Reducing Intergenerational Poverty

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Reducing
Intergenerational
Poverty

Consensus Study Report

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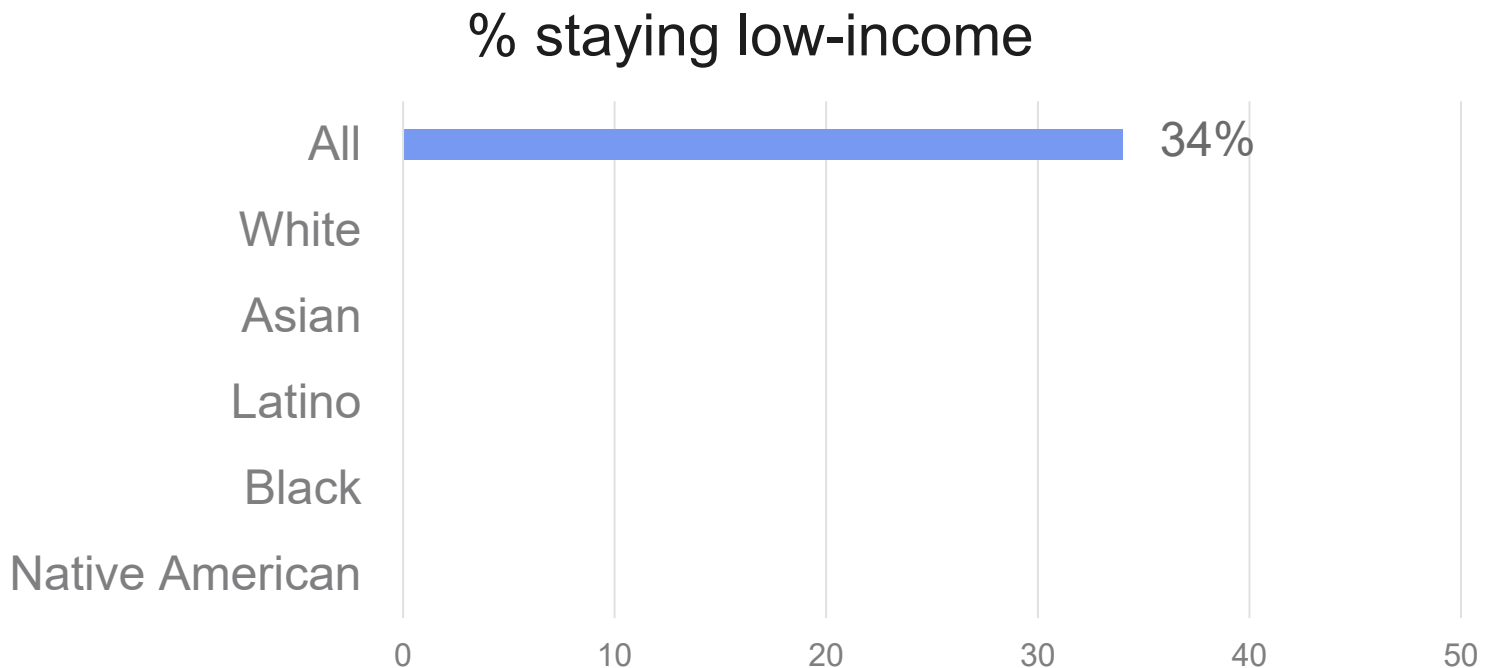
Evaluates the **racial and ethnic disparities and structural factors** that help perpetuate intergenerational poverty

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

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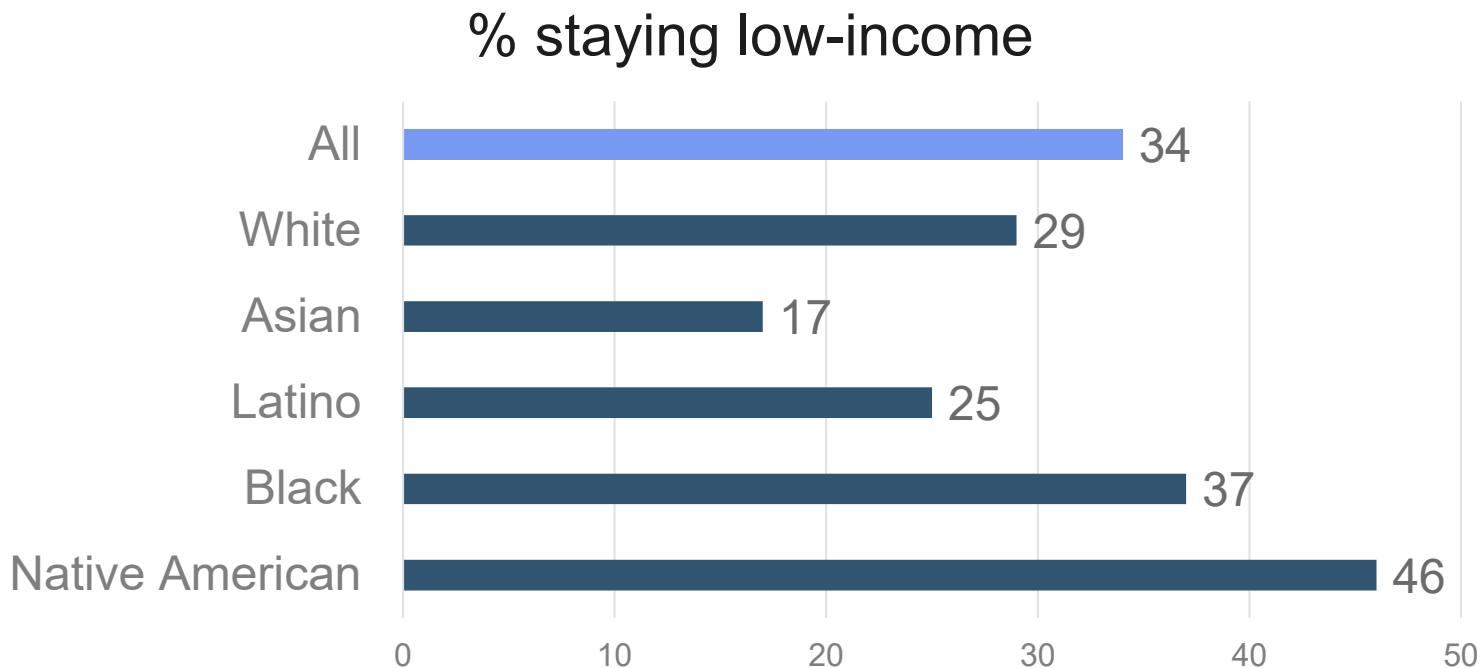
Intergenerational poverty

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

% staying low-income

All	████████████████████ 34%
White	
Asian	
Latino	
Black	
Native American	

0   10   20   30   40   50

Chetty et al. (2020)

Intergenerational Persistence of Low-Income Status Differs Sharply by Race

% staying low-income

Category	Value
All	34
White	29
Asian	17
Latino	25
Black	37
Native American	46

(x-axis: 0, 10, 20, 30, 40, 50)

Chetty et al. (2020)

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Key Drivers of Intergenerational Poverty
&
Programs and Policies to Address Them

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

Applying a Racial/Ethnic Disparities Lens

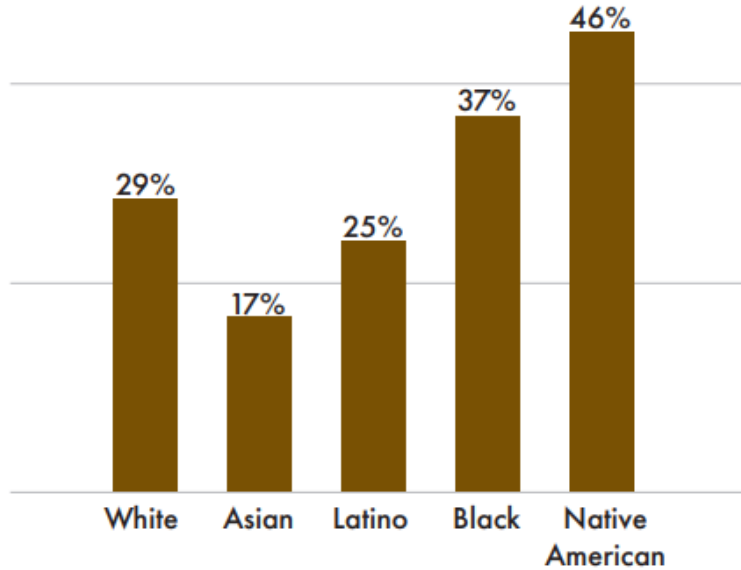# Intergenerational low-income persistence, by racial and ethnic group

FIGURE 1 Intergenerational low-income persistence, by racial and ethnic group.

SOURCE: Data from Chetty et al. (2020), based on data from the Internal Revenue Service.

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.

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

- Education

- Health

- Housing

- Neighborhood safety and the
criminal justice system

- Income

- Child Maltreatment

- Family Structure

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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.

Education Policies and Programs Supported by Direct Evidence

Driver	Policy or Program Example Supported by Direct Evidence
K–12 education	Increase K–12 school spending in the poorest districts
K–12 education	Recruit Black teachers
K–12 education	Reduce exclusionary school discipline
Post-secondary education	Expand effective financial aid and tutoring programs for low-income students
Career training	Expand high-quality career and technical education programs in high school and sectoral training programs for adults and youth

Neighborhood and Crime Policies and Programs Supported by Direct Evidence

Driver	Policy or Program Example Supported by Direct Evidence
Juvenile incarceration	Eliminate most or all juvenile detention and incarceration for non-felony offenses and most non-violent felony offenses
Child investment strategies	Scale up evidence-based therapeutic interventions such as the Becoming a Man program
Strengthening communities to reduce violent crime and victimization	Scale up programs that abate vacant lots and abandoned homes; increase grants to community-based organizations
Policing strategies	Expand funding for policing in high-crime neighborhoods and use of effective strategies such as community policing

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Child and Maternal Health Policies and Programs Supported by Direct Evidence

Driver	Policy or Program Example Supported by Direct Evidence
Health insurance	Expand access to Medicaid with continuous 12-month eligibility and 12-month postpartum coverage
Pollution reduction	Support the U.S. Environmental Protection Agency to work with local partners to adopt and expand efficient methods of monitoring outdoor and indoor air quality, especially in and near schools

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Family Income, Employment, and Wealth Policies and Programs Supported by Direct Evidence

Driver	Policy or Program Example Supported by Direct Evidence
Work-based income support	Expand the Earned Income Tax Credit by increasing payments along some or all portions of the schedule

The Study Sponsors

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Russell Sage Foundation

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Thank You!

For more information, please contact:
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To download a copy of the report, go to
https://www.nationalacademies.org/our-work/policies-and-programs-to-reduce-intergenerational-poverty#sectionWebFriendly

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