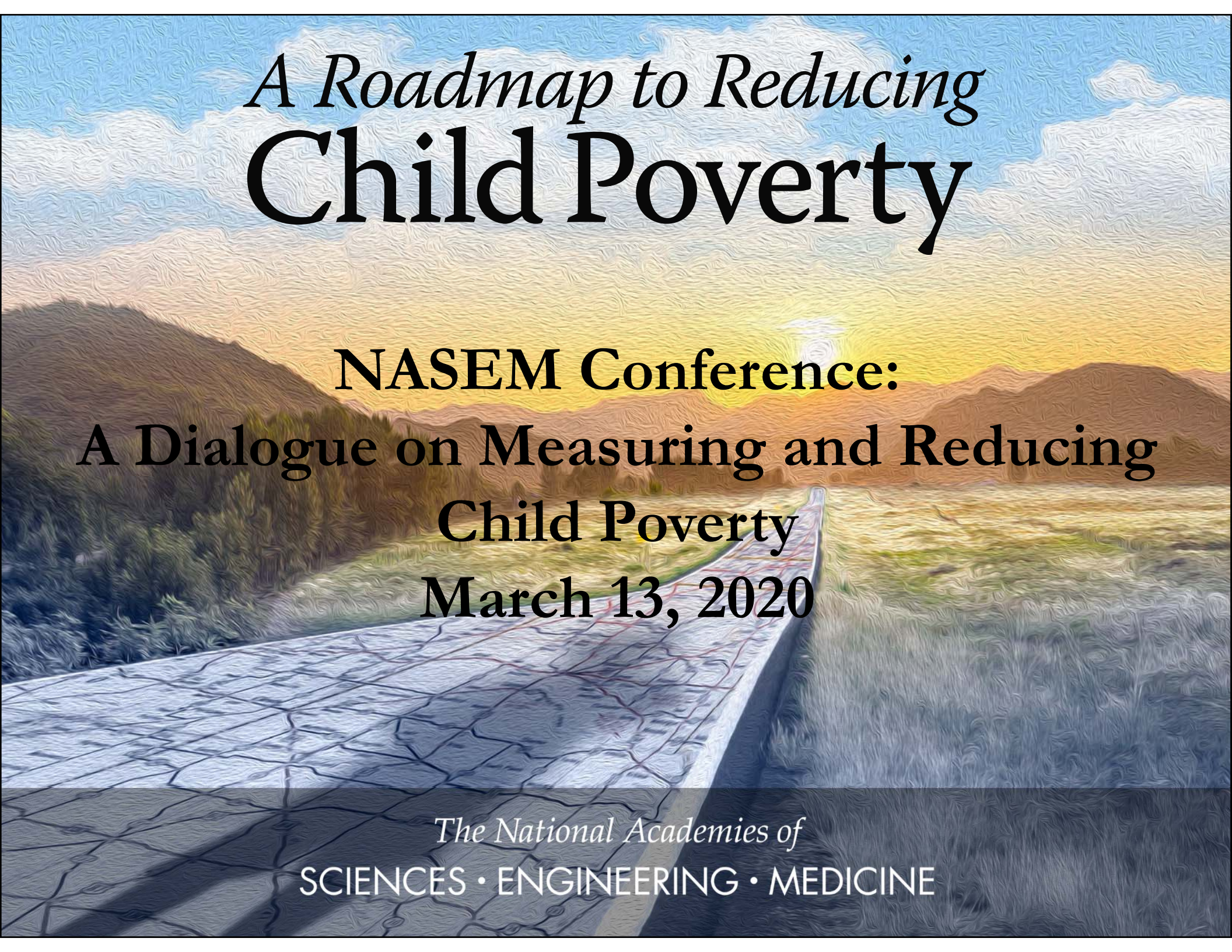


The background of the slide is a landscape painting. It depicts a long, straight road that stretches from the bottom left towards the horizon, where it disappears into the distance. The road is flanked by green fields and rolling hills. The sky is filled with soft, colorful clouds in shades of blue, orange, and yellow, suggesting a sunset or sunrise. The overall style is painterly and evocative.

A Roadmap to Reducing **Child Poverty**

NASEM Conference:
A Dialogue on Measuring and Reducing
Child Poverty
March 13, 2020

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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

1

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

2

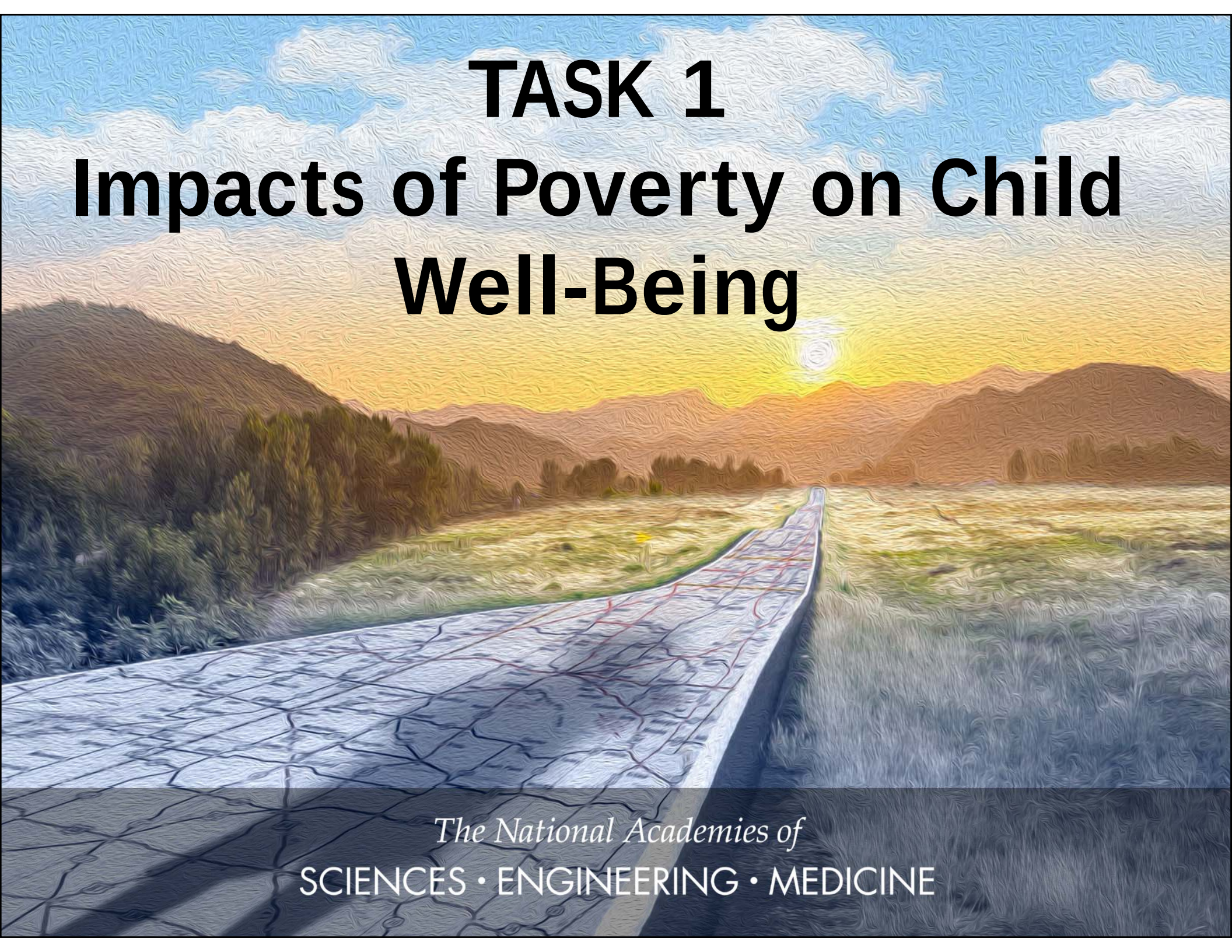
Analyze the poverty-reducing effects of existing major assistance programs directed at children and families

3

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

Poverty Measurement

- The Committee was not charged with examining poverty measurement issues
- It was required to use the SPM
- But the Report has a discussion of OPM, Relative Poverty Measures, and others
- But had to deal with several measurement issues anyway: see below
- And the Report's policy findings show how important poverty measurement is for policy

The background of the slide is a landscape painting. It depicts a long, straight road that is heavily cracked and weathered, stretching from the foreground into the distance. The road is flanked by grassy fields and distant, hazy mountains. The sky is filled with soft, golden light, suggesting a sunset or sunrise, with a bright sun visible on the horizon. The overall style is painterly and evocative.

TASK 1

Impacts of Poverty on Child Well-Being

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Reviewed All Rigorous, High-Quality Research

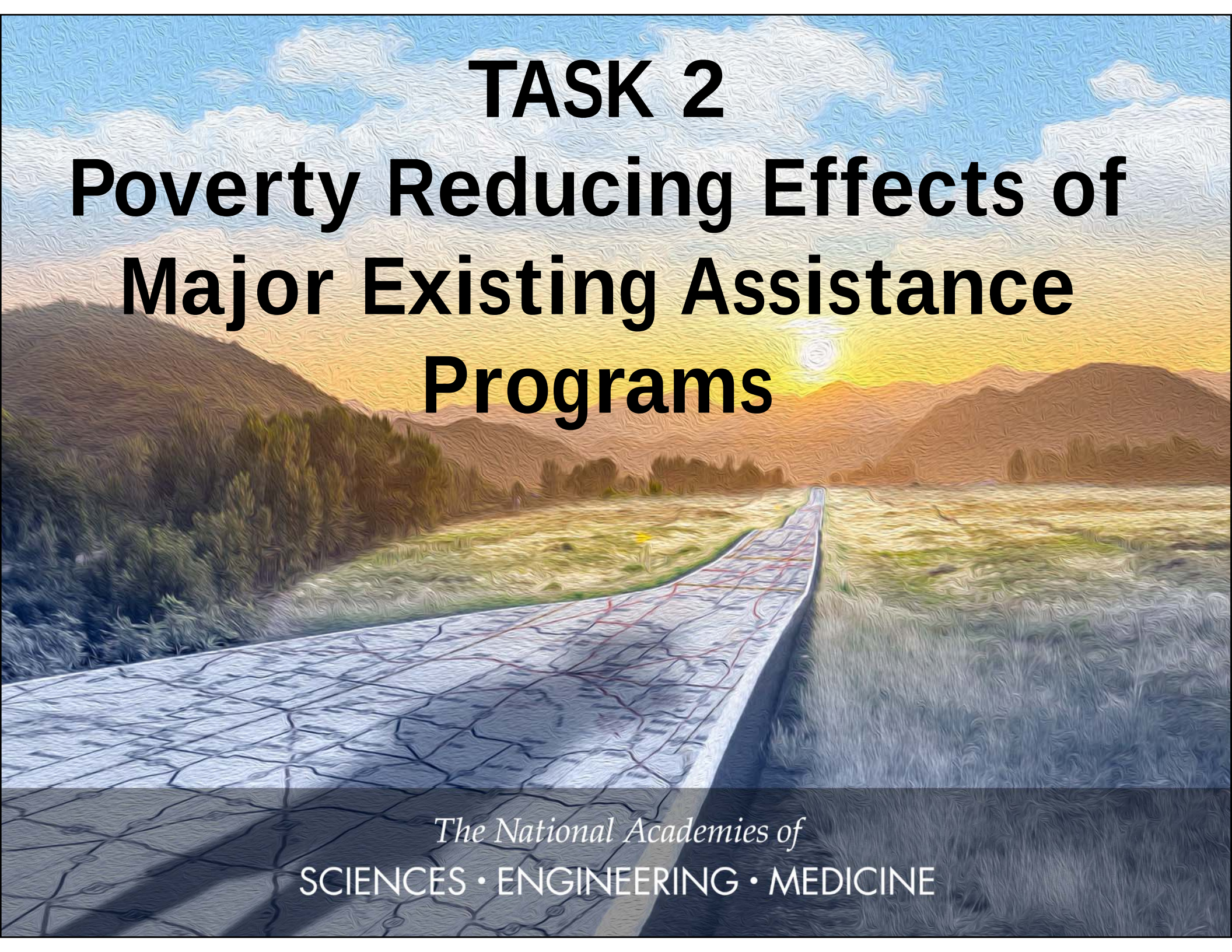
- Growing up poor has negative effects on birthweight, brain development, and child physical and mental health
- Growing up poor leads to worse education and employment outcomes as adults
- Effects worse, the younger the child

A Dollar Figure on the Cost of Child Poverty

- \$800 billion 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

The background of the slide is a landscape painting. A wide, cracked asphalt road stretches from the bottom left towards the center of the image, leading the viewer's eye into the distance. The road is flanked by grassy fields and some trees on the left. In the background, there are rolling hills or mountains under a sky with soft, white clouds. The sun is low on the horizon, creating a warm, golden glow across the scene. The overall style is that of a classical oil painting.

TASK 2

Poverty Reducing Effects of Major Existing Assistance Programs

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Child Poverty in 2015

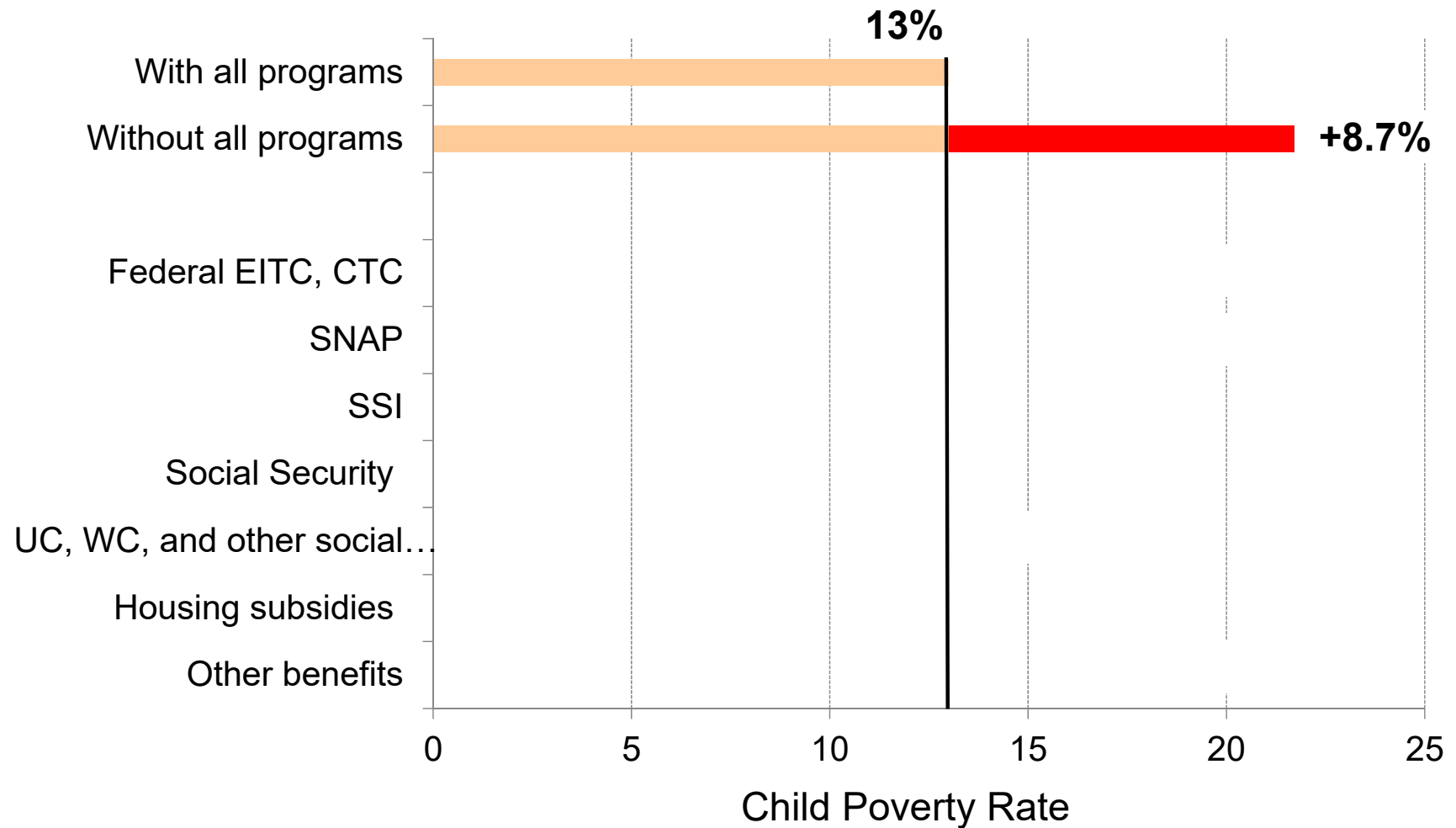
- *Child Poverty*: Defined as living in a household whose after tax and transfer income is below the government poverty line*
- 2015: 13% of U.S. children were in families with incomes below the poverty line
- 9.6 million children

*Supplemental Poverty Measure (TRIM-modified)

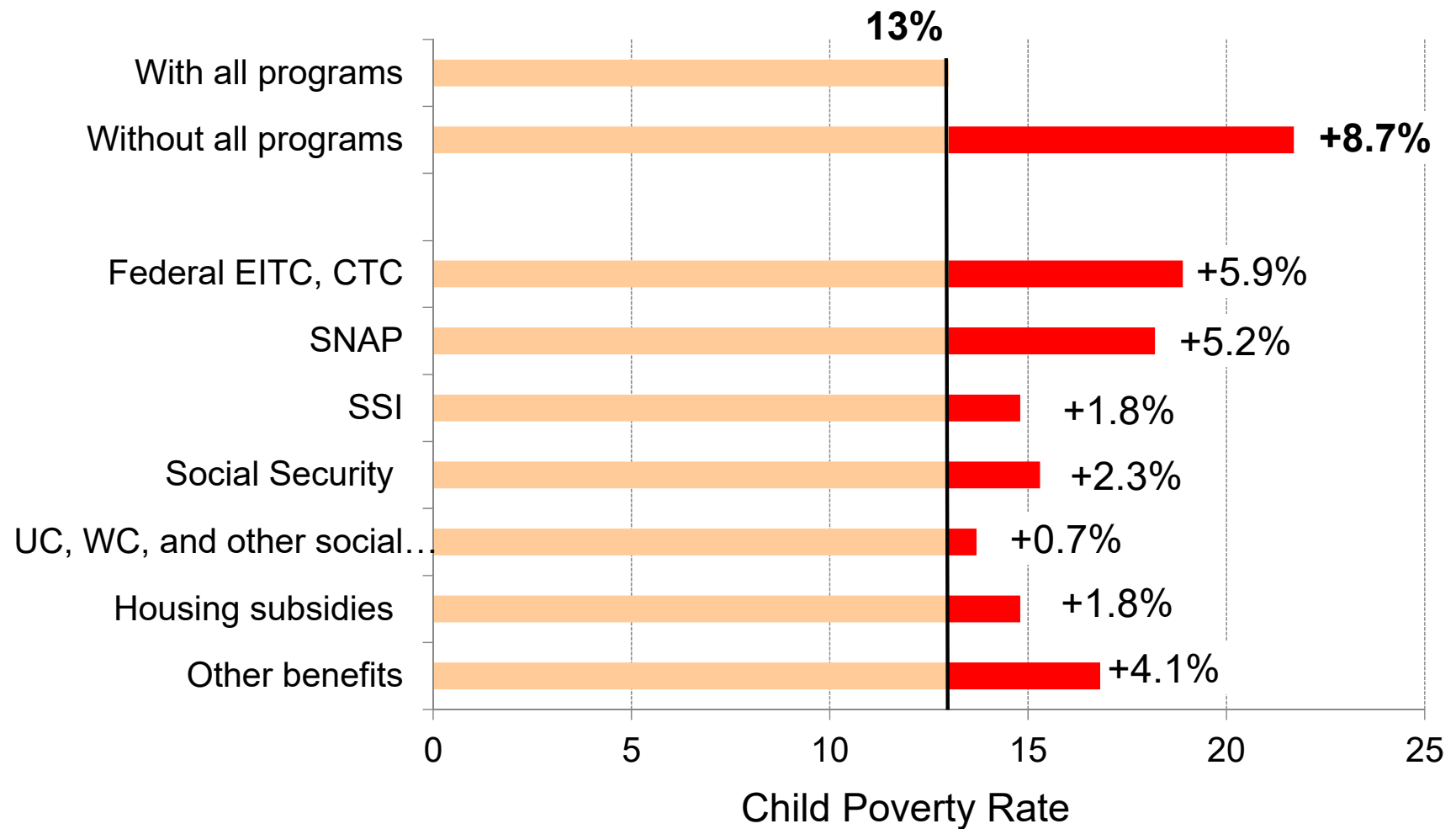
What Would Child Poverty Be in 2015 Without Our Major Transfer Programs?

- Use Urban Institute TRIM model to simulate changes in poverty if each major transfer program were eliminated
- In turn and in total
- Ignore behavioral effects

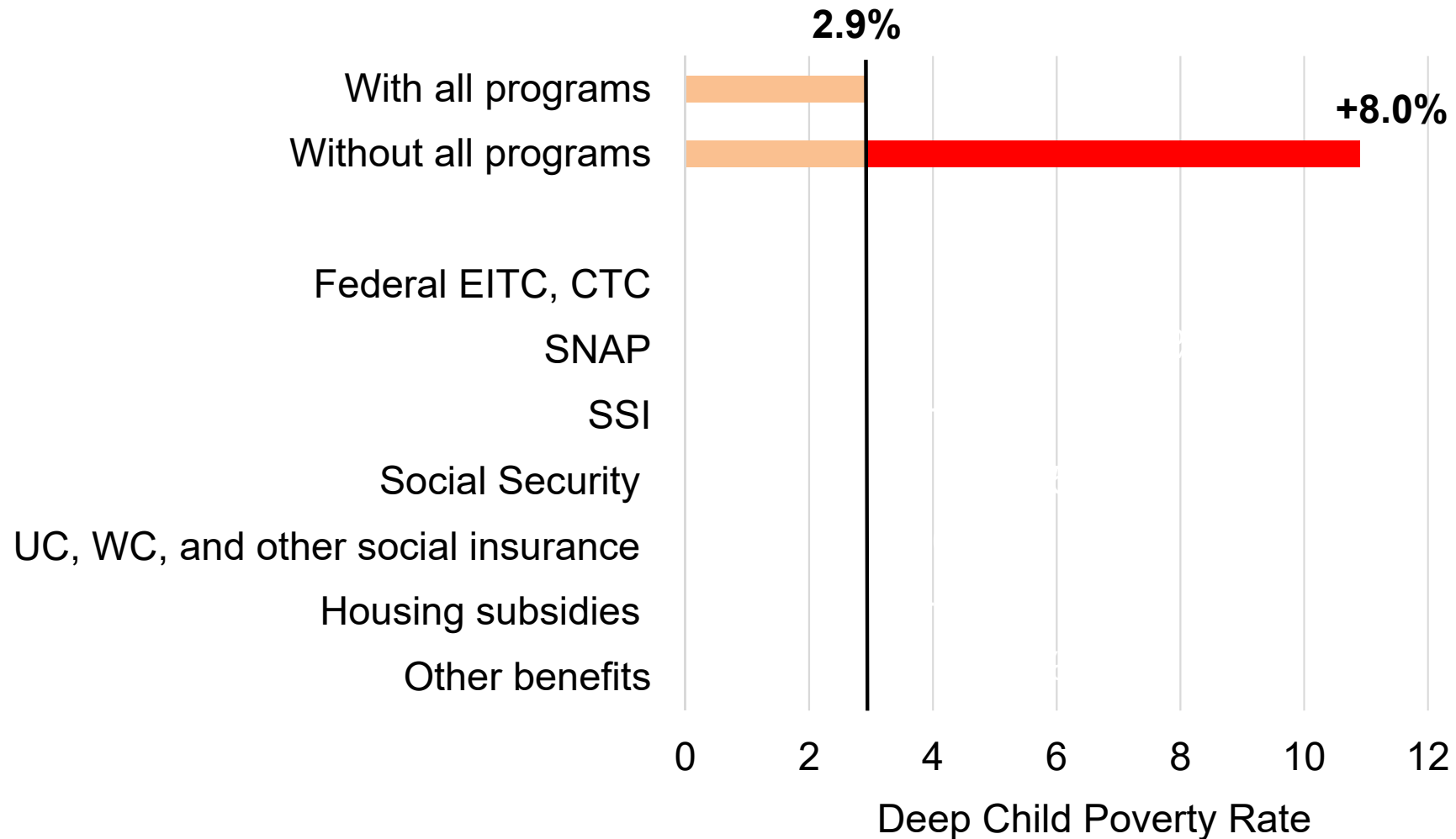
Child Poverty Rates Would Be Higher Without Existing Programs



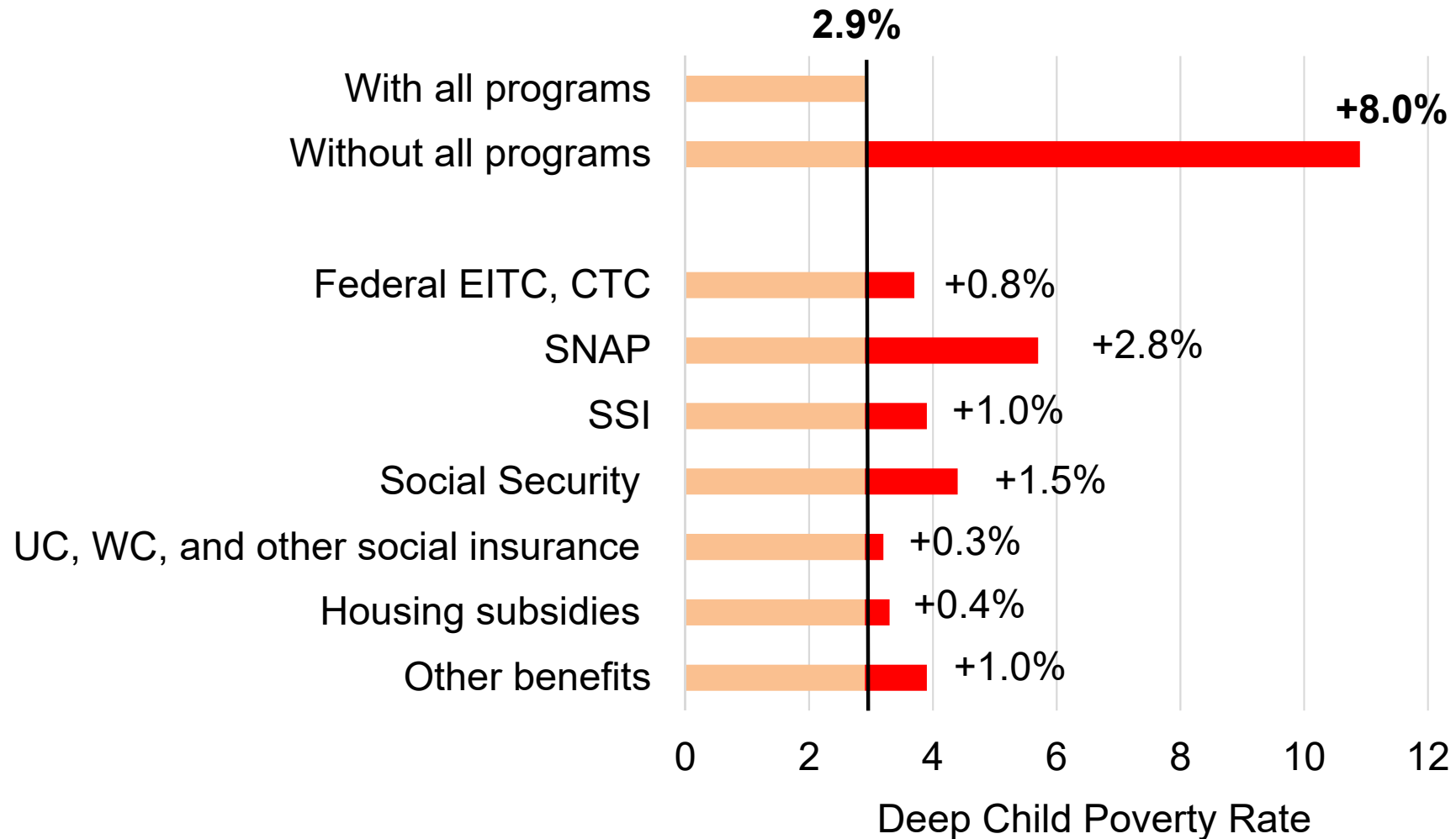
Child Poverty Rates Would Be Higher Without Existing Programs

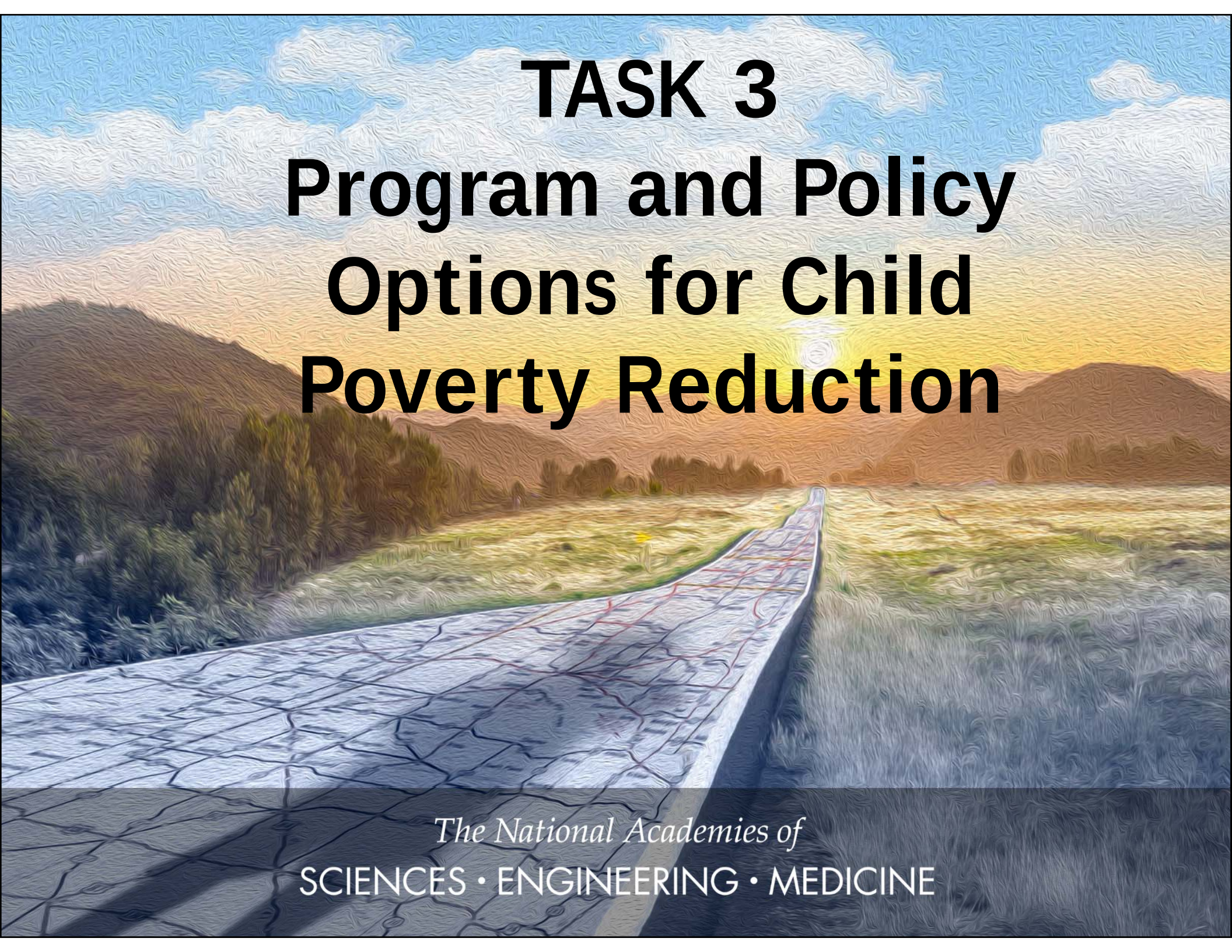


Deep Child Poverty Rates Would Also Be Higher Without Existing Programs



Deep Child Poverty Rates Would Also Be Higher Without Existing Programs



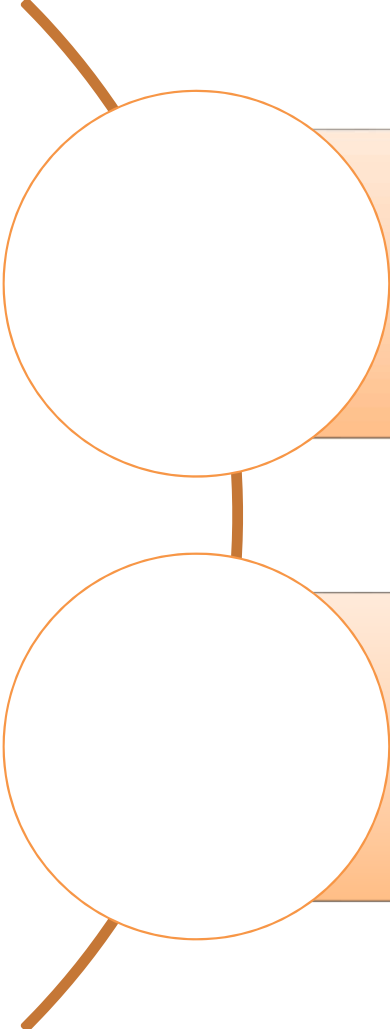
The background of the slide is a landscape painting. A long, straight road with a cracked surface and red dashed lines down the center leads from the bottom left towards the horizon. The road is flanked by grassy fields and some trees on the left. In the distance, there are rolling hills under a sky with soft, colorful clouds in shades of blue, orange, and yellow, suggesting a sunset or sunrise.

TASK 3

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

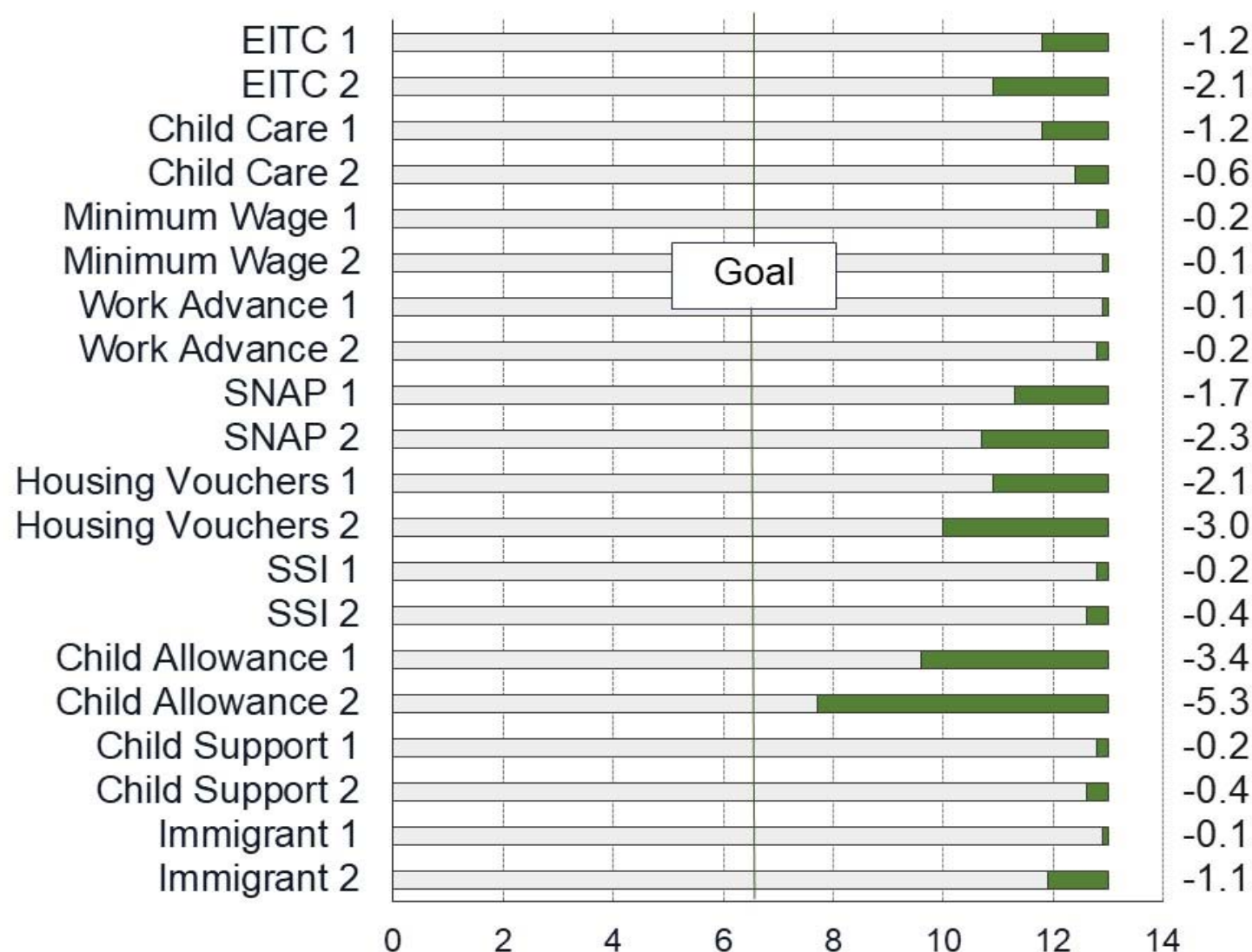
Policies used in other Countries:

- 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

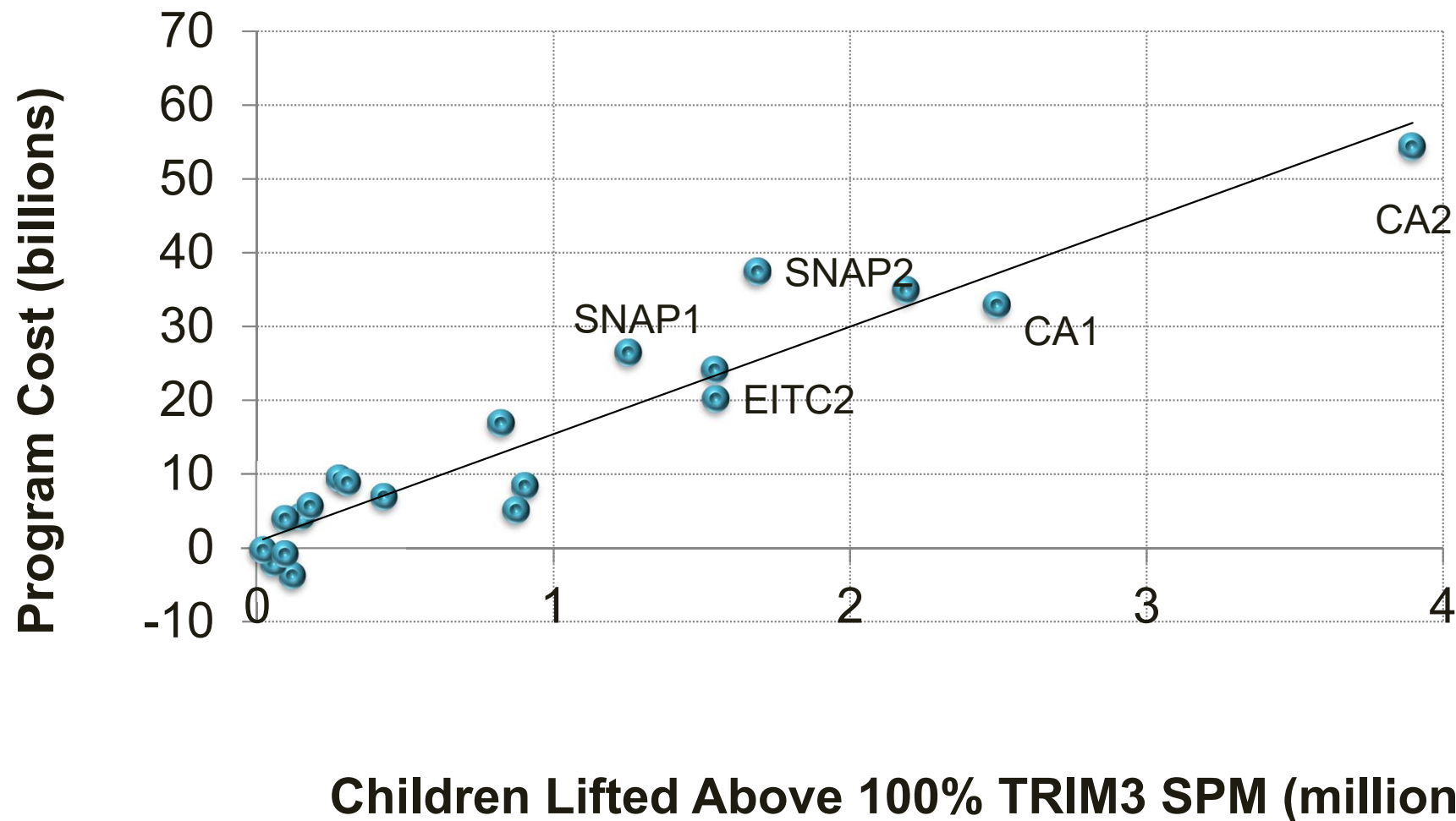
Simulations

- Use Urban Institute TRIM model to simulate changes in poverty for each reform
- Behavioral effects from the literature are incorporated and added to TRIM
- The Report has detailed description of simulations in its Appendices

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



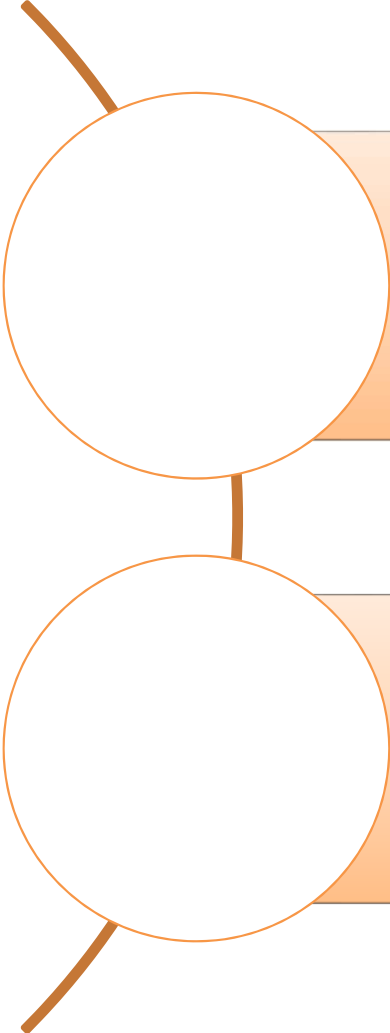
More Effective Policies Generally Cost More



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

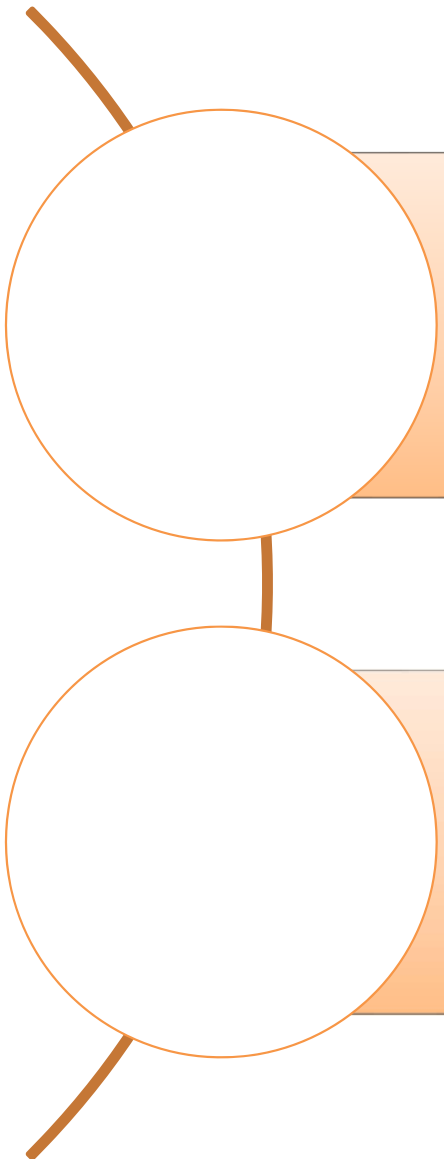
Work-based Packages Failed to Meet the Goal

	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

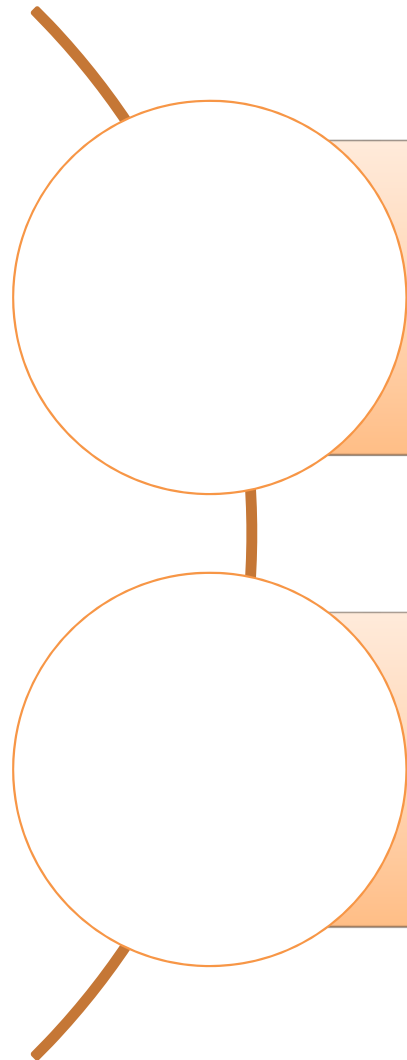
Costs of the Packages



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

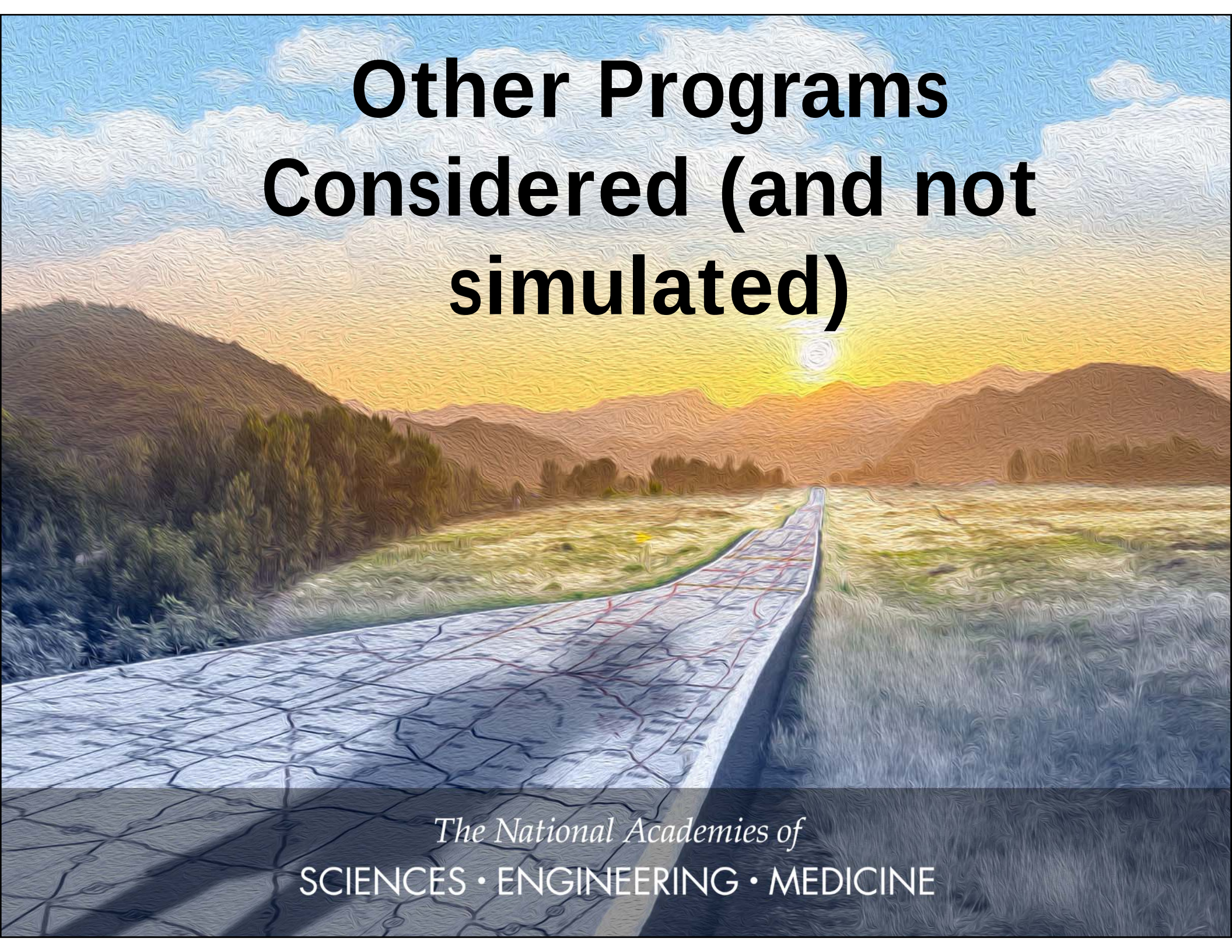
Studies have estimated the annual macro costs of child poverty to range from \$800 billion to \$1.1 trillion (4% of GDP)

Lessons From the Packages:



Individual policy and program changes are insufficient

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

The background of the slide is a landscape painting. It depicts a long, straight road that stretches from the foreground into the distance, leading towards a horizon where the sun is setting or rising. The sky is filled with soft, warm colors of orange, yellow, and blue. The road is flanked by grassy fields and distant hills. The overall style is that of a classical landscape painting.

Other Programs Considered (and not simulated)

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Other Programs Considered

Long-acting Reversible Contraception (LARC)

LARC devices reduce the incidence of unplanned births, which could in turn reduce child poverty.

Mandatory Work Policies

Evidence is insufficient to identify policies that would reliably reduce child poverty.

Marriage Promotion

Likely to reduce child poverty, but no successful models of marriage promotion

Other Programs Considered

Public Health Insurance

Current poverty measures (SPM) do not incorporate health spending.

Policies for Native Americans

Small sample sizes in population surveys make it difficult to simulate effects for this group.

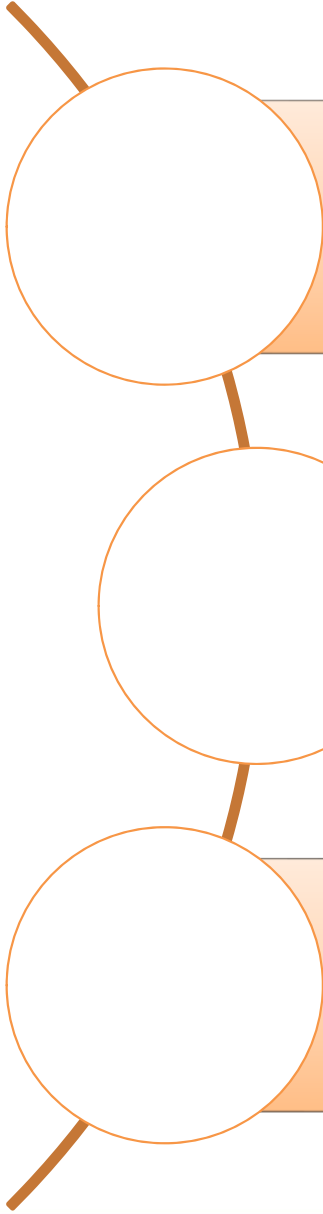
TANF

TANF had mixed effects on child poverty in the short run, and little effect on the long run.

Research Priorities and Next Steps

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Research Priorities

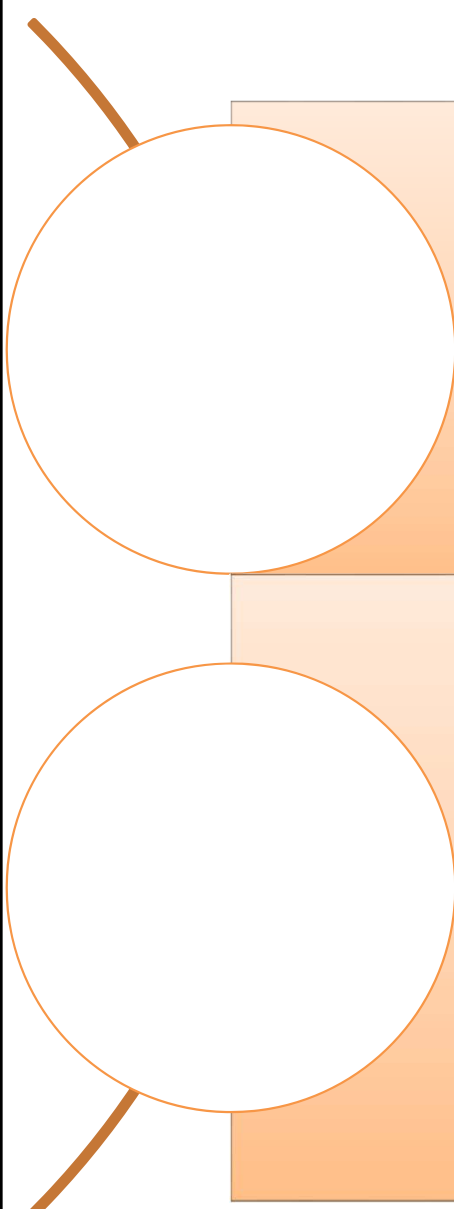


State and local waivers to test new work-related programs, supported by federal funding

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

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

