

Reducing Intergenerational Poverty



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The U.S. Congress asked the National Academies to provide a non-partisan, evidence-based report that:

Identifies **key drivers** of long-term, intergenerational poverty

Identifies **evidence-based policies** and programs that have the potential to significantly reduce the effects of the key drivers of intergenerational poverty

Evaluates the **racial and ethnic disparities and structural factors** that help perpetuate intergenerational poverty

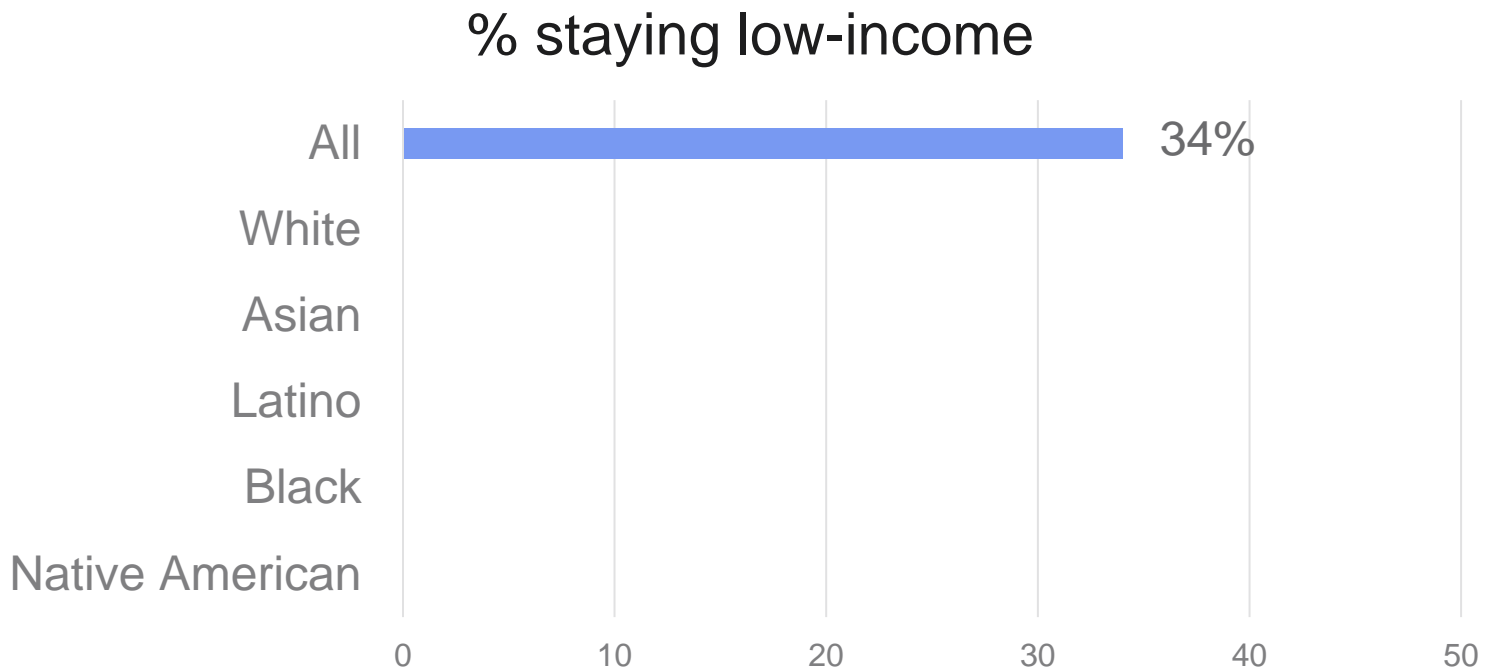
Identifies key, high-priority **gaps in the data and research** needed to develop effective policies for reducing intergenerational poverty in the U.S.

Intergenerational Poverty

A situation in which children who grow up in families with incomes below the poverty line are themselves poor as adults

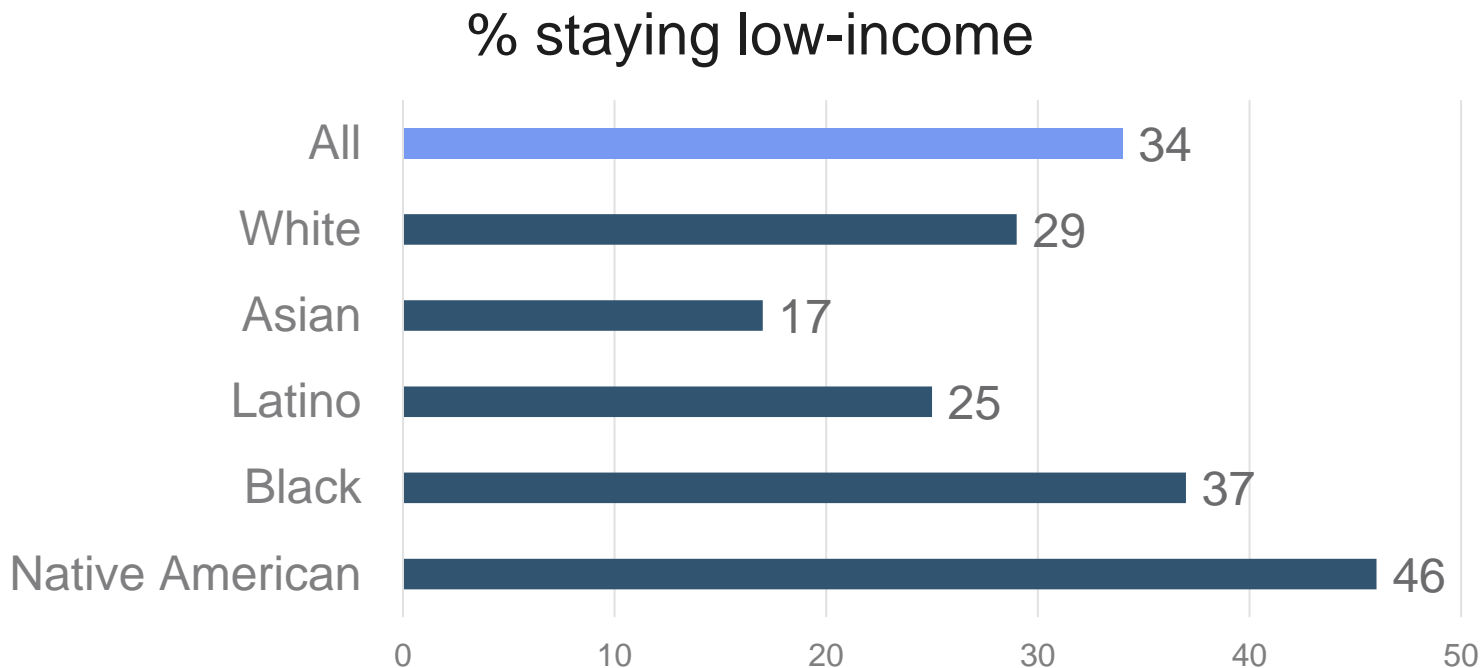


Intergenerational Persistence of Low-Income Status Differs Sharply by Race



Chetty et al. (2020)

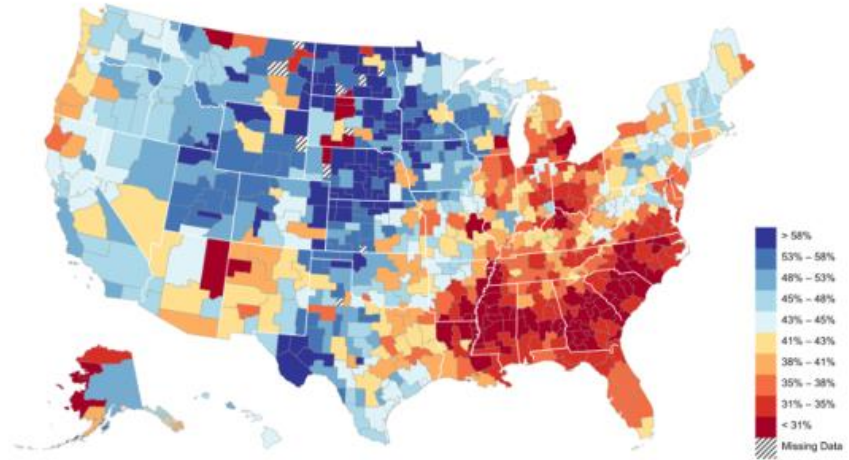
Intergenerational Persistence of Low-Income Status Differs Sharply by Race



Chetty et al. (2020)

Other Factors Influencing Intergenerational Poverty

- Low-income children of U.S.-born parents experience less intergenerational mobility than low-income children of immigrants, from almost every country.
- Intergenerational economic disadvantage varies substantially across regions...
- And varies within communities, although racial disparities are apparent in almost all of them



Chetty et al. (2014)

Key Drivers of Intergenerational Poverty



From the Committee's Statement of Task

- The committee will identify **key drivers** of long-term, intergenerational poverty
- The committee began by delineating seven childhood areas known to correlate with adult outcomes.

Seven Potential Drivers of Intergenerational Poverty

Children's
Education
and the
Education System

Child **Health**
and the
Health Care
System

Family **Income
and Wealth**
and Parental
Employment

**Family
Structure**

Housing,
Residential Mobility,
and Neighborhood
Conditions

**Neighborhood
Safety** and the
Criminal Justice
System

**Child
Maltreatment**
and the Child
Welfare System

Highlight Evidence in Four of These Areas



Education and the
Education System



Health and the
Health Care System



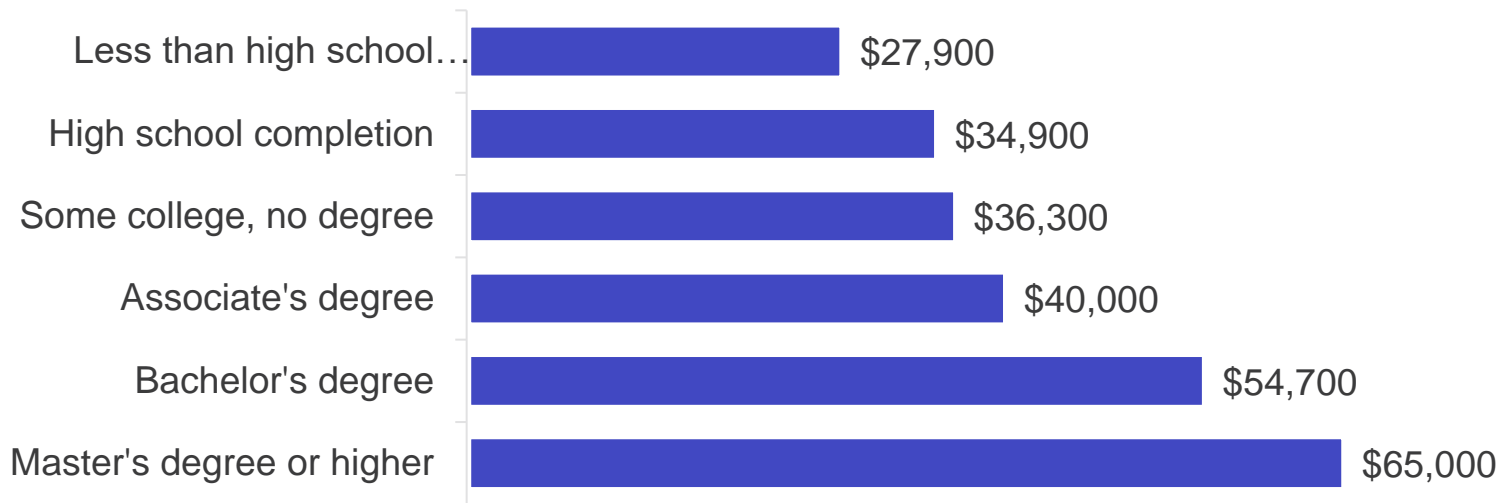
**Housing and
Neighborhood Conditions**



Neighborhood Safety and
the Criminal Justice System

Education Can Play a Powerful Role in Promoting Knowledge and Skills to be Successful in the Labor Market

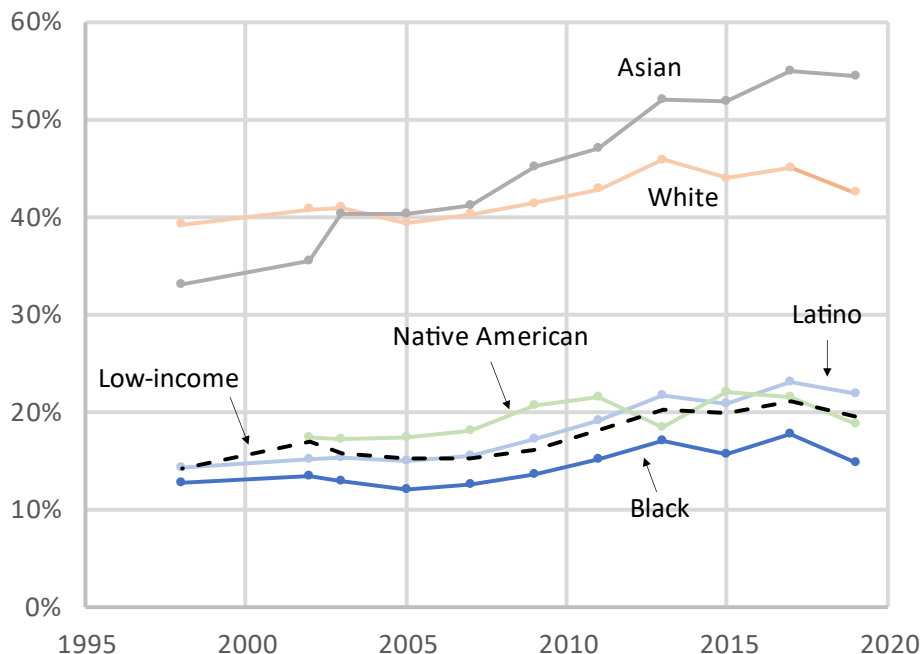
More School = Greater Earnings



Digest of Education Statistics, 2019

But Large Gaps in School Achievement and Completed Schooling Persist Across Economic, Racial and Ethnic Subgroups

8th grade reading proficiency rates, by race/ethnicity



National Assessment of
Educational Progress, 2019

Child Health is an Important Driver of Intergenerational Mobility

- Children in low-income families have worse health than other children
- The disparity begins before birth and increases as children grow older
- Despite recent policy changes, many families with low incomes still lack health insurance coverage or access to family planning services
- Low-income children are also more likely to be exposed to pollution, an important driver of worse health

Housing and Neighborhood Conditions Are a Foundation for Child Health, Education, And Development

Children in low-income families experience considerably more housing problems than children in higher-income families

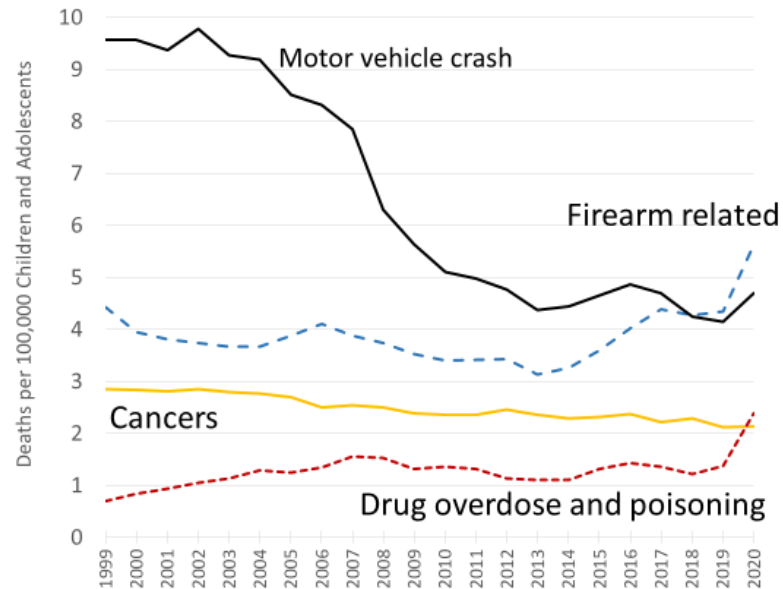
Intergenerational poverty has been linked with:

- High lead levels
- Homelessness
- Overcrowding
- Moving frequently
- High housing costs (relative to income)

Neighborhood Safety Affects the Well-Being, Development, and Mobility of Children

- Low-income and younger people are most likely to report being victims of crime in their neighborhoods and schools

**Annual death rates among
U.S. children and adolescents**
CDC (2022)



Interactions with the **Criminal Justice System** Can Also Negatively Affect Child Development, with Long-Term Consequences

- Despite generally declining rates of crime in recent decades, persistently high rates of incarceration disproportionately affect children in families with low incomes
- Juvenile detention/incarceration for even short periods of time has significant long term negative consequences on their educational attainment and economic outcomes
 - This is true for juveniles detained for violent and non-violent offenses.

Applying a Racial/Ethnic Disparities Lens



From the Committee's Statement of Task

The committee will apply a racial/ethnic disparities lens in analyzing the literature on key determinants of entrenched poverty and the evidence on the effectiveness of programs designed to address those determinants.

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We have already seen the stark differences in upward mobility between Black and Native American children and other groups.

Why?

Historical Drivers (pre-1960s)

- Forced migration and land theft
- Chattel slavery and labor exploitation
- Forced assimilation and legalized racial discrimination
- Impacts persist, e.g.
 - Dawes Act of 1887 -> lower income for Native Americans in 2010
 - Tulsa Massacre of 1921 -> lower rates of home ownership for Black Tulsans in 2000

Contemporary Drivers (post-1960s)

Disparities are evident in the systems associated with all seven of the drivers

Three examples:

- Education
- Neighborhoods
- Crime and the criminal justice system

Policies and Programs That Address Disparities

The committee identified 13 policy and program ideas supported by direct evidence on reducing intergenerational poverty for Black children.

Four examples:

- Increase K-12 spending
- Monitor air quality
- Reduce juvenile detention and incarceration
- Expand the Earned Income Tax Credit (EITC)

Evidence-Based Policy and Program Ideas



From the Committee's Statement of Task

The committee will **identify policies and programs** ... for which there is strong evidence that they will reduce multi-generational poverty

- Our definition of “strong evidence”
- Our list of policy and program ideas

Direct vs. Indirect Evidence



Two examples:

- Early childhood education
- Income transfers to low-income families

Key Limitations of our Strict Standards of Evidence

- Many worthy policies and programs may not make our list because they lack strong, long-run evidence

Child and Maternal Health

Family Planning

- Increase funding for Title X family planning programs
- Ensure that Medicaid beneficiaries have access to family planning services

Health Insurance

- Expand access to Medicaid with continuous 12-month eligibility and 12-month post-partum coverage

Nutrition

- Expand child access to SNAP program benefits for legal permanent residents and undocumented parents

Education

K-12

- Increase K-12 school spending in the poorest districts
- Increase teacher workforce diversity
- Reduce exclusionary school discipline

Post secondary

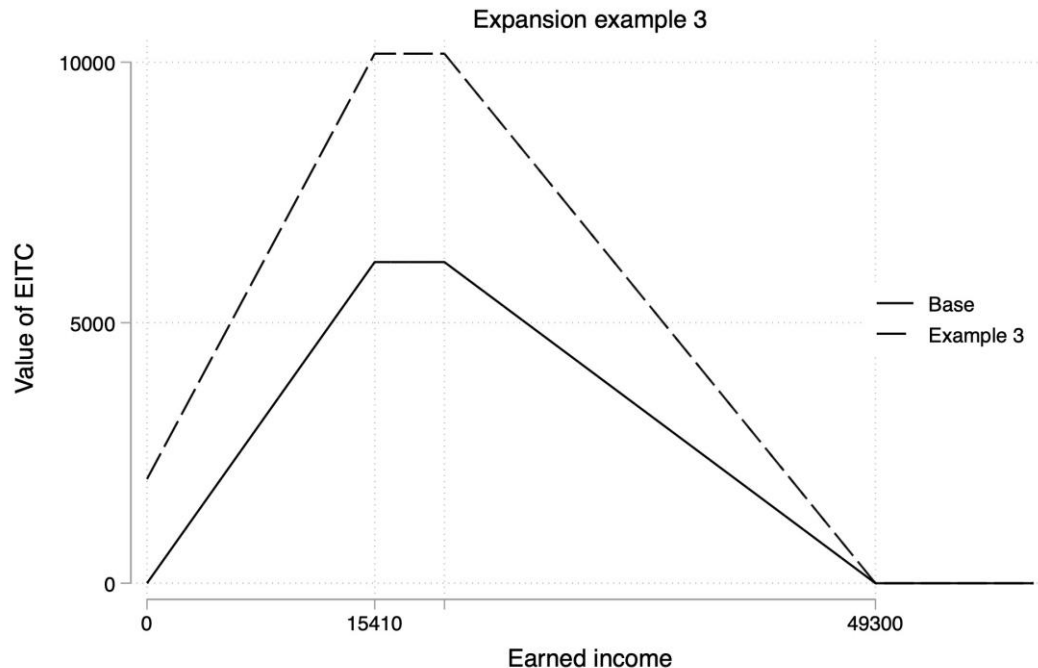
- Expand effective financial aid programs for low-income college students
- Increase campus supports such as tutoring and case management

Occupational training

- Expand high-quality career and technical education programs in high school
- Expand occupational training programs for adults and youth

Family Income, Employment, and Wealth

Expand the Earned Income Tax Credit (EITC) by increasing payments along some or all portions of the schedule and possibly by providing a credit to families with no earnings

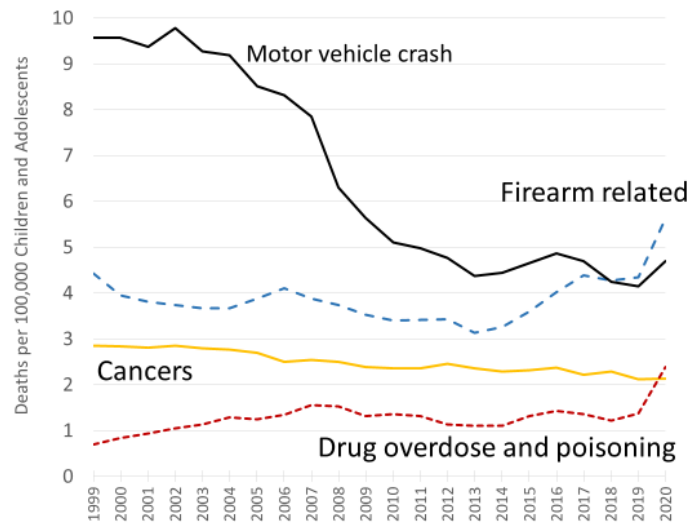


Neighborhood Crime and the Criminal Justice System

- Juvenile Confinement
 - Use juvenile confinement only for youth who pose a serious and immediate threat to public safety
- Reducing Victimization and Crime
 - Scale up programs that abate vacant lots and abandoned homes
 - Increase grants to community-based organizations
 - Expand funding for policing in high-crime neighborhoods
 - Expand use of effective strategies like community policing

Neighborhood Crime and the Criminal Justice System (con't)

- Reducing Gun Violence
 - Improve gun safety in ways that pass constitutional review
 - Promote child access prevention laws and restrictions on right-to-carry laws, limit access to guns by domestic abusers
 - Promote sentencing add-ons for violence involving firearms



From the Committee's Statement of Task

Priorities for Future Policy Research

- The committee will **identify key, high-priority gaps in the research** needed to help develop effective policies for reducing intergenerational poverty

Research Funding Guidance

- Prioritize strong research designs that provide causal estimates of long-term program impacts
- Set aside funding not only for rigorous small-scale experiments, but also for replications and long-term follow-ups of promising programs at scale
- Fund research arms for specific communities at highest risk

Create a Federal Data Infrastructure to Facilitate Policy Research Use

- Amend the Foundations for Evidence-based Policymaking Act to increase the availability of administrative data for policy research uses while preserving confidentiality
- Expand tax items IRS makes available for policy research while preserving confidentiality
- Fund data linkage projects

Thank You!

Any Questions?

Link to free PDF download of the full report and related summary products:

<https://nap.nationalacademies.org/catalog/27058/reducing-intergenerational-poverty>

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