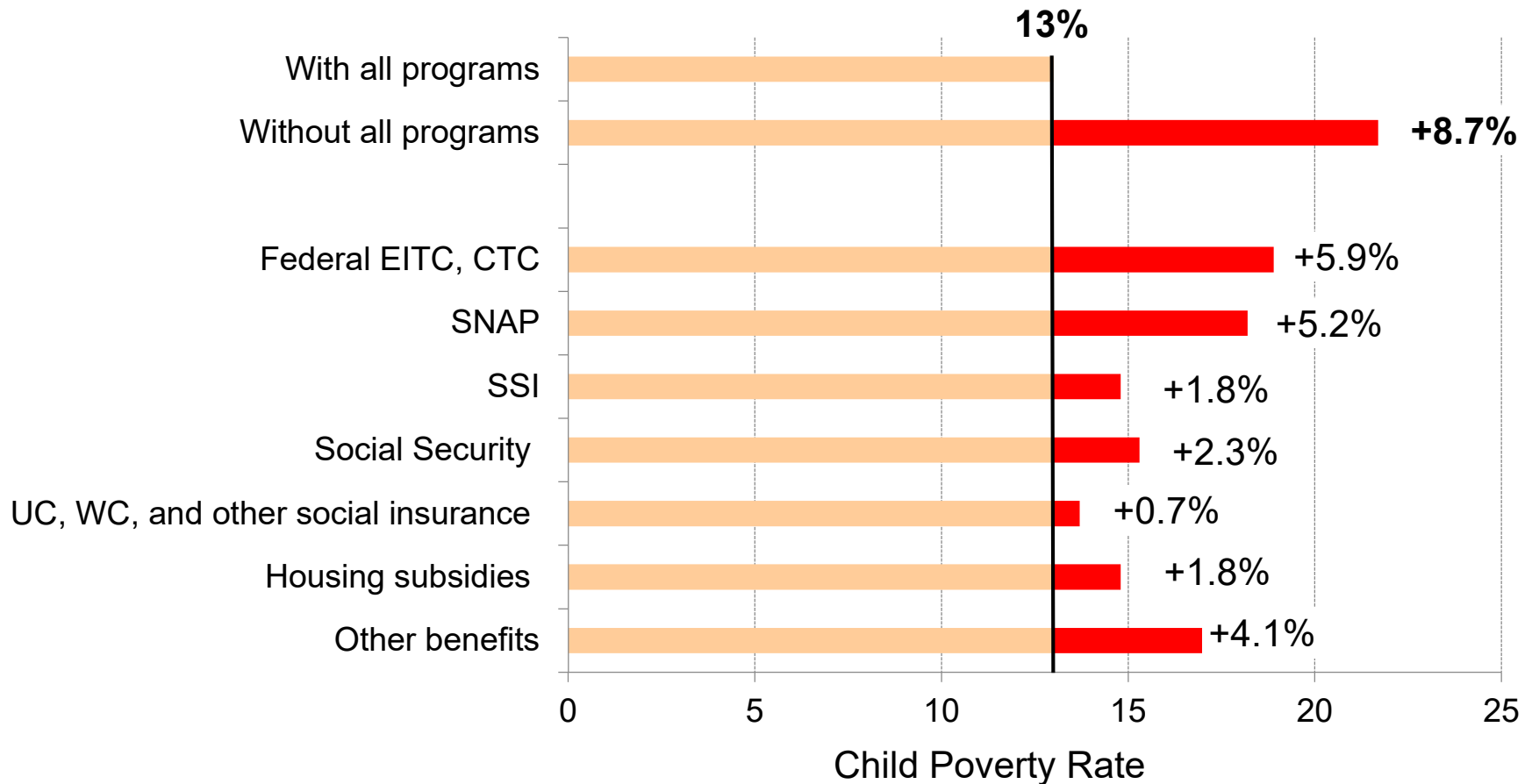
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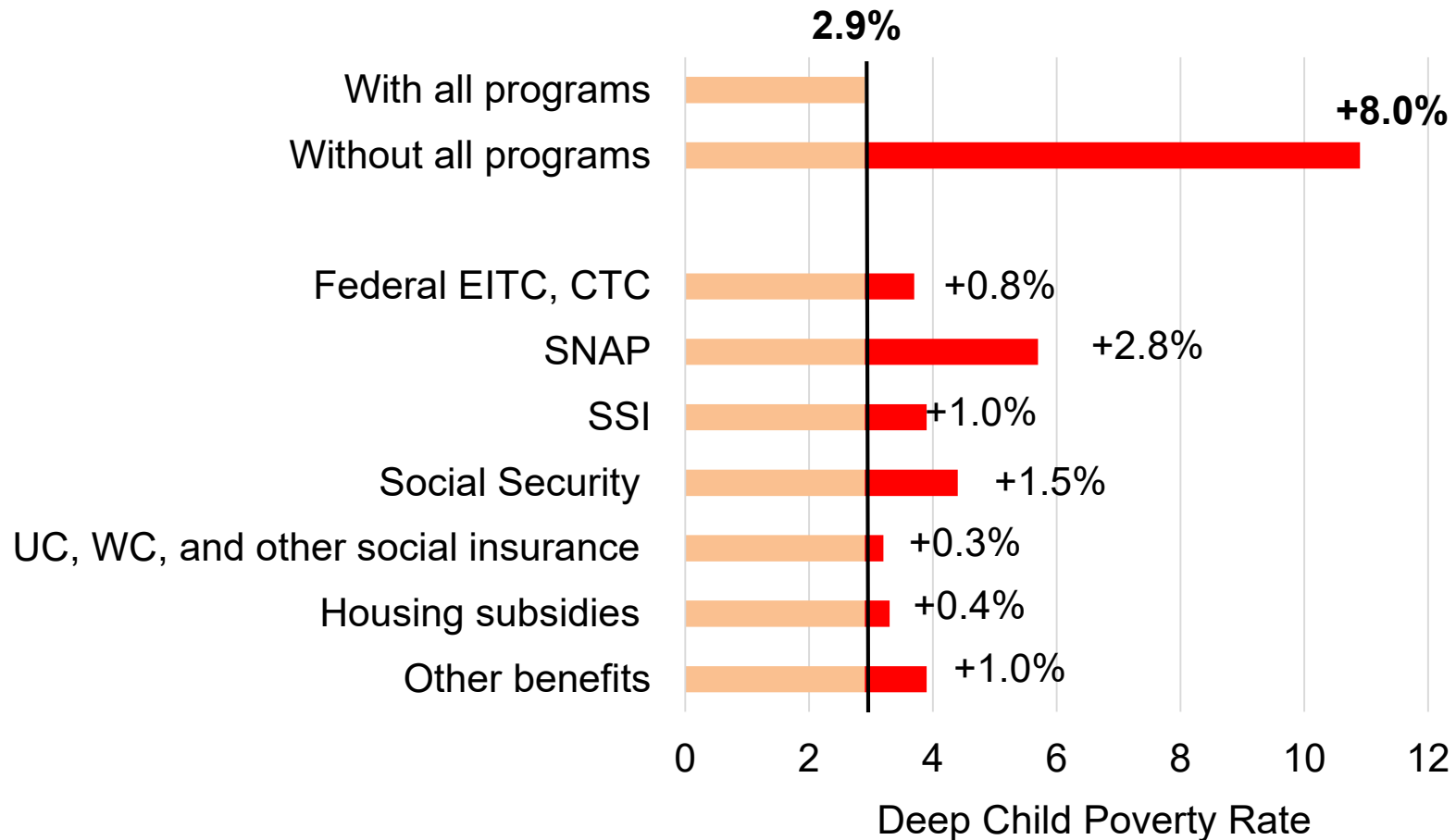
Child Poverty Rates Would Be Higher Without Existing Programs



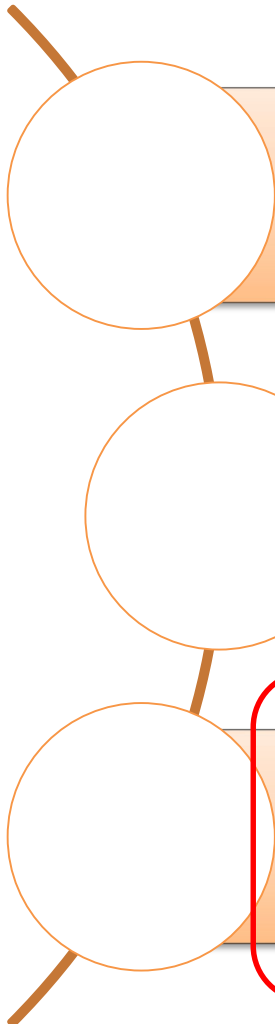
Child Poverty Rates Would Be Higher Without Existing Programs



Deep Child Poverty Rates Would Also Be Higher Without Existing Programs



Statement of Task

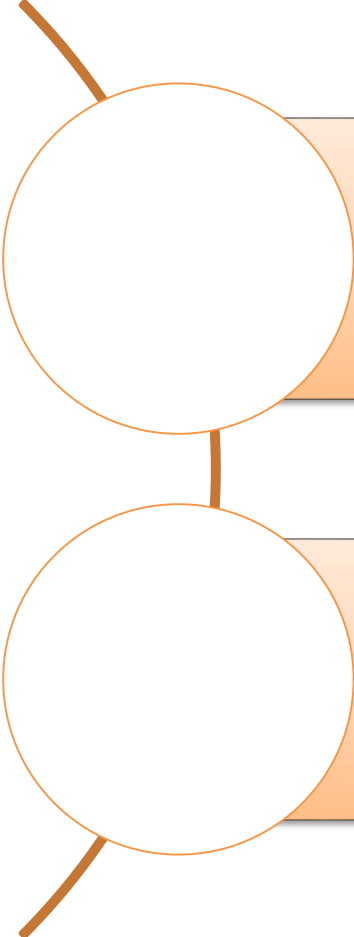


Review research on linkages between child poverty and child well-being

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

The Committee Developed



20 individual policy and program options

4 policy and program packages

Other programs considered but not simulated for lack of:

- **Evidence on poverty-reducing 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)

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

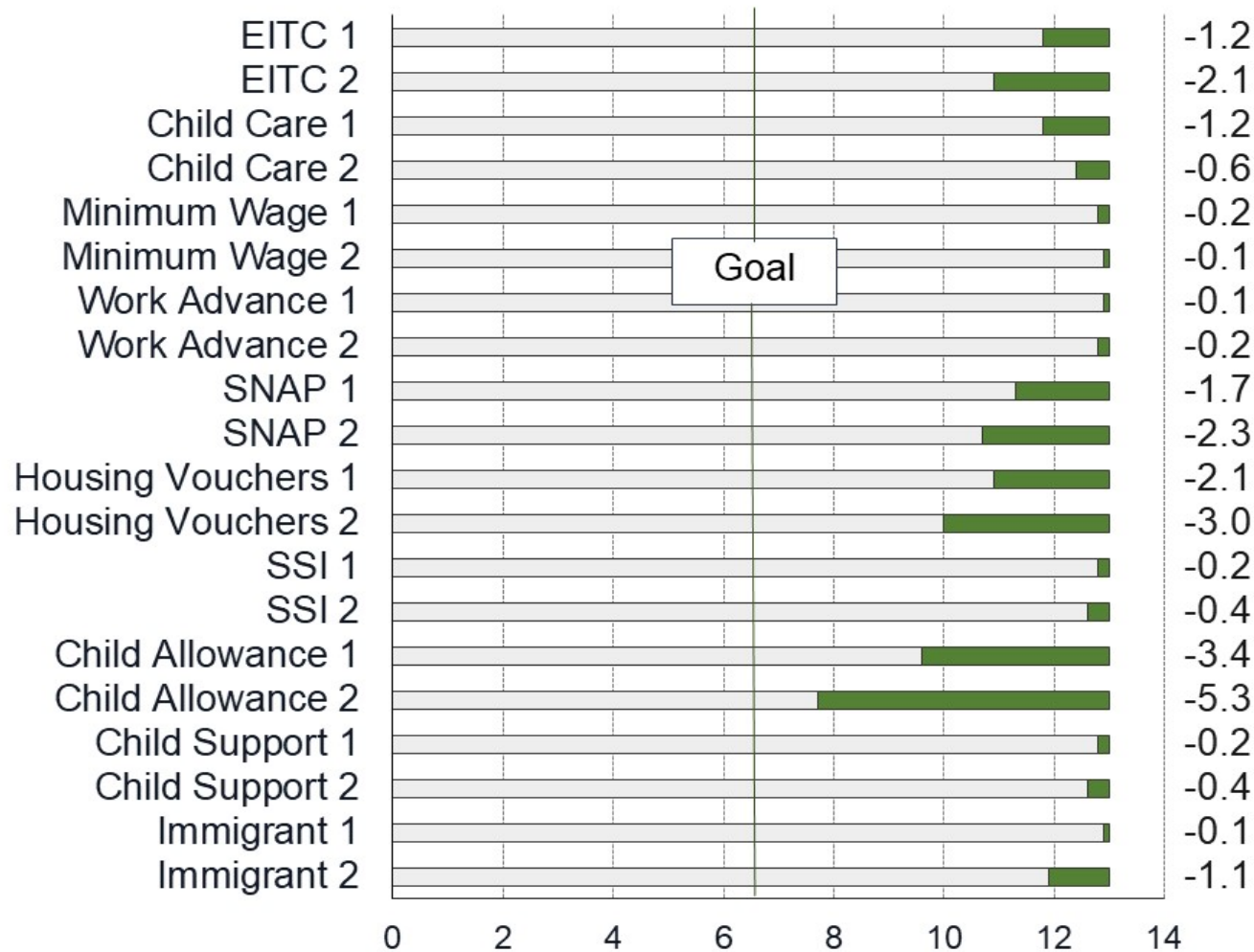
Modifications to existing safety net programs:

- Expand Supplemental Nutrition Assistance Program (SNAP)
- Expand the Housing Choice Voucher Program
- Expand Child Supplemental Security Income (SSI) levels

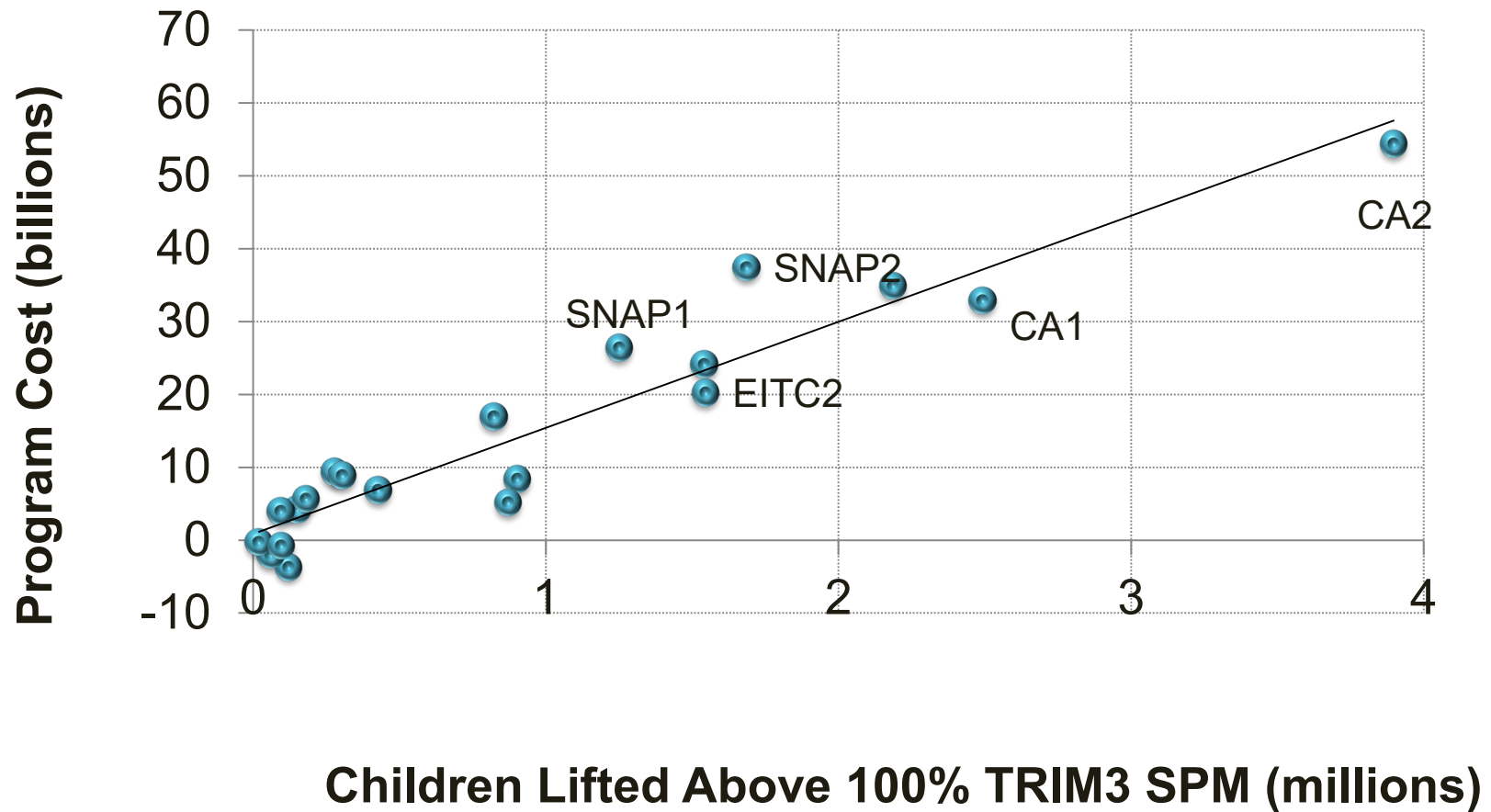
Policies used in other Countries:

- 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

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



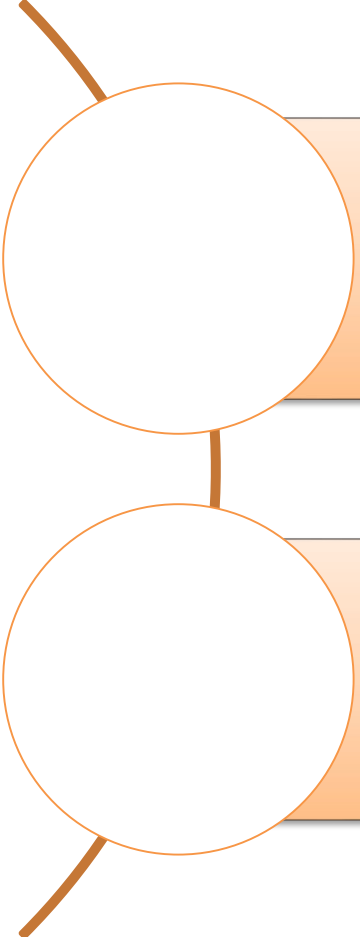
More Effective Policies Generally Cost More



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

Composition and Impacts of Program and Policy Packages

	Work-oriented package			
Expand EITC	X			
Expand Child and Dependent Care Tax Credit	X			
Increase the minimum wage	X			
Roll out WorkAdvance	X			
Expand housing voucher program				
Expand SNAP benefits				
Begin a child allowance				
Begin child support assurance				
Eliminate 1996 immigration eligibility restrictions				
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			

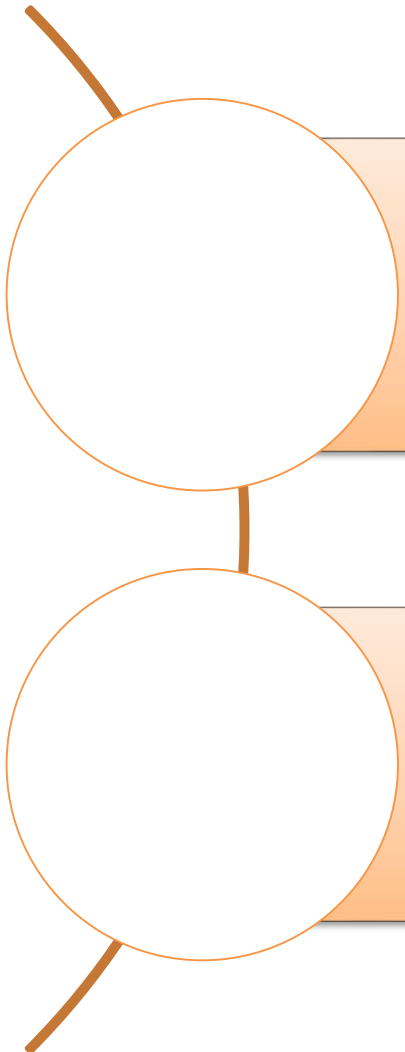
Composition and Impacts of Program and Policy Packages

	Work-oriented package	Work-Based and Universal Support Package		
Expand EITC	X	X		
Expand Child and Dependent Care Tax Credit	X	X		
Increase the minimum wage	X			
Roll out WorkAdvance	X			
Expand housing voucher program				
Expand SNAP benefits				
Begin a child allowance		X		
Begin child support assurance				
Eliminate 1996 immigration eligibility restrictions				
Percent Reduction in the number of poor children	-18.8%	-35.6%		
Percent Reduction in the number of children in deep poverty	-19.3%	-41.3%		
Change in number of low-income workers	+1,003,000	+568,000		
Annual cost, in billions	\$8.7	\$44.5		

Some Program and Policy Packages DID 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	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

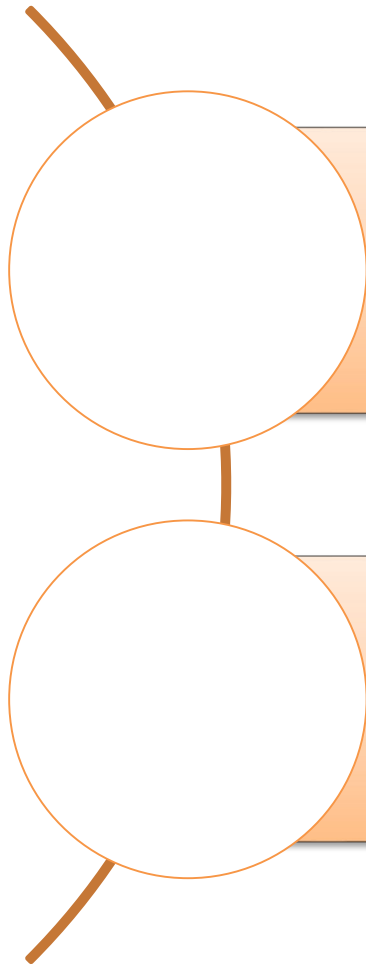
Costs of the Packages



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:

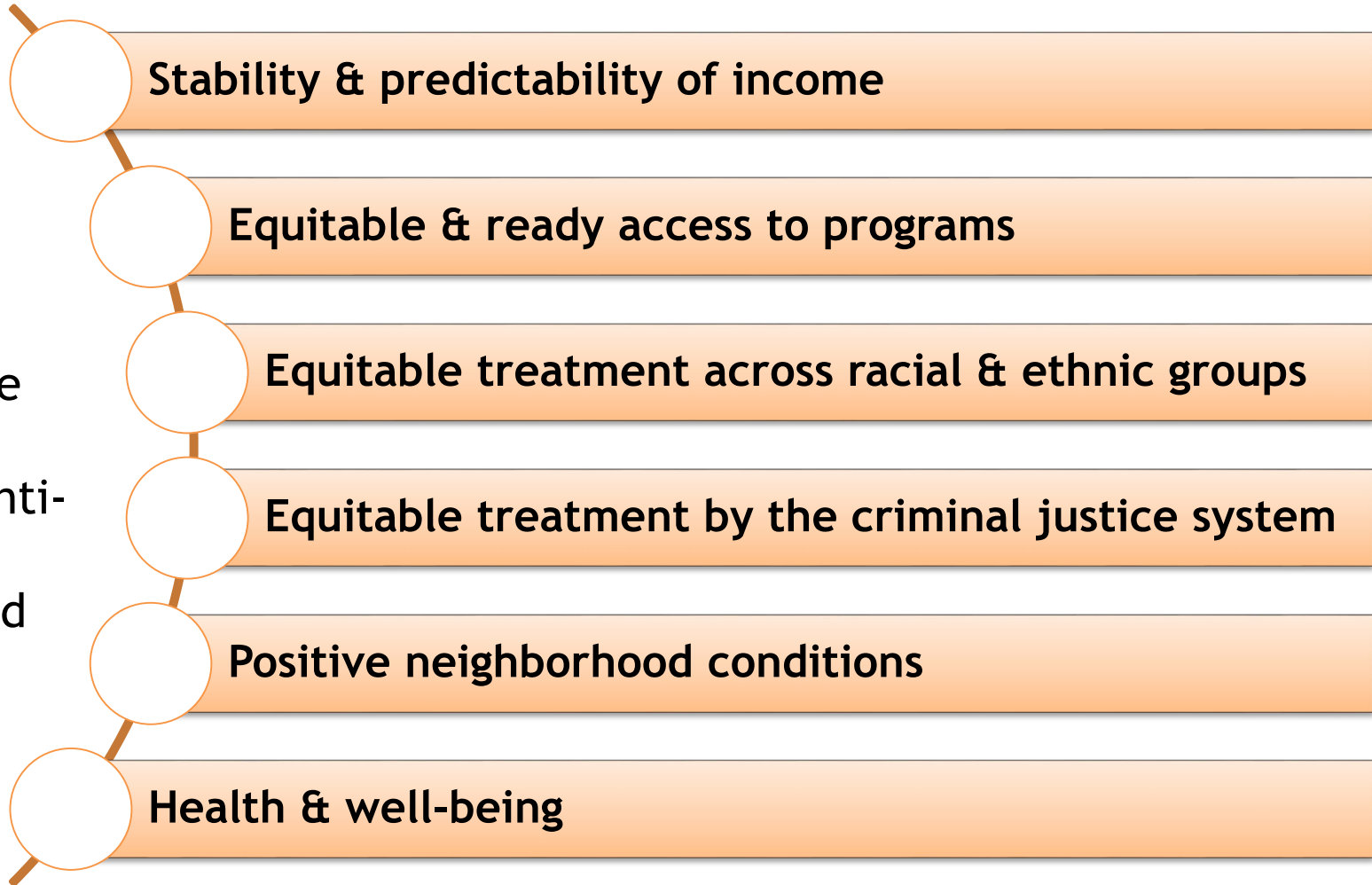


Individual policy and program changes are insufficient

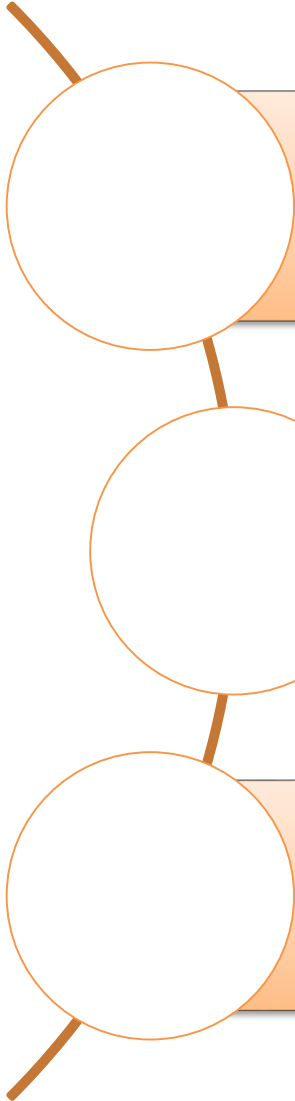
Bundling work-oriented and income-support programs can reduce poverty AND increase employment

Contextual Factors

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



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

Learn More:

www.nap.edu/reducingchildpoverty

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

- Suzanne Le Menestrel, Study Director
- Email: slemenestrel@nas.edu

