

Poverty and Government Policy

Gen Ed 1092

Lecture 10

10-7-2020

Outline

- History of the War on Poverty
- From AFDC to TANF and EITC
- Age and Poverty
- Policies that reduce poverty
- What can reduce poverty going forward?

But First!

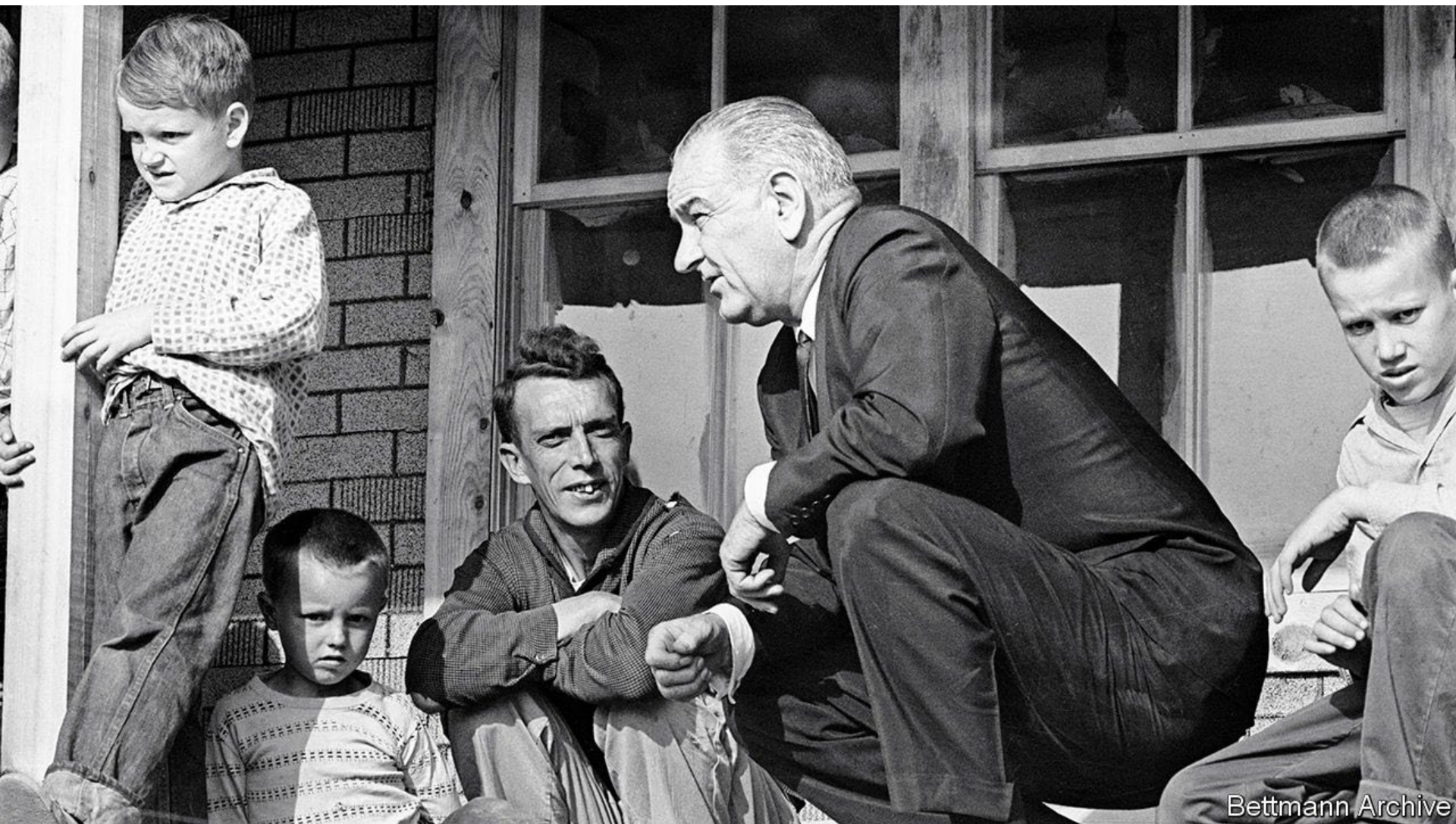
- A short quiz.

Poverty Amidst Affluence

- 1962 Michael Harrington *The Other America*
- 20 to 25% of Americans lived in poverty
- How could this be in a country showing so much economic growth and prosperity?

1963-1968

- November 22, 1963 President Kennedy assassinated
- January 8, 1964 Johnson's State of the Union declares war on poverty



Bettmann Archive

1964 President Johnson visits Martin County KY

War on Poverty

- Many Americans live on the outskirts of hope—some because of their poverty, and some because of their color, and all too many because of both. Our task is to help replace their despair with opportunity. This administration today, here and now, declares unconditional war on poverty in America. I urge this Congress and all Americans to join with me in that effort. It will not be a short or easy struggle, no single weapon or strategy will suffice, but we shall not rest until that war is won. The richest Nation on earth can afford to win it. We cannot afford to lose it.

President Lyndon B. Johnson, State of the Union
Address, January 8, 1964

1964

- July 2, 1964 Civil Rights Act signed into law
- August 20, 1964 Economic Opportunity Act
 - Community Action Agencies
 - Head Start, Job Corps, Community Health Centers, Upward Bound, Neighborhood Youth Corps, VISTA, Legal Services, Federal Work Study Programs
- August 31, 1964 Food Stamp Act creates a permanent national program

1964-1965

- November 3
 - Johnson wins a landslide victory. 2/3 majority in House and Senate
- April 11, 1965
 - Elementary and Secondary Education Act distributes funding to schools with low income students
- April 26
 - Manpower Act job retraining
- July 14
 - Older Americans Act
 - Caregiver support, nutritional and social services

1965-1966

- July 30
 - Medicaid and Medicare signed into law
- August 6
 - Voting Rights Act
- August 10
 - Housing and Urban Development Act
- November 8, 1966
 - Higher Education Act
 - Federal loans—Guaranteed student loans

1966-1968

- September 30
 - Amendments to Fair Labor Standards Act
 - Increased minimum wage from \$1.25 to \$1.60
 - Extended coverage to public schools, nursing homes, laundries, and construction and farm workers
- October 11, 1966
 - Child Nutrition Act
 - Increased funding for lunches, began breakfast program
- January 2, 1968
 - Social Security Amendments
 - Dramatically increased Social security benefits

Lasting Legacies

- New era of direct federal involvement in schools, hospitals, labor markets and neighborhoods.
- Most well documented successes.
 - Rapid decline in elderly poverty
 - Provision of universal health care coverage to the elderly (Medicare)
 - Health care for the very poor (Medicaid)



Growth in AFDC

- Between 1964 and 1976 the number of Americans getting cash assistance nearly tripled from 4.2 million to 11.3 million.
- Partly driven by the National Welfare Rights Organization. Behind court decisions that struck down discriminatory state rules that prevented single mothers, especially black single mothers from getting welfare.
 - E.g. man in the house rules, white glove rules.

AFDC

- Until 1996 single mothers were eligible for AFDC.
- Each state had its own AFDC program, with the federal govt paying about half the cost in rich states and far more in poor states.
- Each state had to follow federal eligibility requirements and no state could turn away eligible applicants

Welfare “dependency”

- Welfare was reduced or eliminated if you worked.
- By 1970s the rise in female single headed households was apparent, and concentrated among African Americans.
- Ronald Reagan found a “welfare queen” who he featured in his 1980 run for President. A Cadillac driving, African American woman in Chicago who collected 115,000 dollars a year in fraudulent welfare payments.
- The typical welfare recipient was white, but not in the public perception.

Argument against welfare

- Charles Murray 1984 *Losing Ground*
- Pay women to stay single and have babies and more of them will do so. Pay them not work and they become dependent.
- Bill Clinton, even when he was Arkansas Governor was a leader in the requirement to make welfare recipients work.
- By the time George H W Bush left office in 1992 welfare caseloads were 13.8 million, 4.5 million adults and 9.3 million dependent children.

AFDC to TANF

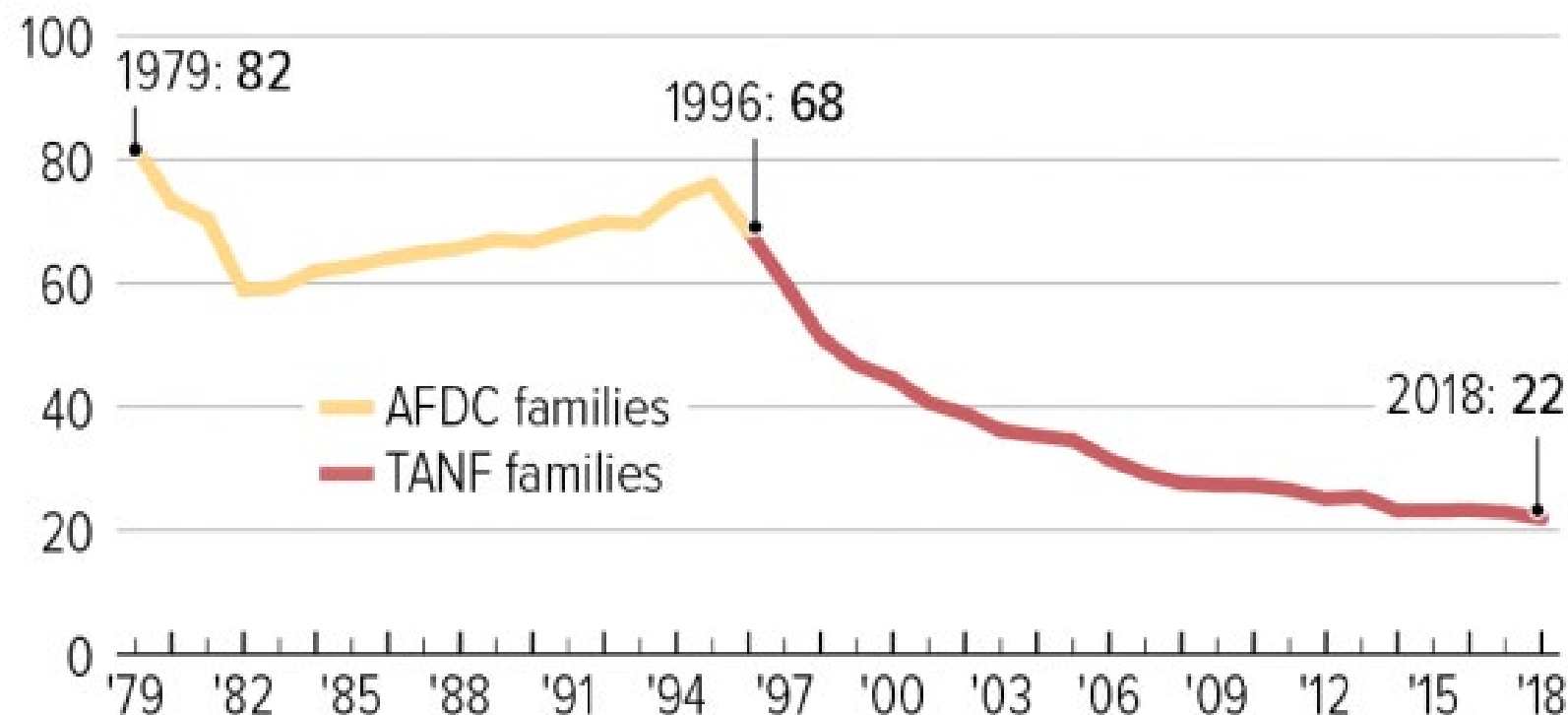
- 1996 AFDC was replaced with TANF
- States still get federal money to cover part of TANFs cost but they have more leeway to decide what to do with the money.
- They can divert the money to pay for financial aid for college students or pre-kindergarten programs.
- States also have complete freedom to decide what people have to do to qualify for benefits and retain them.

TANF

- In 1996 TANF caseload was 4.4 million families
- In 2018 it was 1.2 million families

TANF's Reach Declined Significantly Over Time

Number of families receiving AFDC/TANF benefits for every 100 families with children in poverty



Note: TANF = Temporary Assistance for Needy Families, AFDC = Aid to Families with Dependent Children

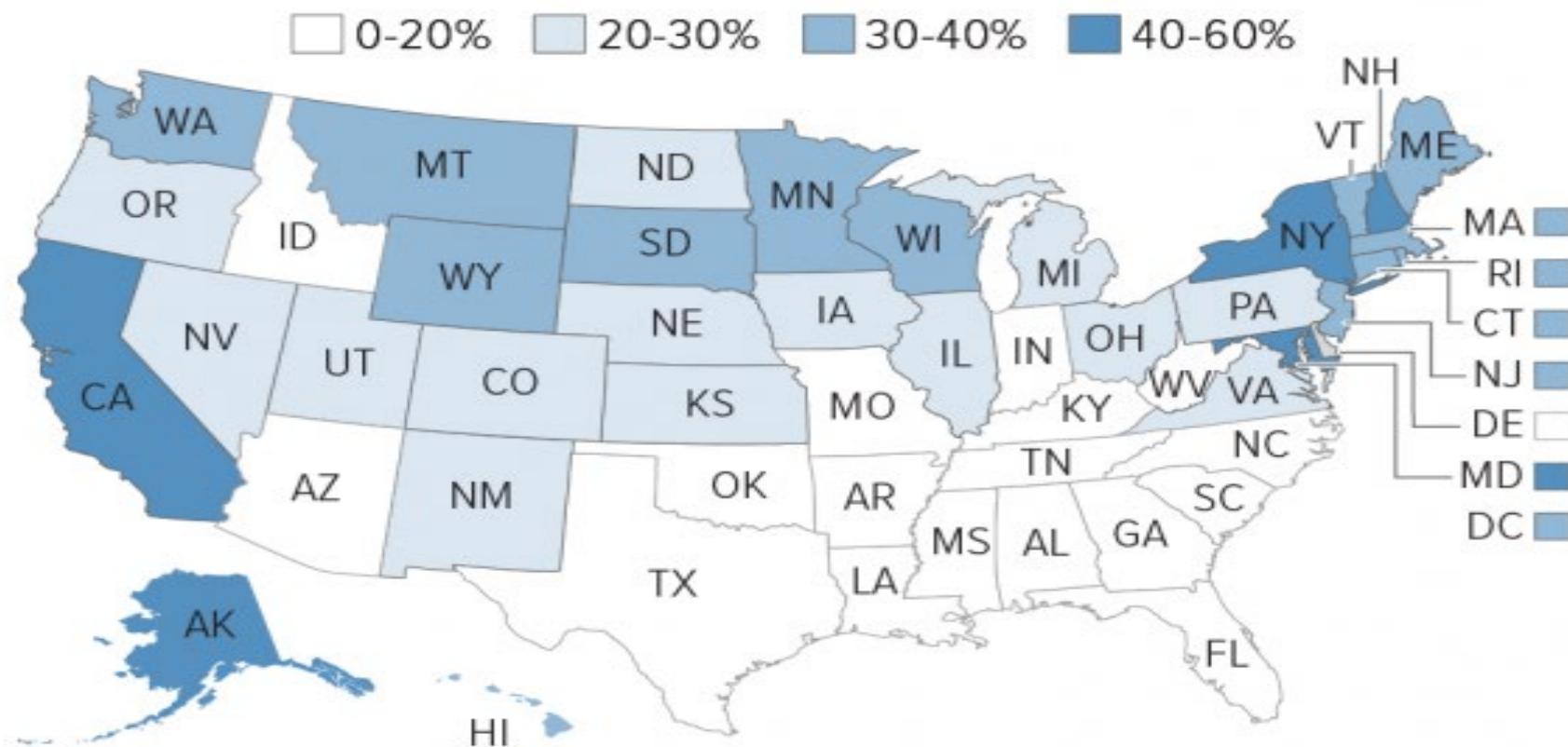
Source: CBPP analysis of poverty data from the Census' Current Population Survey and AFDC/TANF caseload data from Department of Health and Human Services and (since September 2006) caseload data collected by CBPP from state agencies.

TANF

- TANF benefits are below two-thirds of the federal poverty line in all 50 states
- TANF benefits are below 20% of the poverty line in 18 states
- In the median state in 2020 a family of 3 received \$486 per month.

Maximum TANF Benefits Leave Families Well Below Federal Poverty Line

Maximum TANF benefit as a percent of poverty line (for a family of three)



TANF = Temporary Assistance for Needy Families

Note: The federal poverty level for a family of three in 2020 is \$1,810 per month in the 48 contiguous states and Washington, D.C.; Alaska and Hawai'i have higher poverty levels.

Source: 2020 Health and Human Services Poverty Guidelines. TANF benefit levels for a single-parent family of three were compiled by CBPP from various sources and are current as of July 1, 2020.

Ronald Reagan

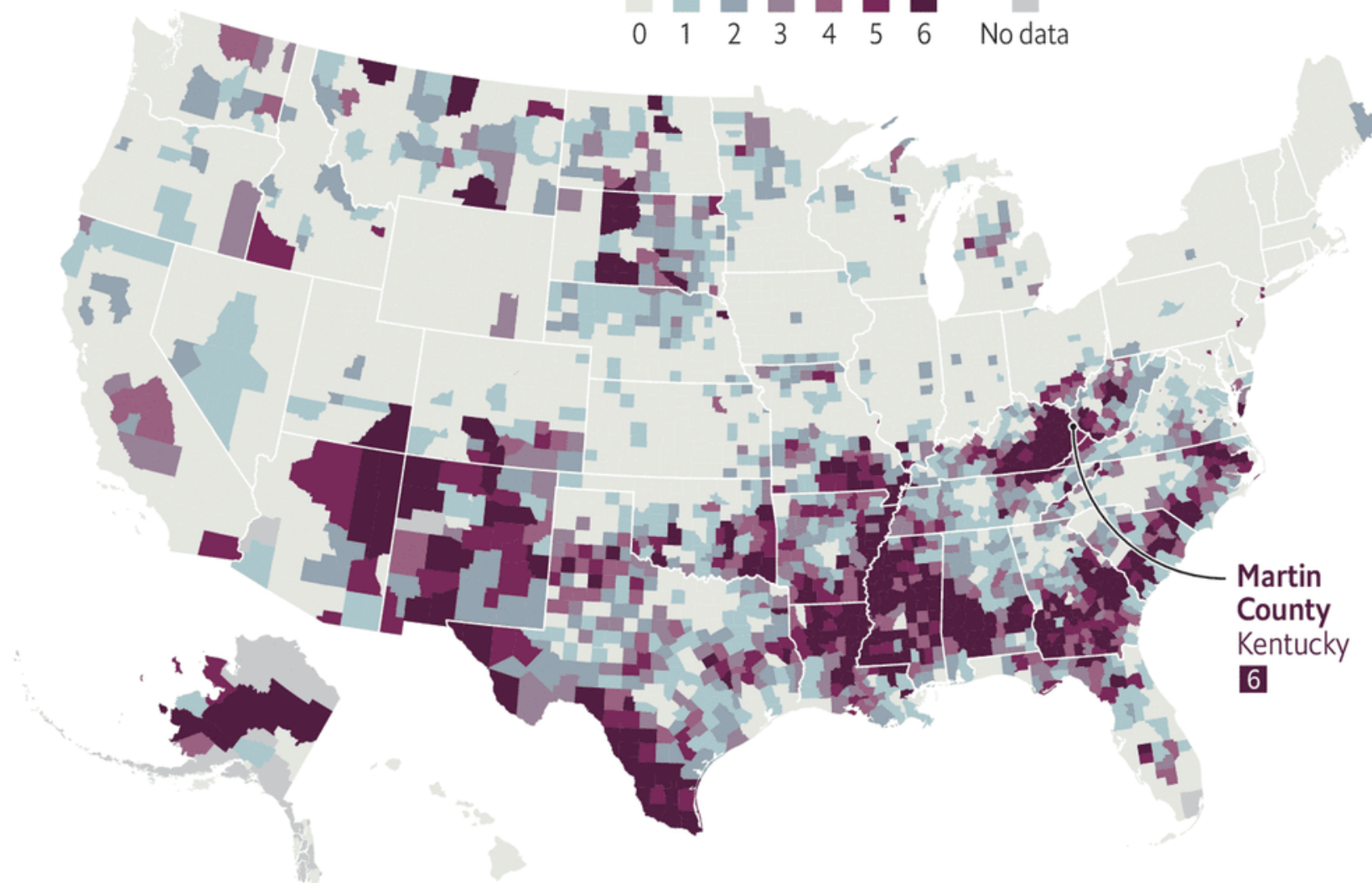
- My friends, some years ago, the federal government declared war on poverty, and poverty won. Today, the federal government has 59 major welfare programs and spends more than \$100 billion a year on them. What has all this money done? Too often it has only made poverty harder to escape. Federal welfare programs have created a massive social problem. With the best of intentions, government created a poverty trap that wreaks havoc on the very support system the poor need most to lift themselves out of poverty—the family. Dependency has become the one enduring heirloom, passed from one generation to the next, of too many fragmented families.

Did Poverty Win?

Nickels and dimes

United States, persistence of poverty

Decades since 1960 a county has been classified as poor*



Martin
County
Kentucky
6

Sources: US Census Bureau; IPUMS; *The Economist*

*20% or more of the population below the official poverty line. Sixth decade to 2017

The Economist

■ Counties with OPM Point-in-Time Child
Poverty Rates 20 Percent or Higher, 2015

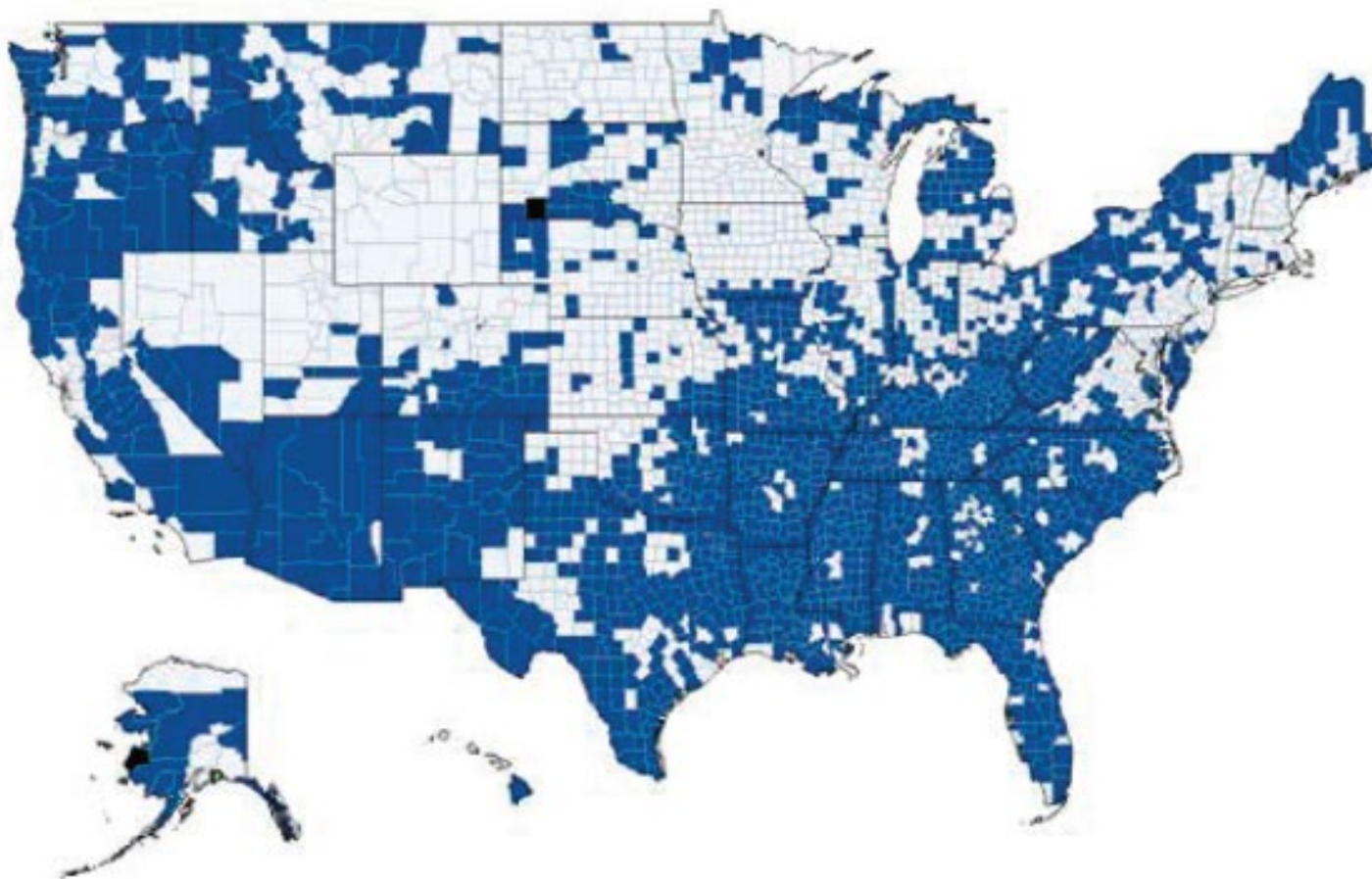


FIGURE 2-9 Counties with OPM point-in-time child poverty rates 20 percent or higher, 2015.

NOTE: OPM = Official Poverty Measure.

SOURCE: Estimates by the committee from U.S. Population Estimates, 2016 Vintage, Census Bureau; data as of July 1, 2015. 2015 county child poverty rates from Census Small Area Income and Poverty Estimates (SAIPE) Program data.

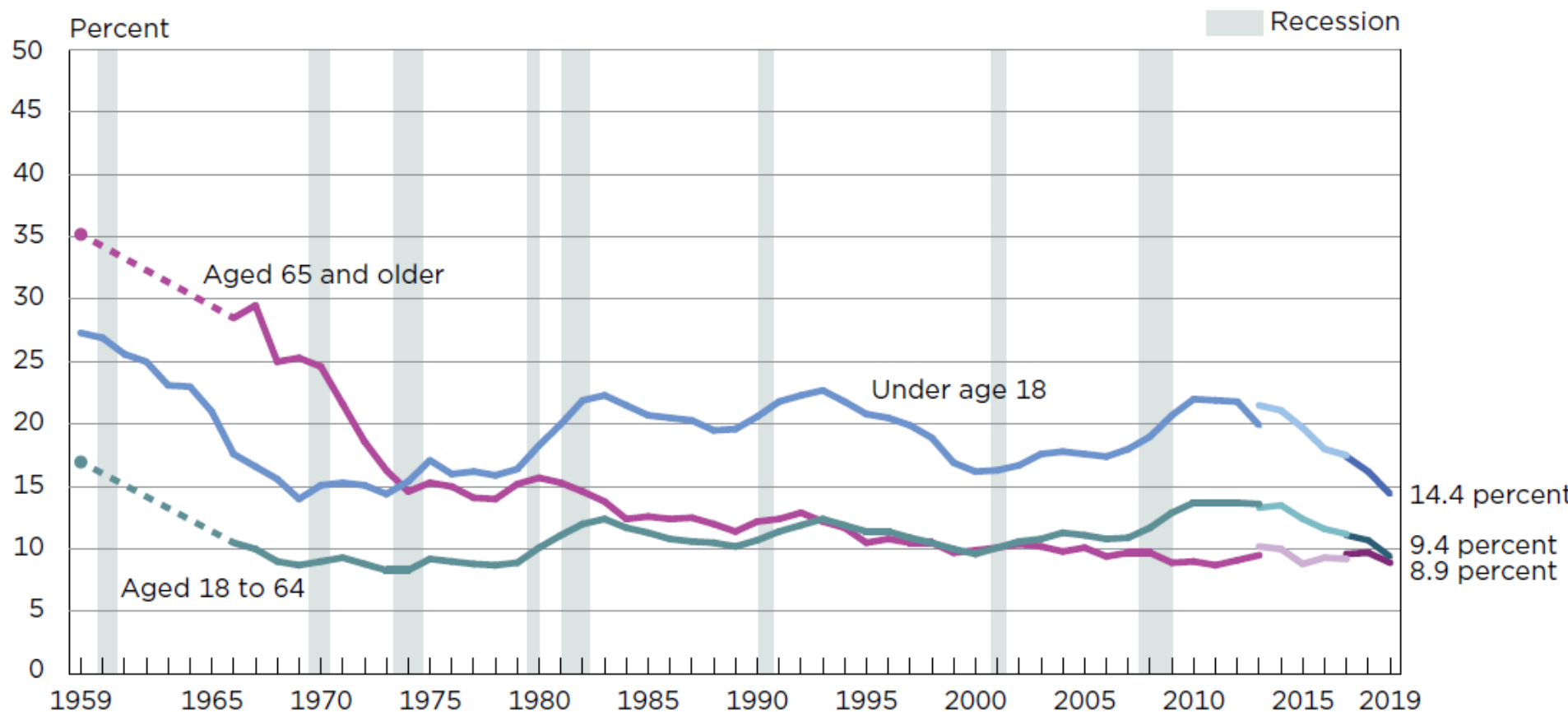
Poverty Demographics after the War on Poverty

- Most poor are in their prime working years
- Far fewer elderly are poor
- Child poverty fell but then has remained high

Figure 11.

Poverty Rates by Age: 1959 to 2019

(Population as of March of the following year)



Note: The data for 2017 and beyond reflect the implementation of an updated processing system. The data for 2013 and beyond reflect the implementation of the redesigned income questions. The data points are placed at the midpoints of the respective years. Data for people aged 18 to 64 and aged 65 and older are not available from 1960 to 1965. For information on recessions, see Appendix A. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see <https://www2.census.gov/programs-surveys/cps/techdocs/cpsmar20.pdf>.

Source: U.S. Census Bureau, Current Population Survey, 1960 to 2020 Annual Social and Economic Supplements (CPS ASEC).

Poverty Demographics

- Poverty among blacks has fallen sharply
 - In 1966 41.8% of blacks were poor. By 2015 it was 24.1%
- Poverty among Hispanics was first measured in 1972 when it was 22.8%. In 2015 it is 21.4%
- Poverty among white non Hispanics was 11.6% in 2015.

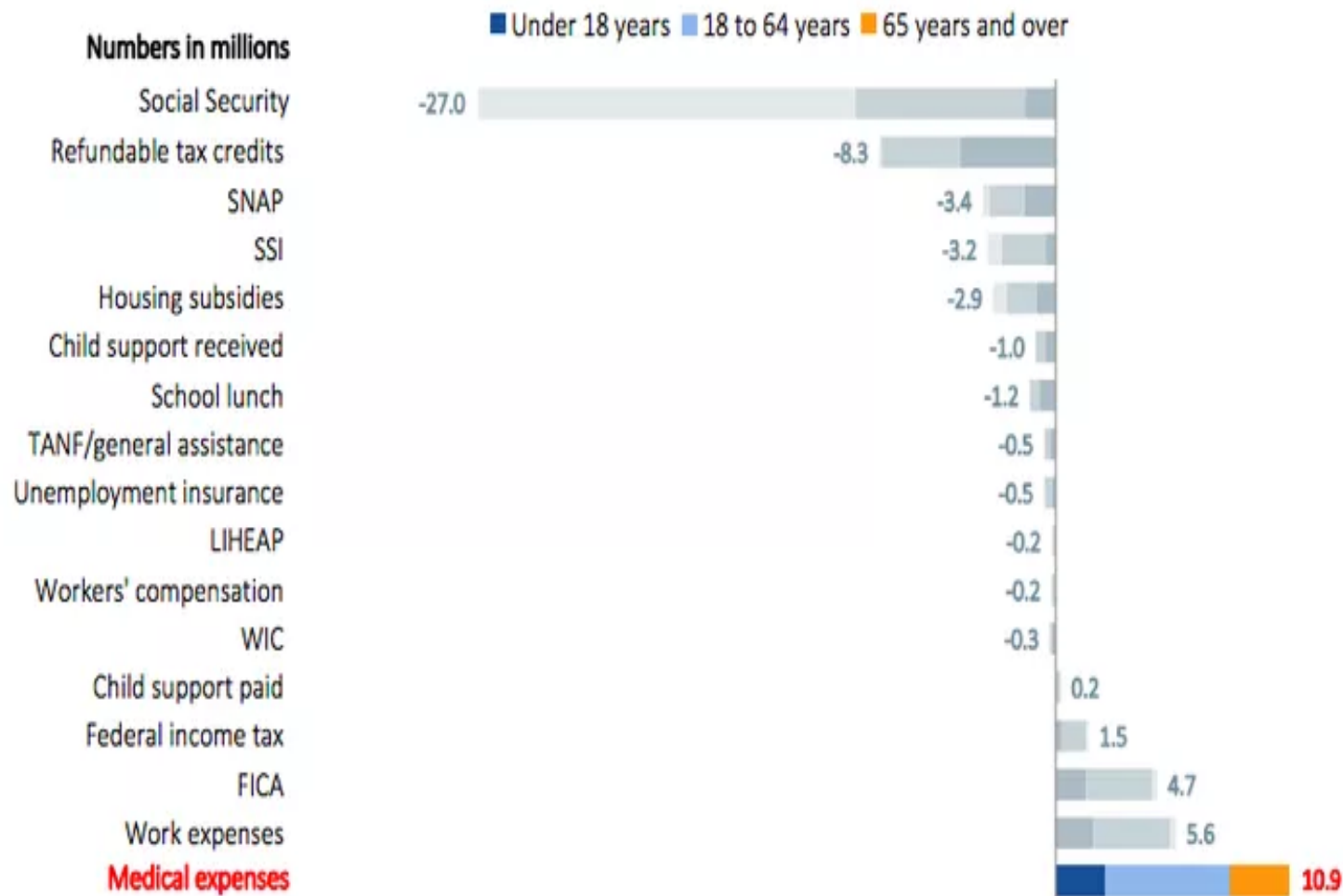
Demographics of Poor People

- 42% of the population in poverty are white, 22% are black and 28% are Hispanic.
- Poor are disproportionately urban and rural, with suburbs growing most quickly.

Programs that Reduce Poverty

- Social Security
- Tax Credits (EITC and Child Tax Credit)
- Food assistance (SNAP)
- Housing Assistance (Section 8 vouchers, public housing)
- Supplemental Security Income (SSI) (for people with disabilities)

Change in Number of People in Poverty After Including Each Element: 2017



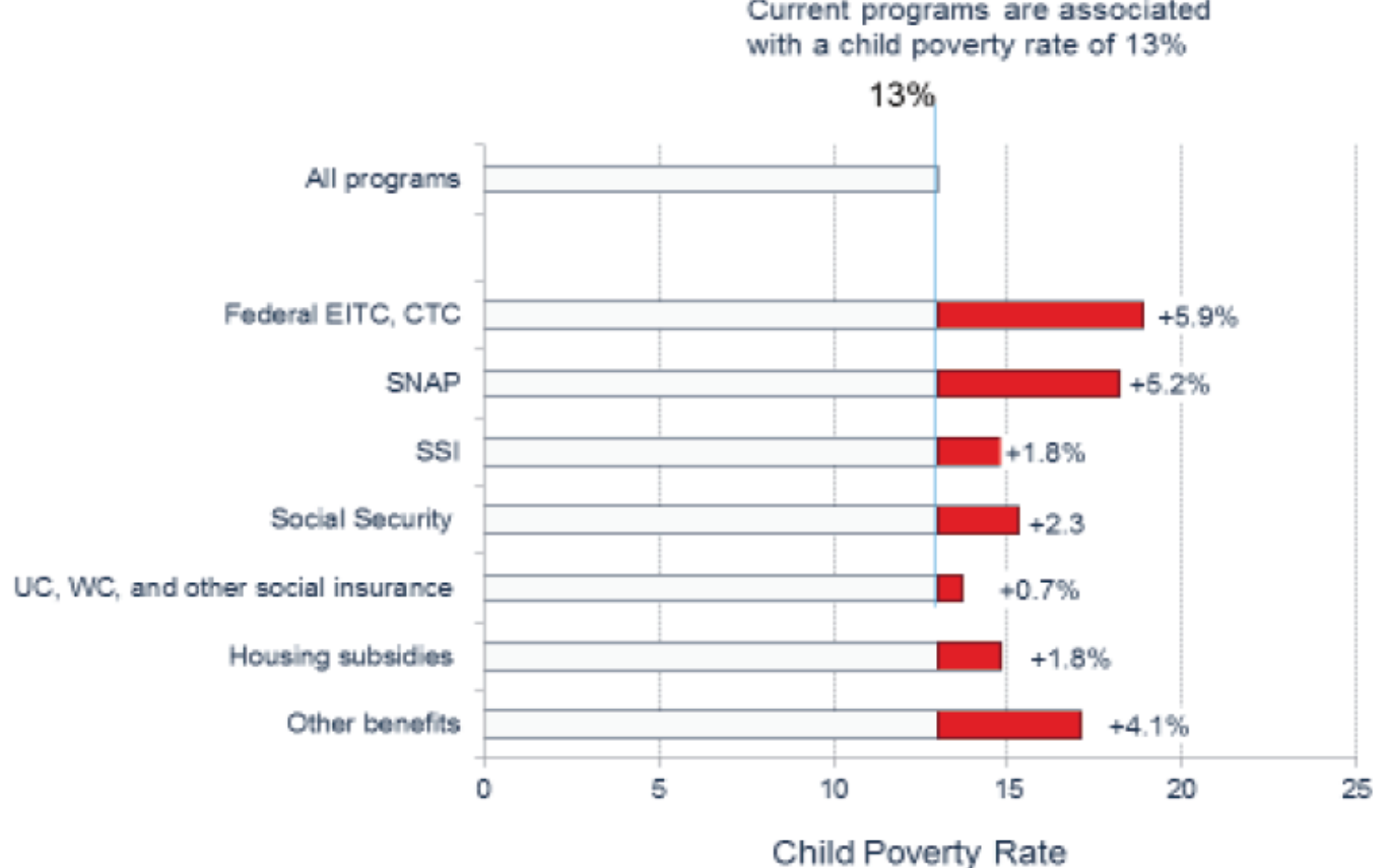


FIGURE S-1 Changes in child poverty rates if each current income support program were eliminated.

NOTE: CTC = Child Tax Credit, EITC = Earned Income Tax Credit, SNAP = Supplemental Nutrition Assistance Program, SSI = Supplemental Security Income, UC = Unemployment Compensation, WC = Workers' Compensation.

SOURCE: Estimates from TRIM3 commissioned by the committee, using the Supplemental Poverty Measure with the Current Population Survey Annual Social and Economic Supplement, with income corrected for underreporting.

EITC Earned Income Tax Credit

- EITC was designed to “make work pay”
- Instead of giving parents more help when they could not find work, the new system gave more help when they find and keep a steady low wage job.
- The tax credit is refundable, meaning that you can get the credit as tax refund if you pay less federal income tax than the credit.

EITC

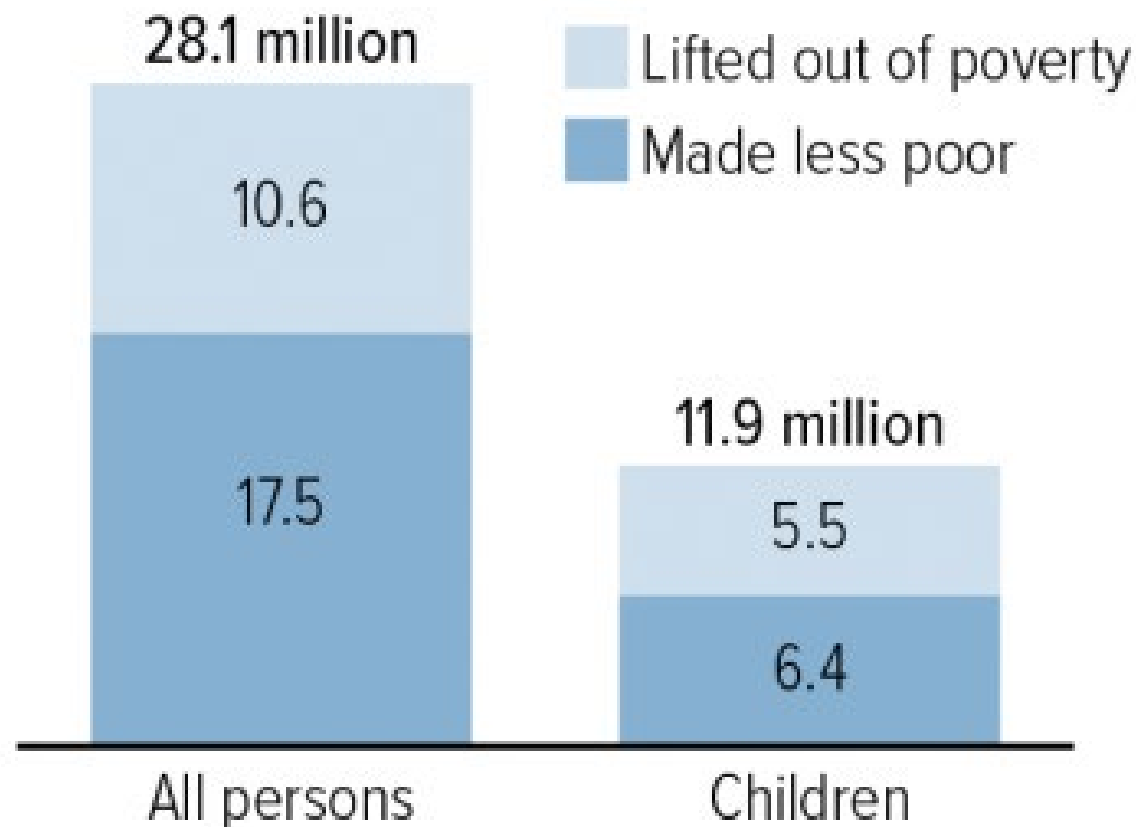
- Working families with incomes below \$41,400 to \$56,000 (depending on marital status and the number of children).
- Working families with no children and incomes below \$15,570 (or \$21,370 for married couple) can receive a small amount
- In 2018 over 22 million people in every state received the EITC

Child Tax Credit

- It is worth up to \$2000 per eligible child (under age 17)
- It includes a refundable component--When filing taxes for 2019, under the 2017 tax law, working families can receive a refund equal to 15 percent of their earnings above \$2,500; this refund can be worth up to \$1,400 per child.
- For example, a single mother with two children who earns \$14,000 in 2019 could receive 15 percent of \$11,500, or \$1,725, as a refund.

Earned Income Tax Credit and Child Tax Credit Have Powerful Anti-Poverty Impact

Millions of people lifted out of poverty or made less poor by EITC and Child Tax Credit, 2018



Note: These figures use the Supplemental Poverty Measure.

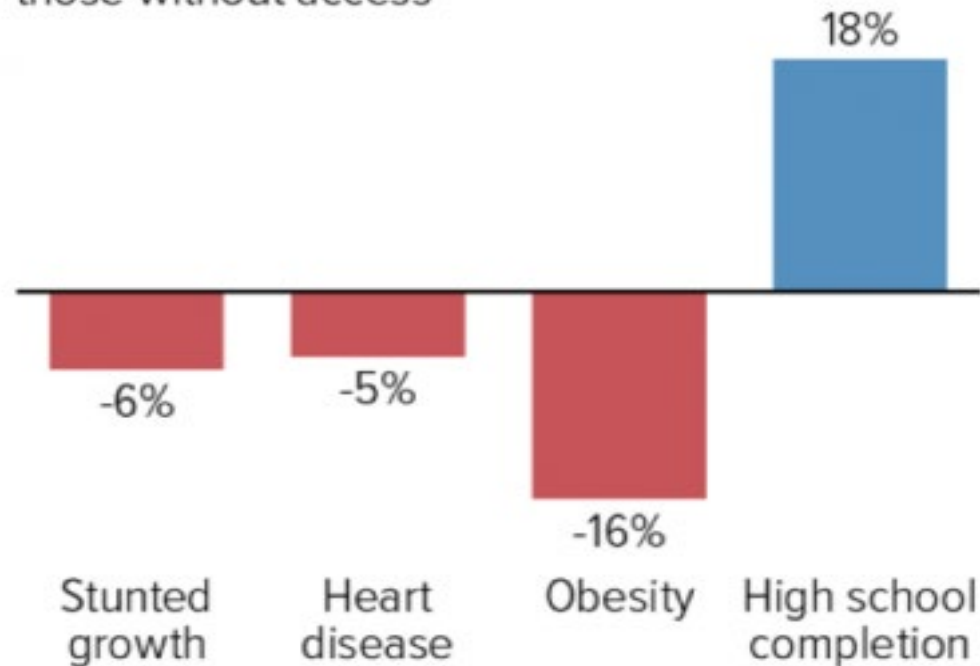
SNAP

aka Food Stamps

- The first food stamp program ran from 1939-1943.
- The program we know was established in 1964
- Served 44.2 million people with 66.5 billion in benefits in 2016
- Vital to survival of poor families

Children With Access to SNAP Fare Better Years Later

Percentage-point change in outcomes for adults with access to SNAP as children, compared to those without access



Note: The study compared adults who had access to SNAP (then food stamps) through age 5 after its introduction in the 1960s and early 1970s to similar children who spent none of these years in a food stamp county.

Source: Hoynes, Schanzenbach, and Almond, "Long-Run Impacts of Childhood Access to the Safety Net," American Economic Review, April 2016.

Politics of Food Assistance

- Food Stamps Act of 1964 passed with overwhelming Democratic support from urban and rural areas. Most Republicans were originally opposed, though most later joined Congressional support coalitions.
- This program is administered by the U.S. Department of Agriculture, and the politics behind it has long been a “log roll” in which Congress regularly renews food stamps along with farm supports.
- As the GOP has moved toward the right, the party has become more suburban and rural representation has declined in Congress.
- Now GOP conservatives want to redefine Food Stamps as pure welfare, transfer the program to a new welfare department, cut cash benefits or turn them into in-kind food boxes, and impose new regulations on beneficiaries. Agriculture bills stall in Congress amid intra-GOP splits.

Supplemental Security Income (SSI)

- People 65 or older, or blind disabled children and adults.
- 2016 benefit amount for individuals was \$773 per month, \$1,000 for couples.
- Instituted in 1972, administered by Social Security
- At a cost of \$58 billion, SSI was the second-largest means-tested cash assistance program in 2016, behind the Earned Income Tax Credit.

Women and Infant Children (WIC), 1972

- WIC is a nutrition program that benefits pregnant women, new mothers and young children (under 5) who are poor and who are at nutritional risk.
- About 7.3 million people participated in WIC in 2016, at a total food cost of \$3.6 billion.

Measuring Poverty

- Our absolute poverty measure does not take into account government transfers.
- Using the supplemental poverty measure shows expansion of the EITC helped reduce child poverty.

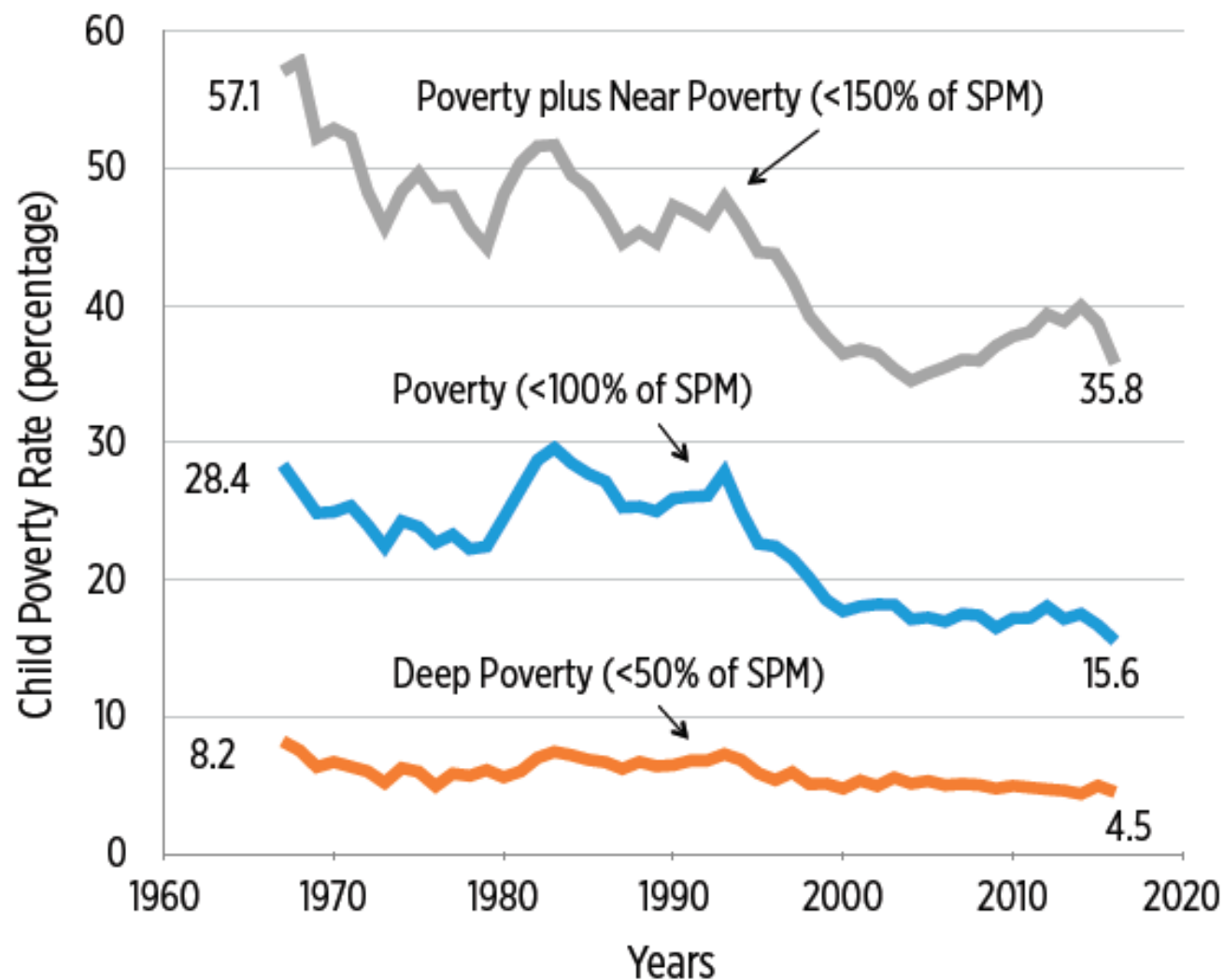


FIGURE 2-12 Trends in Supplemental Poverty Measure (SPM) rates of poverty, deep poverty, and near poverty for children, 1967–2016.

NOTE: The SPM poverty measure is anchored in 2012 living standards and adjusted back to 1967 using the Consumer Price Index. Income data are not adjusted for underreporting.

SOURCE: Original analyses commissioned by the committee from Christopher Wimer (2017, October).

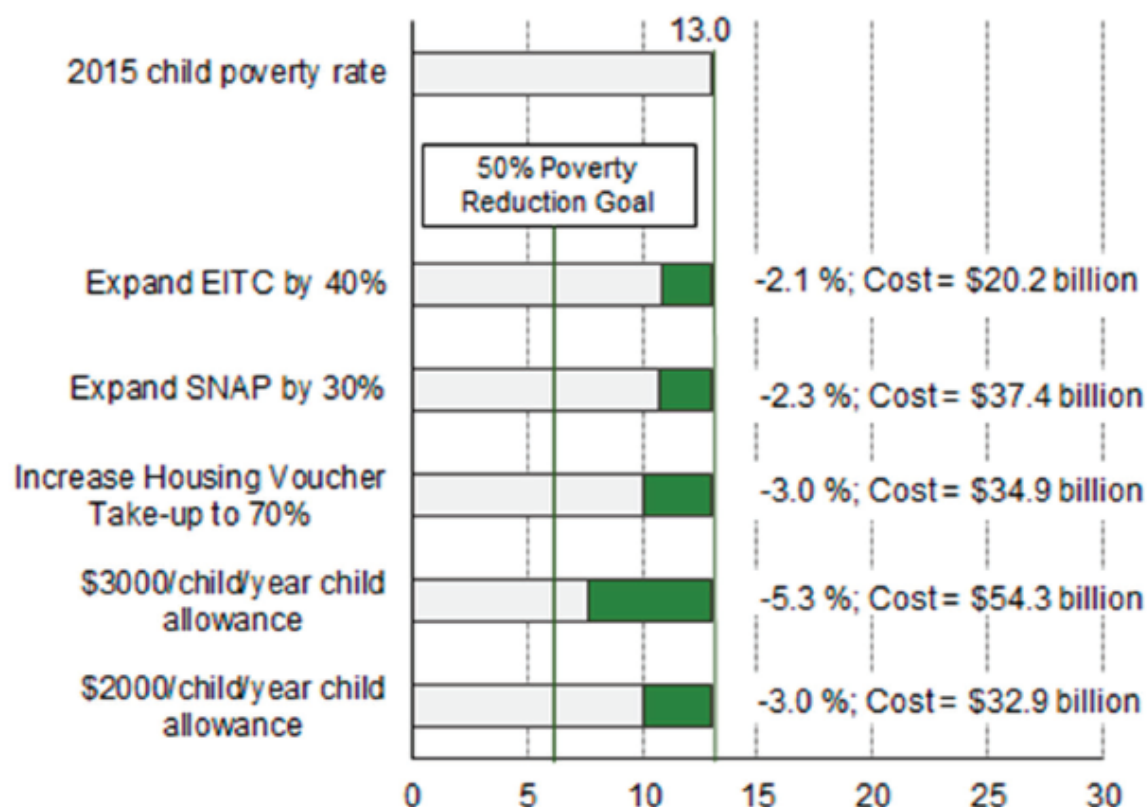


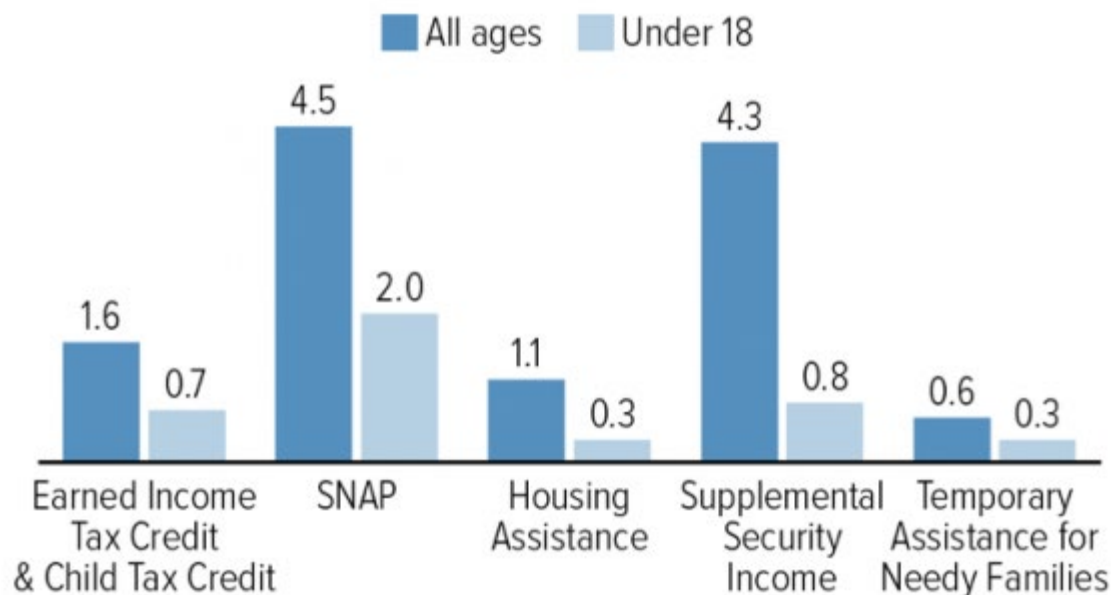
FIGURE S-3 Reductions in child poverty and cost of several policy and program options developed by the committee.

NOTES: Costs are based on provisions of the 2015 tax law applied to income for 2015. Incomes are corrected for underreporting. EITC = Earned Income Tax Credit, SNAP = Supplemental Nutrition Assistance Program.

SOURCE: Estimates from TRIM3 commissioned by the committee.

Major Tax Credits and Need-Based Programs Lift Millions Above “Deep Poverty”

Millions of people lifted above half the poverty line

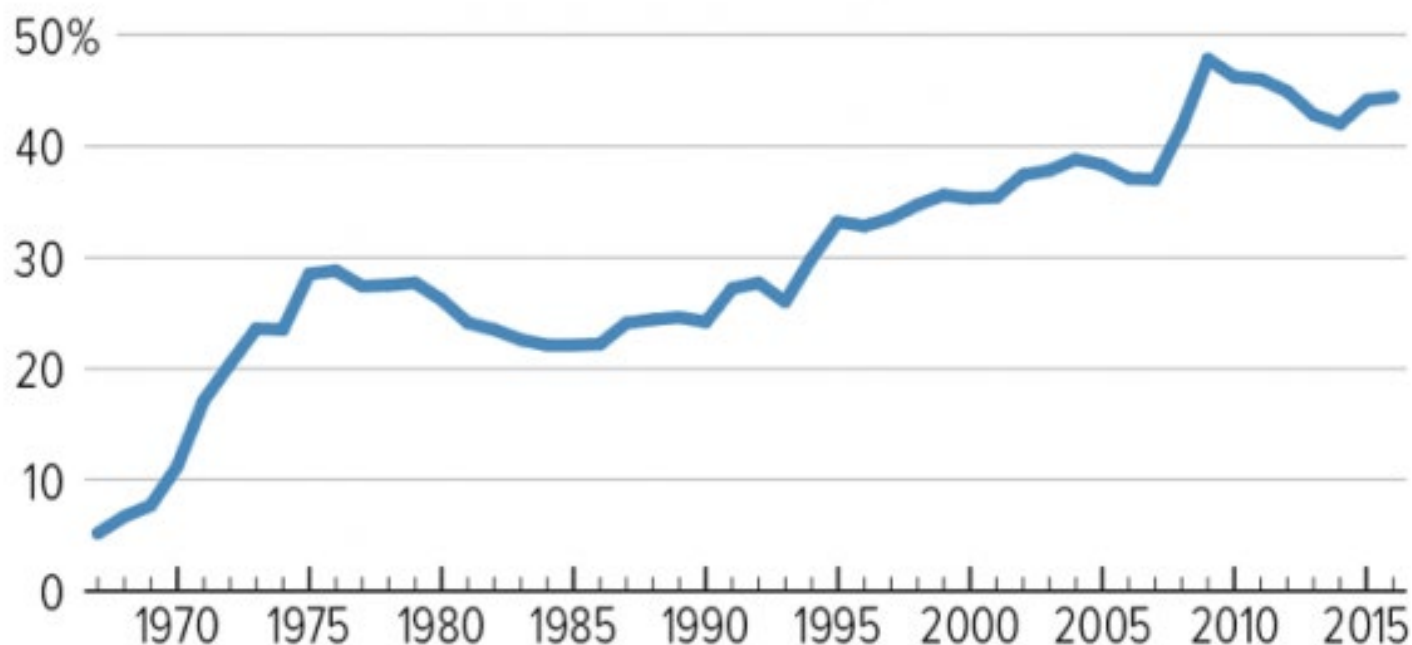


Note: Figures are for 2015 and use the federal government’s Supplemental Poverty Measure (SPM).

Source: CBPP analysis of Census Bureau data from the Current Population Survey and SPM public use files; corrections for underreported government assistance from Department of Health and Human Services/Urban Institute Transfer Income Model (TRIM).

Effectiveness of Economic Security Programs at Reducing Poverty Has Grown Dramatically

Percent of otherwise poor lifted above the poverty line by benefits

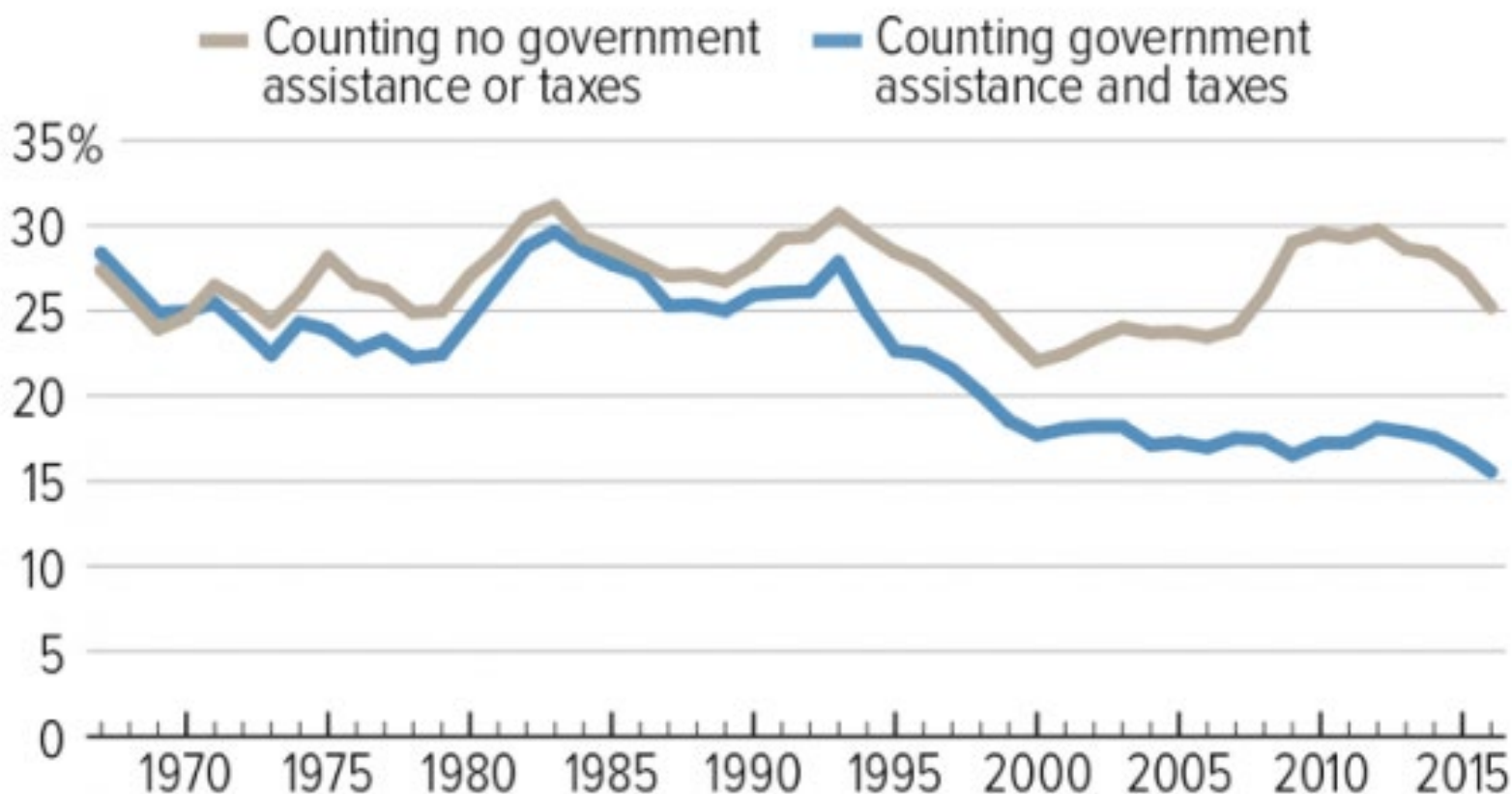


Note: For each year, figures show the percent reduction in the number of people in poverty from when government benefits and taxes are not counted to when they are counted. Calculations use Supplemental Poverty Measure (SPM) and 2012 SPM poverty line adjusted for inflation.

Source: CBPP analysis of data from Columbia University Population Research Center and (for 2009 and later) U.S. Census Bureau.

Child Poverty Has Fallen to Record Low, Once Government Aid Is Counted

Poverty rate for children under 18, using Supplemental Poverty Measure

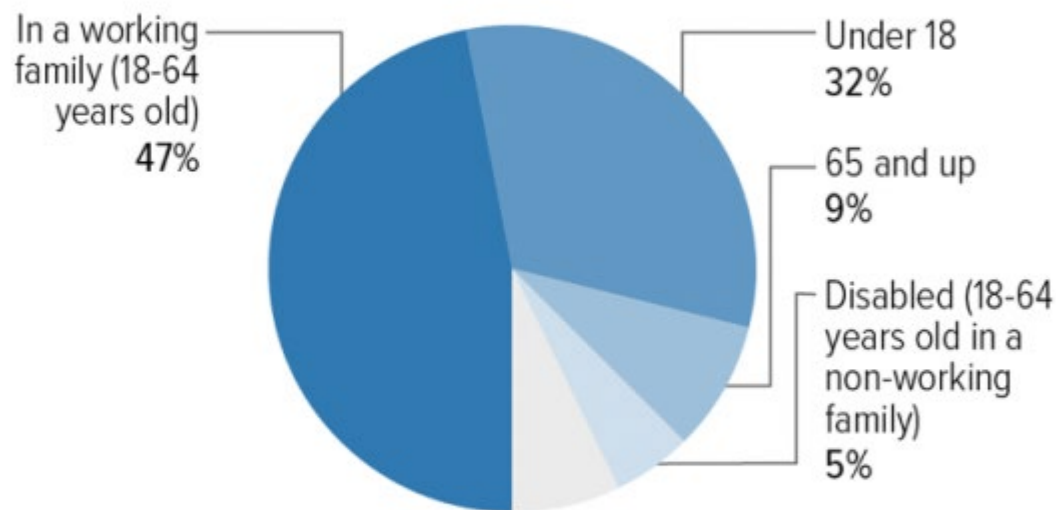


Note: Calculations use 2012 SPM poverty line adjusted for inflation.

Source: CBPP analysis of data from Columbia University Population Research Center and (for 2009 and later) U.S. Census Bureau

More Than 9 in 10 People Receiving Need-Based Assistance Are Children, Elderly, Disabled or in Working Families

Share of total recipients, 2015



Note: A working family is defined as one in which someone works at least 1,000 hours in a year. In these figures, all members of a family that receive need-based assistance are counted as recipients.

Source: CBPP analysis of Census Bureau data from the Current Population Survey and Supplemental Poverty Measure public use files; corrections for underreported government assistance from Health and Human Services/Urban Institute Transfer Income Model (TRIM).

Edin and Schaefer

- Extreme poverty doubled between 1996 and 2012.
- Inequality has risen among the poor.
- Half of today's officially poor families are doing better than those we counted as poor in the 1960s
- The poorest of the poor are worse off than they were in 1969
- Extreme poverty is concentrated in adults who do not work and thus get no aid.

Defining Extreme Poverty

- A single mother with two children was officially poor in 2011 if she reported an annual income below \$18,123.
- World Bank counted third world families as poor if they lived on under \$1.90 a day.
- For a single mother of two Edin and Shaefer defined them as extremely poor if they lived under \$6.00 a day. The official poverty rate would be under \$50.00 a day.

Measurement Issues

- The estimates in \$2.00 a day almost never include the value of food stamps, rent subsidies, or EITC refunds for work during the previous calendar year.
- Including those resources reduces the estimated prevalence of extreme poverty among households with children from 1.7% to 1.1% in 1996 and from 4.3% to 1.6% in 2011.
- The growth of EITC refunds and noncash benefits offsets about four fifths of the decline in extremely poor families pretax money income between 1996 and 2011.

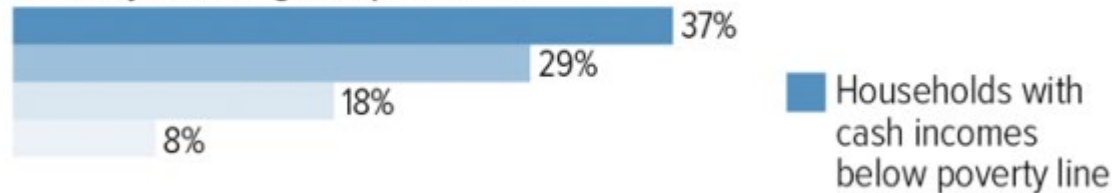
Even with aid, the poor suffer

- Before COVID poor families were on the edge.
- The working poor are hit hard when employment vanishes.
- The US reduces market based poverty less than most other countries

Large Shares of Poor and Near-Poor Children Live in Households That Experience Hardship

Share of children in households in different income groups with selected conditions, 2013

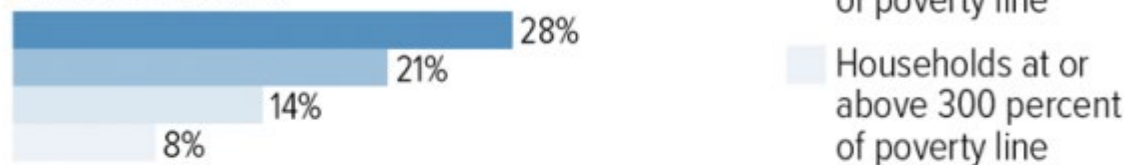
Difficulty affording adequate food



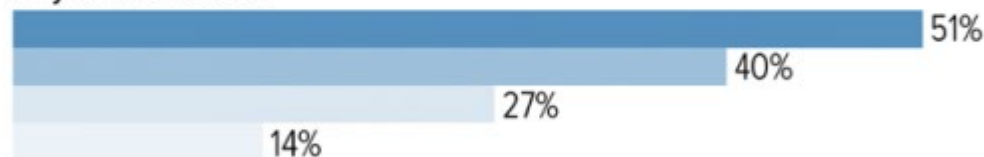
Behind on rent or mortgage



Behind on utilities



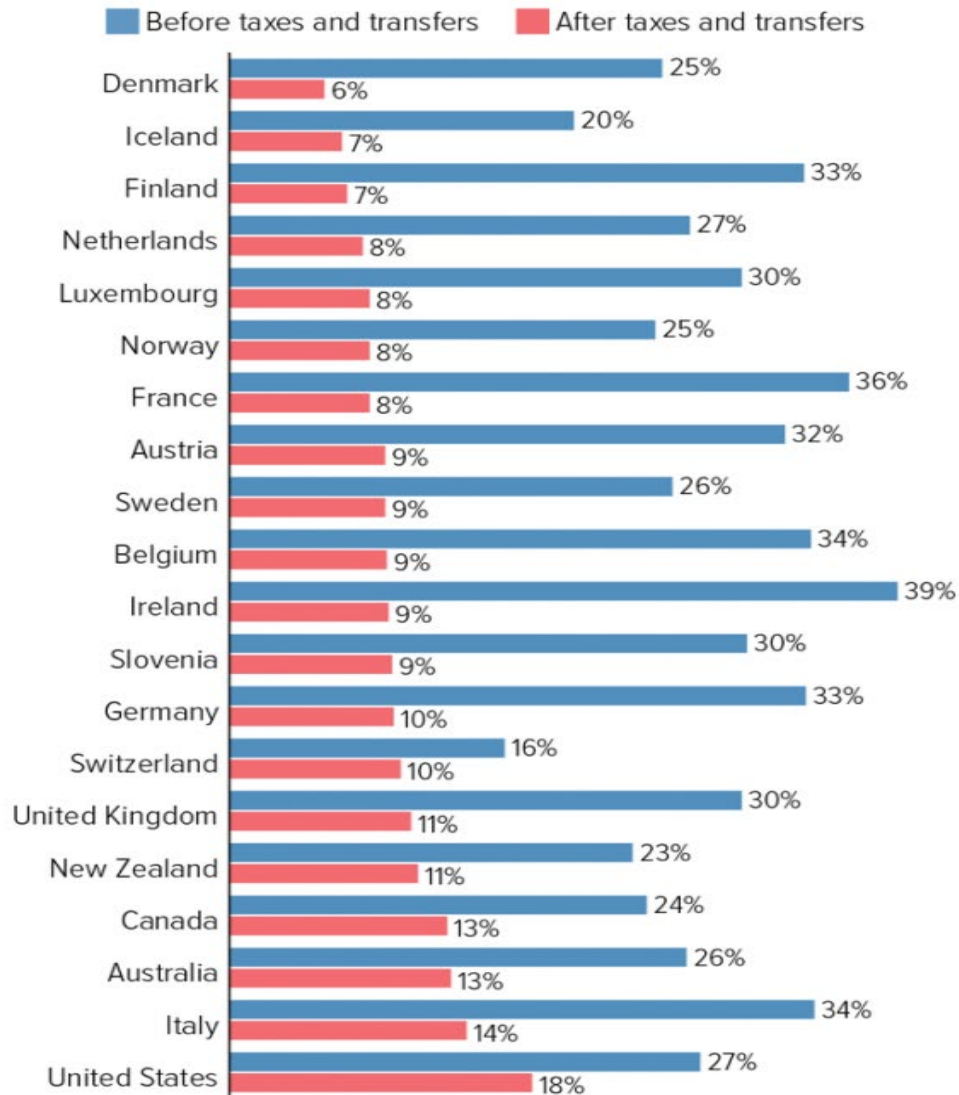
Any of the above



Source: CBPP analysis of the Survey of Income and Program Participation, 2014 panel, data for December 2013.

U.S. Poverty Rate Is High After Taxes and Transfers Compared to Similarly Wealthy Countries

Poverty rate according to common international standard, 2014



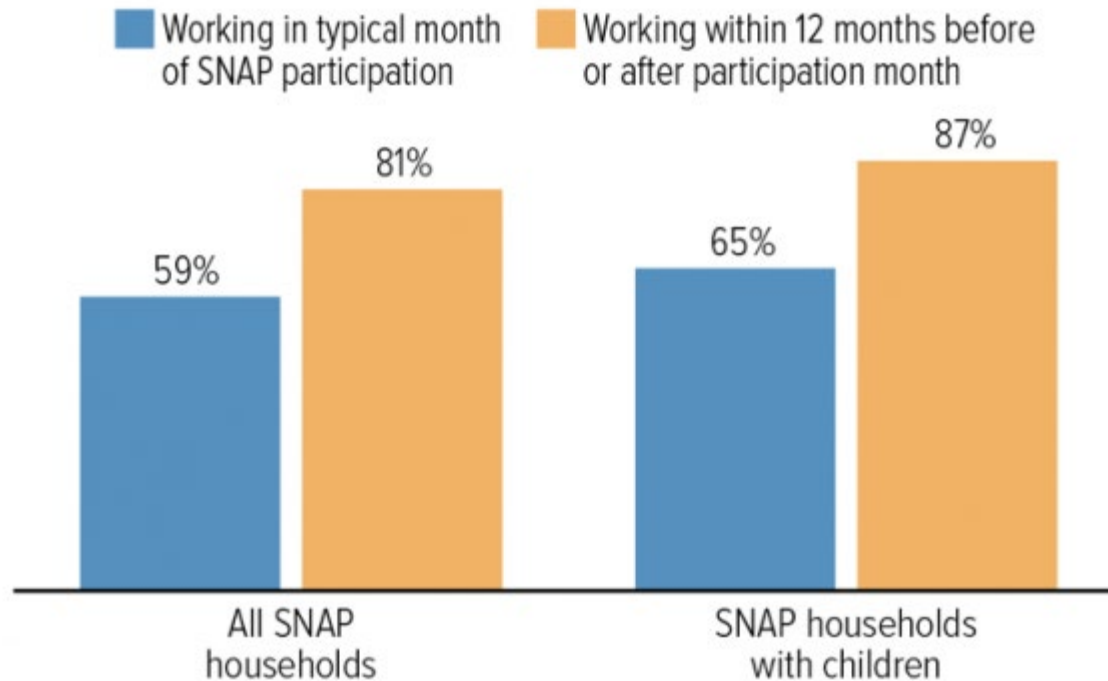
Note: The poverty threshold is defined as 50% of national median income, a widely accepted international standard. The comparison includes countries (for which comparable data are available) with median disposable incomes within one-third of U.S. median income (\$30,960) in 2014 U.S. dollars converted by purchasing-power parity.

Source: Organisation for Economic Co-operation and Development Income Distribution Database

Working Poor

- Nearly 1 in 4 workers are paid below-poverty level wages, about the same as in 1973.
- 24% of workers in 2016 were paid hourly wages too low to lift a family of four above the poverty line even if the worker worked full time all year.
- This is where the US is an outlier. We have SO MANY low wage jobs compared to Europe.

SNAP Households with Working-Age Non-Disabled Adults Have High Work Rates

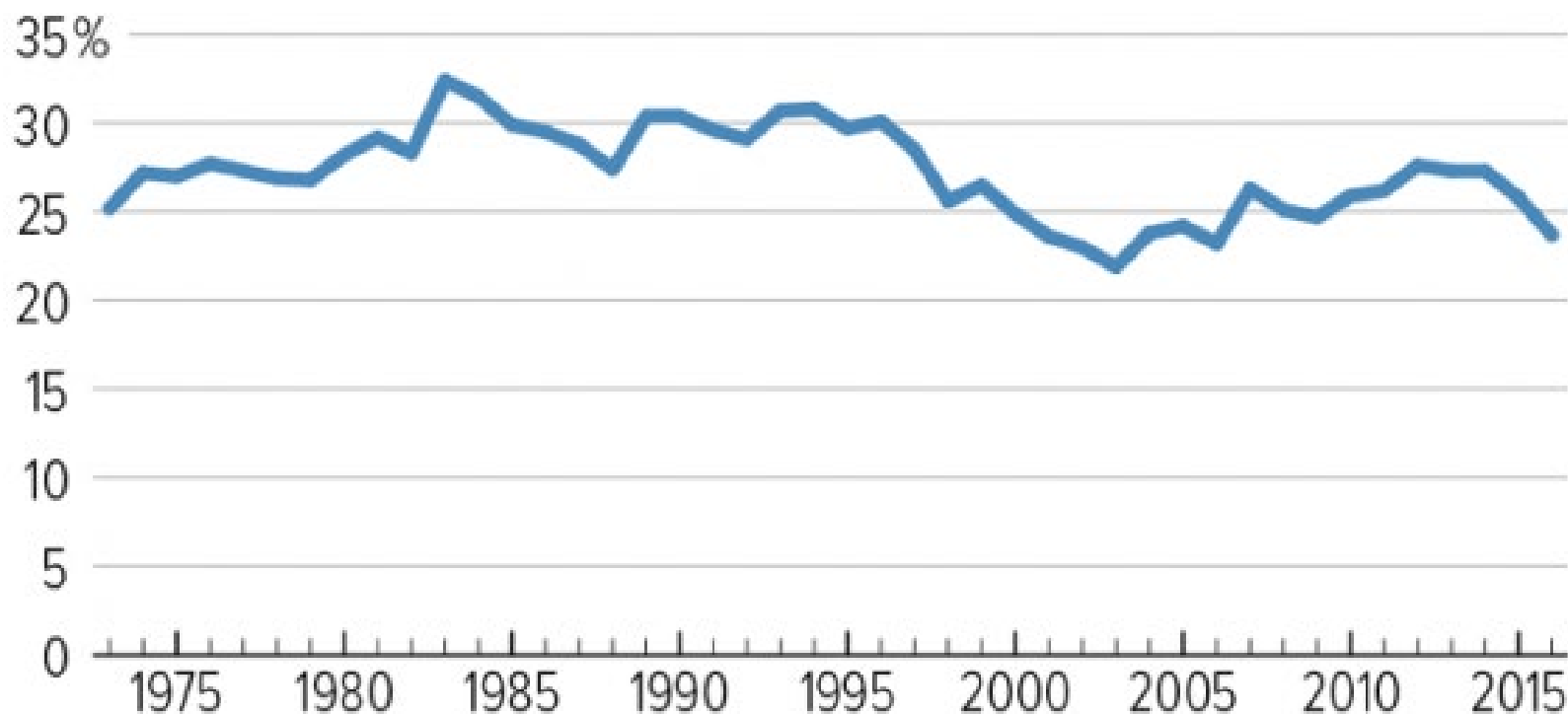


Note: Households are those that participated in SNAP at a point in time in mid-2012 and that include someone aged 18-59 who did not receive disability benefits from Social Security or Supplemental Security Income.

Source: CBPP analysis of Survey of Income and Program Participation data from 2011-2013

1 in 4 Workers Are Paid Below-Poverty Wages

Share paid hourly wages too low for full-time, year-round worker to lift family of four above poverty line

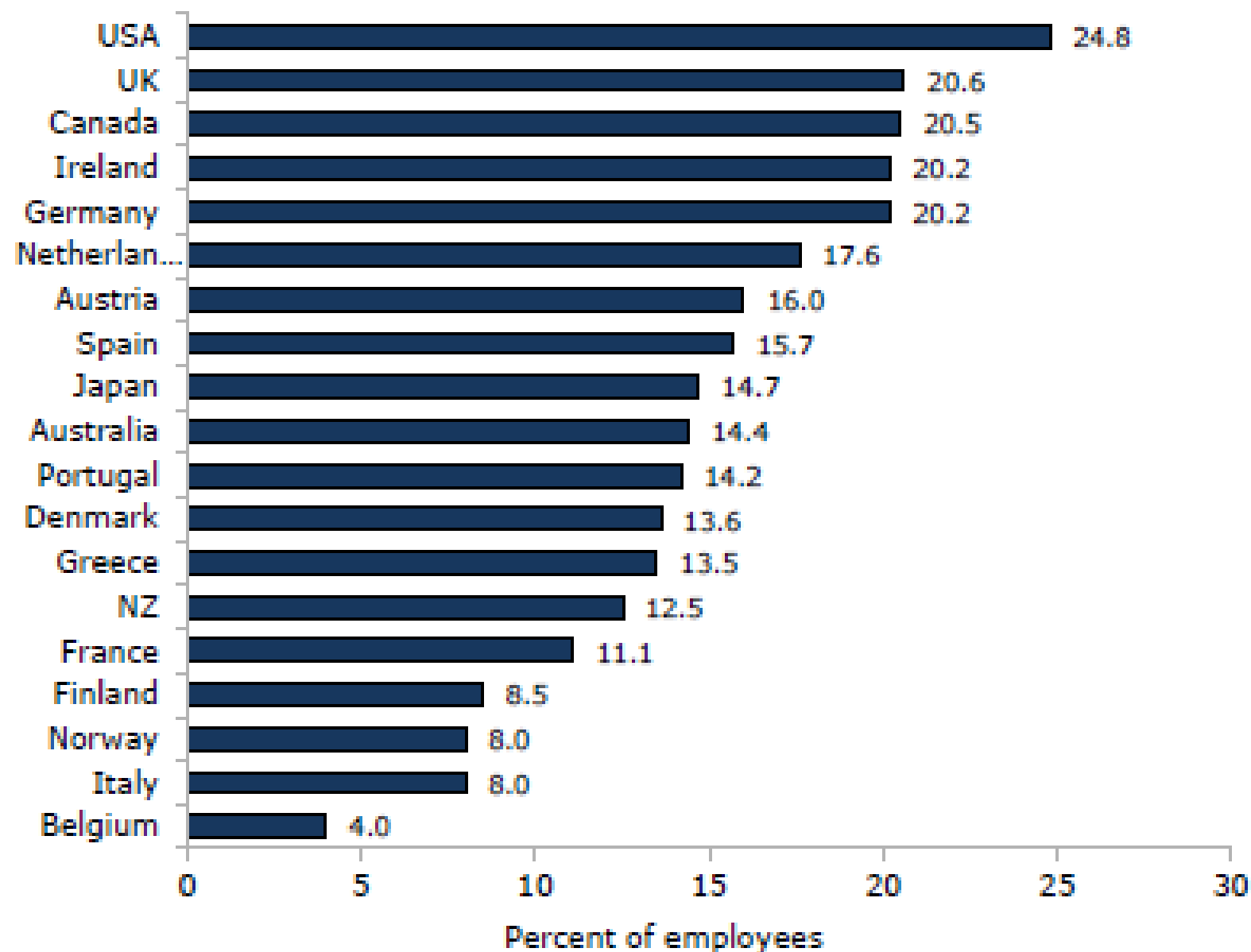


Note: Poverty line = \$24,336 a year or \$11.70 an hour in 2016.

Source: Economic Policy Institute.

FIGURE 1

Share of Employees in Low-wage Work, 2009



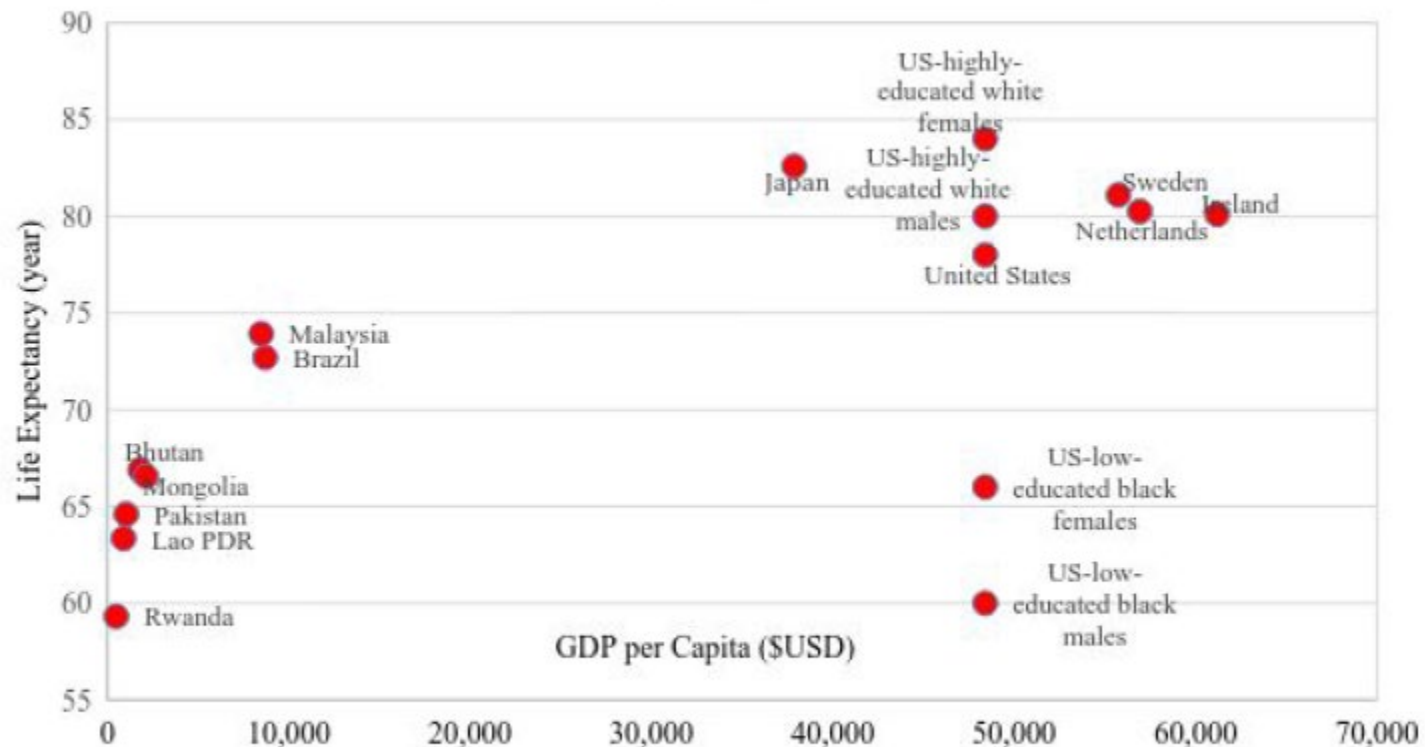
Other Differences across countries

- No paid vacation in US (the only country)
 - In US 50% have no paid vacation
- In all five European countries employees are guaranteed sickness benefits for short or long term illness, with benefit duration of at least six months.
- 77% of low wage US workers have no paid sick leave.
- In 2008 more than half (54%) had no employer health care and 37% had no health care at all)

Poor in US International Comparisons

- Life expectancy
 - In 2000 the life expectancy in the poorest decile of counties in the US was 74.7 years, comparable to Albania, Lebanon and the United Arab Emirates.
 - Race and education life expectancies show very large gaps.

Figure 1: Life Expectancy and GDP per Capita by Country (2008)

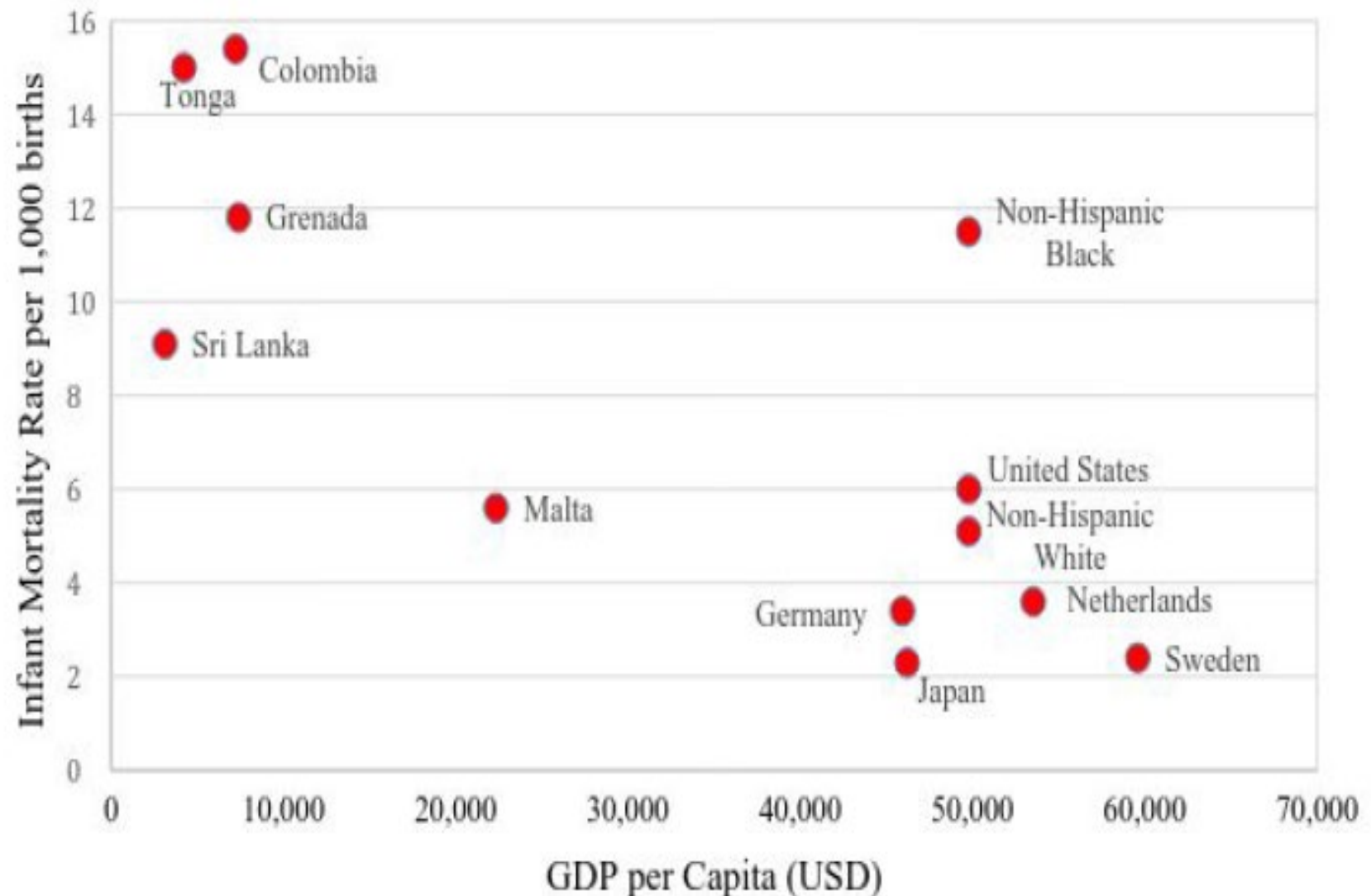


Sources: Life Expectancy by country and GDP per Capita (World Bank, 2014)

Infant Mortality Rates

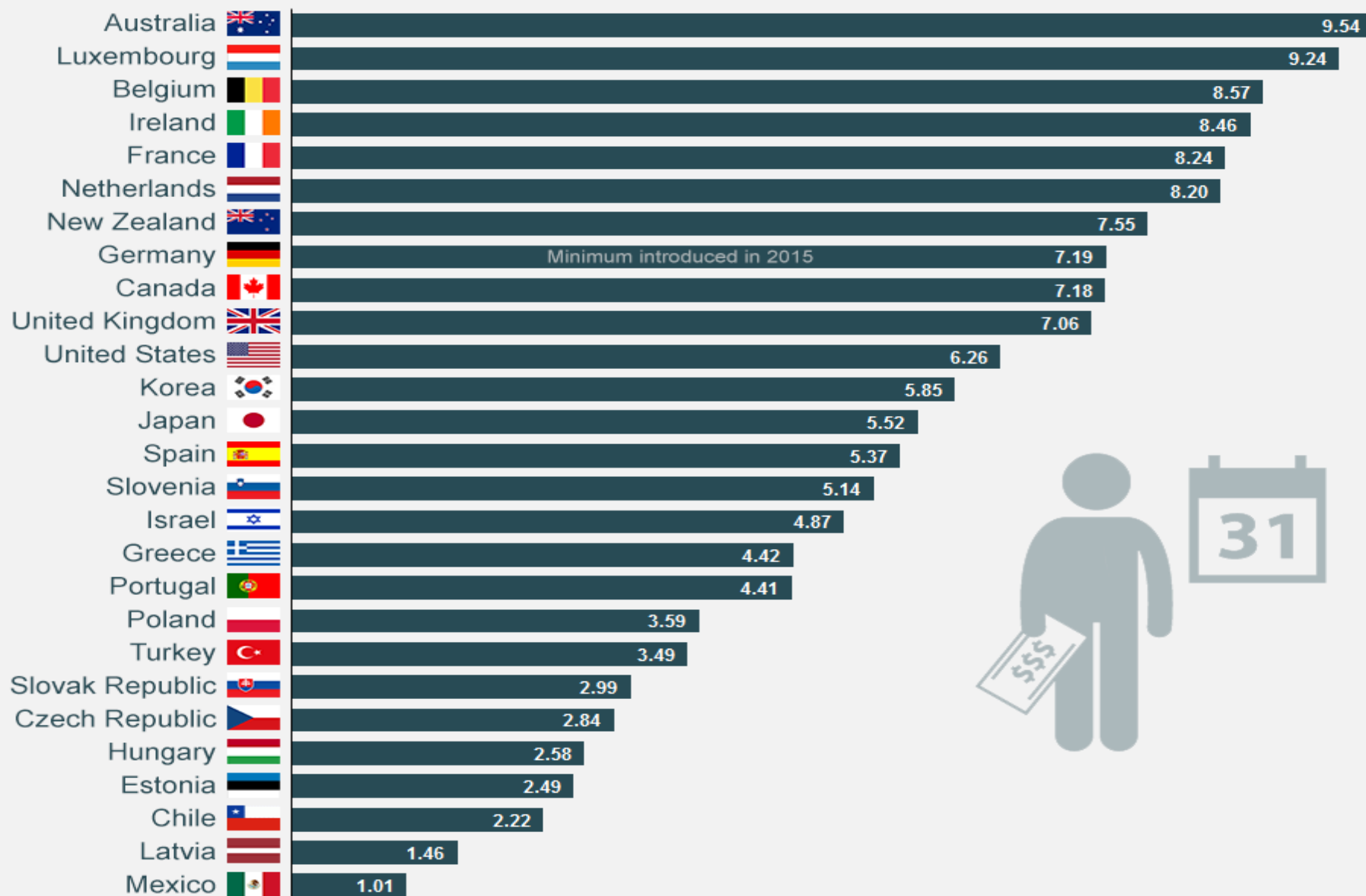
- The IMR is the number of infants who die before age 1 per 100,000 live births. In 2013 the US IMR was 5.9.
- The US ranks 55th in the world in IMR.
- The cross country differences are driven by tremendous within country differences in the US
- White college educated women look like Europe.

Figure 2: Infant Mortality Rates by GDP per Capita (2011)



Net minimum wages

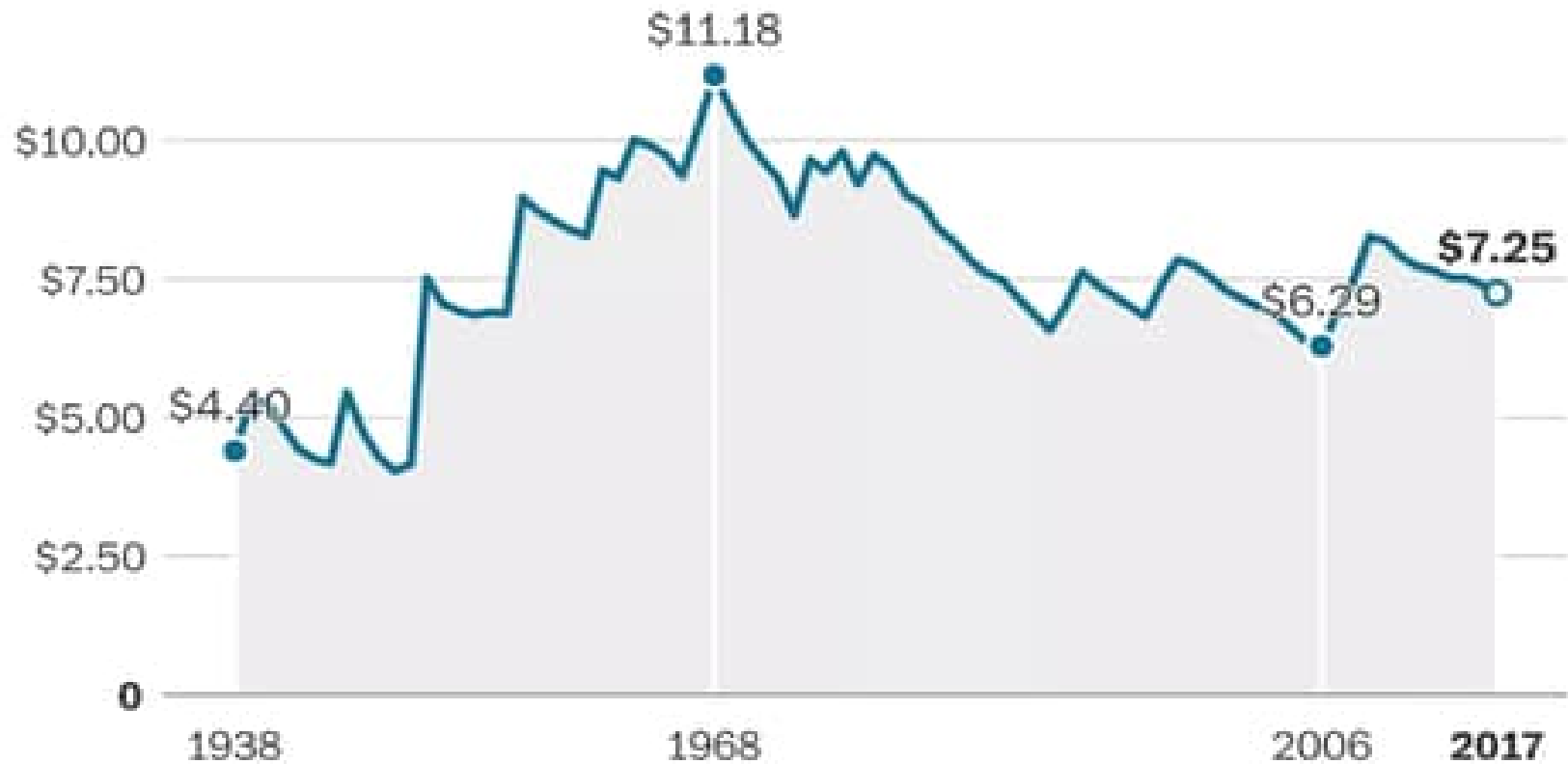
US dollars per hour after taxes, at purchasing power parities (2013)



For liberals the declining value of the minimum wage has been an increasing focus.

Minimum wage peaked in 1968

Federal minimum wage, 1938 – 2017, adjusted for inflation to 2017 dollars

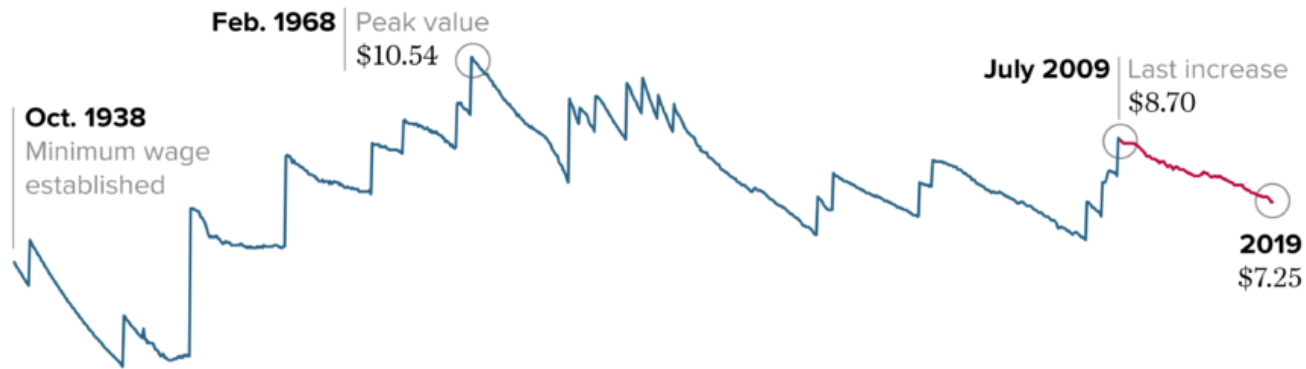


Source: U.S. Department of Labor

WAPO.ST/WONKBLOG

After the longest period in history without an increase, the federal minimum wage today is worth **17% less** than 10 years ago—and **31% less than in 1968**.

Real value of the minimum wage (adjusted for inflation)



1968

Peak value of minimum wage

\$10.54

\$21,923/yr

2009

Last minimum wage increase

\$8.70

\$18,096/yr

Today

2019

\$7.25

\$15,080/yr

17% less than in 2009—\$3,016 in annual earnings lost

31% less than in 1968—\$6,843 in annual earnings lost

All values are in June 2019 dollars, adjusted using the CPI-U-RS.
Source: Fair Labor Standards Act and amendments

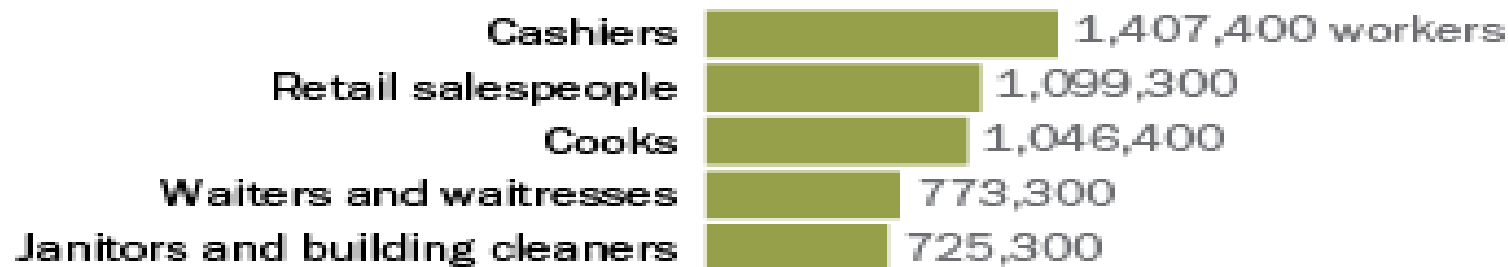
**Economic
Policy
Institute**

Where Near-Minimum-Wage Employees Work and What They Do

Industries that employ the most near-minimum-wage workers



Most common occupations among near-minimum-wage workers

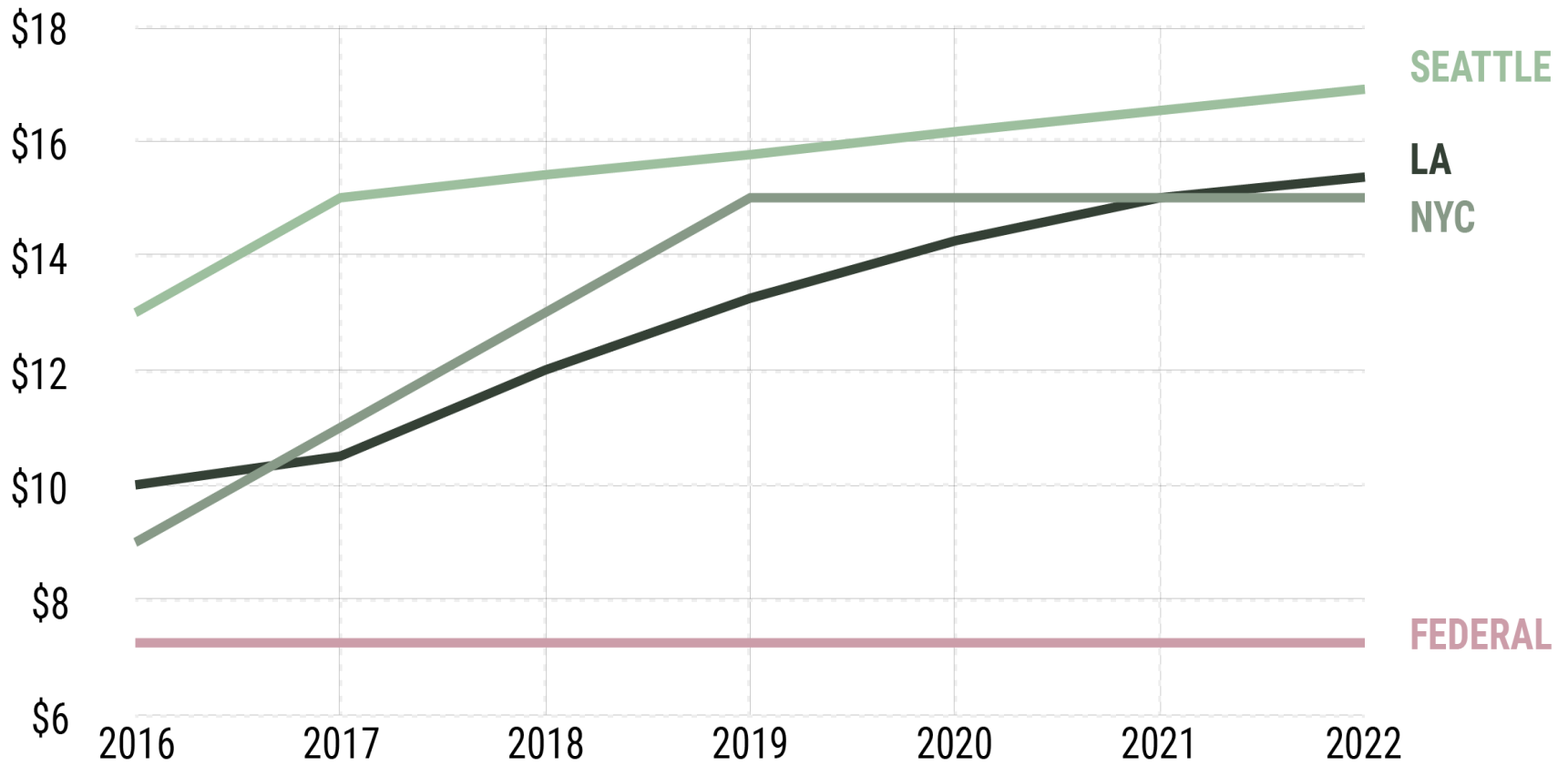


Note: "Near-minimum-wage workers" are defined as non-self-employed workers, 18 and older, who are paid hourly and make more than the applicable minimum wage in their state but less than \$10.10 an hour.

Source: Pew Research Center estimates based on 2013 IPUMS-CPS microdata

Cities Are Raising the Minimum Wage

- ▶ While the federal minimum wage hasn't changed since 2009, many major cities are addressing pay for their workers. Seattle was the first city to raise wages in 2014 and workers in Los Angeles will see an increase on July 1st.



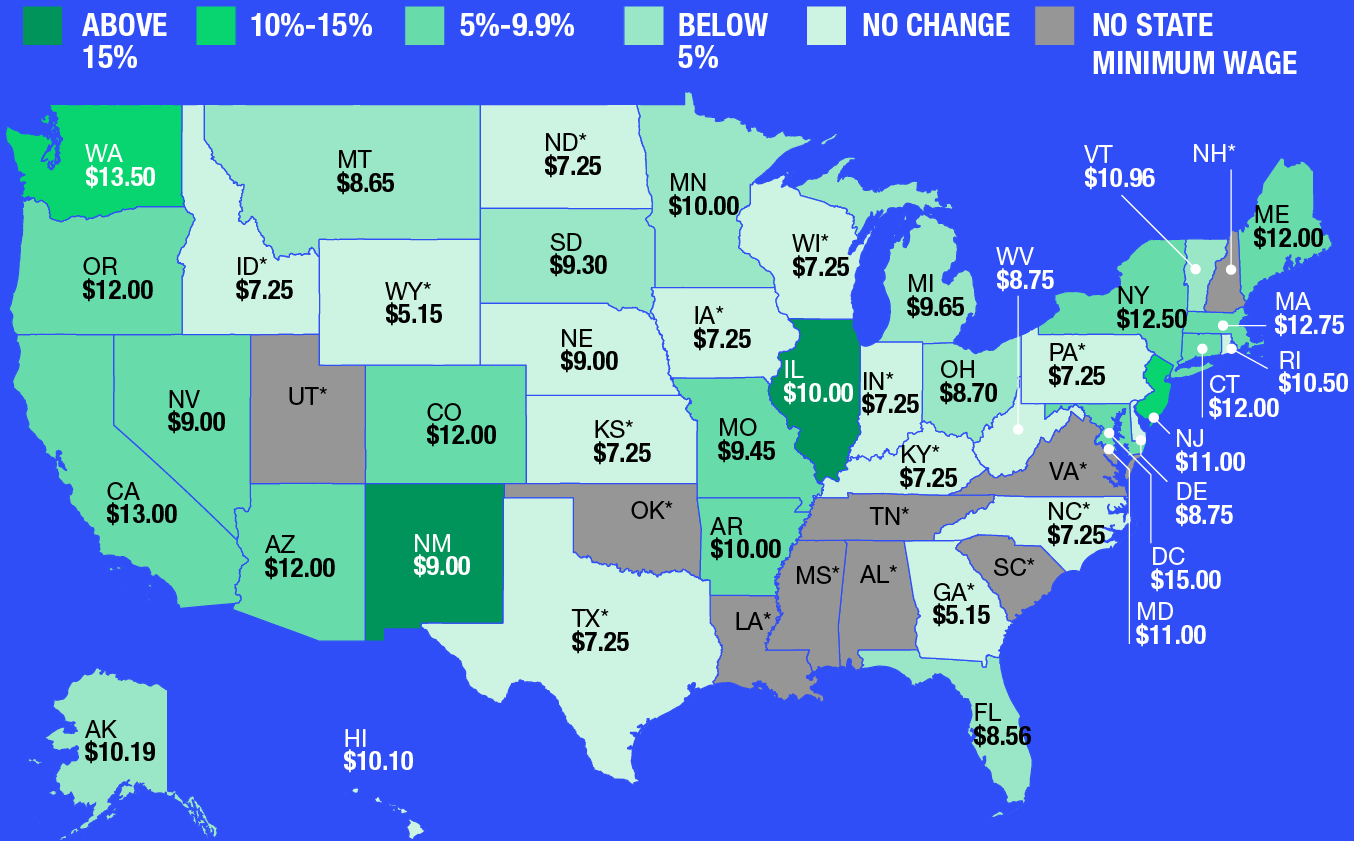
Source: ECONOMIC POLICY INSTITUTE
GRACE DONNELLY/FORTUNE

FIGHTS OVER LOCAL MINIMUM WAGE MANDATES

- **Before 2012, only five localities raised minimum wages independently in their states. After that, dozens of cities and counties mandated minimum wage increases.**
- **Progressive coalitions including unions and advocacy groups championed these increases.**
- **Opponents led by the American Legislative Exchange Council (ALEC) have responded at the state level – where conservative-dominated legislatures have passed **preemption laws** repealing/blocking local minimum wage increases (for example, in Alabama, Idaho, and North Carolina).**

U.S. MINIMUM WAGE INCREASES IN 2020

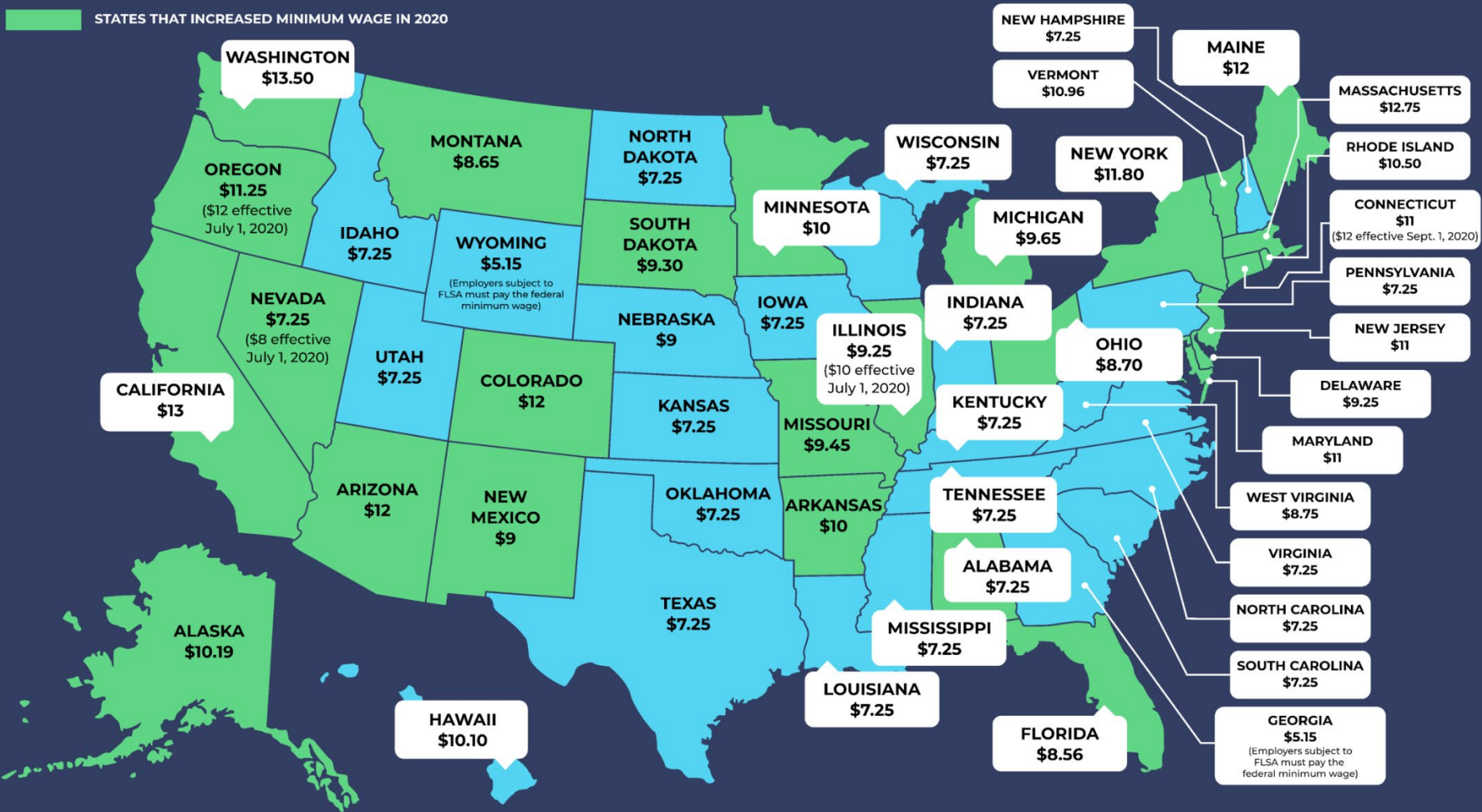
Largest percentage increases: Illinois (21.21%), New Mexico (20%), Washington state (12.5%), New Jersey (10%).



SOURCE: U.S. DEPARTMENT OF LABOR, STATE LABOR DEPARTMENTS
*FEDERAL MINIMUM WAGE IS \$7.25 DATA AS OF 12/13/19

STATES WITHOUT MINIMUM WAGE INCREASE IN 2020

STATES THAT INCREASED MINIMUM WAGE IN 2020



AMERICAN LEGISLATIVE EXCHANGE COUNCIL

Model Bill “Living Wage Mandate Preemption Act” (2013)

Summary

The Living Wage Mandate Preemption Act repeals any local “living wage” mandates, ordinances or laws enacted by political subdivisions of the state. It also prohibits political subdivisions from enacting laws establishing “living wage” mandates on private businesses, including those businesses that have service contracts with and/or receive financial assistance from such political subdivisions of state government.

This legislature finds and declares that:

- (A) Economic stability and growth are among the most important factors affecting the general welfare of the people of this state....
- (B) Mandated wages comprise a major cost component for private enterprises, and are among the chief factors affecting... economic... growth...
- (C) Local variations in mandated wage rates threaten many businesses with a loss of employees to areas which require higher mandated wage rates, threaten many other businesses with a loss of patrons... and are therefore detrimental to the business environment of the state.....
- (D) In order for businesses to remain competitive and yet attract and retain the highest possible caliber of employees, private enterprises in this state must be allowed to function in a uniform environment with respect to mandated wage rates; and
- (E) Legislated wage disparity...creates an anticompetitive marketplace that fosters job and business relocation.

RESEARCH FINDINGS ON MINIMUM WAGE INCREASES

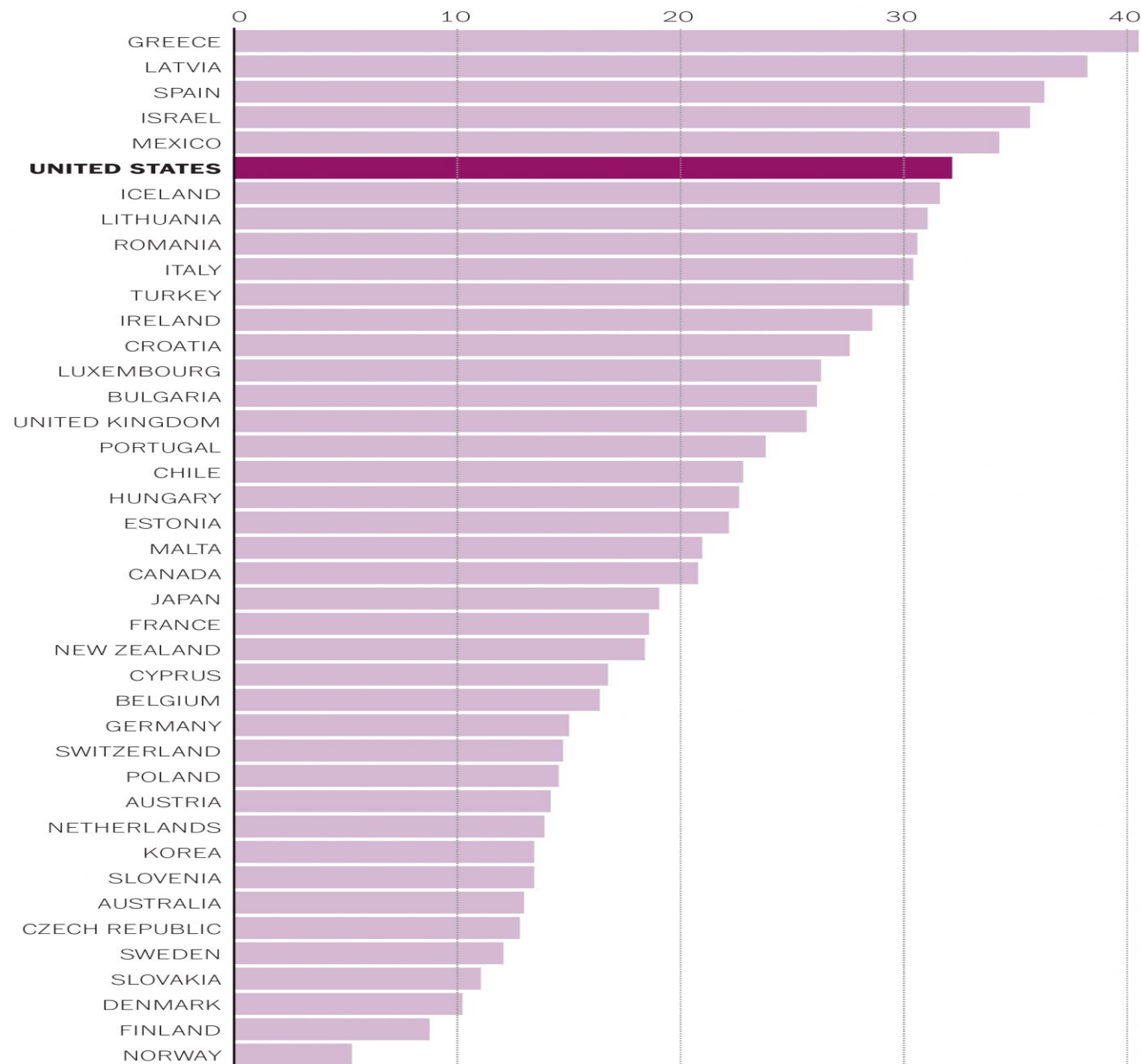
- 2010 study of “Minimum Wage Effects Across State Borders” by A. Dube, T. Lester, and M. Reich at UC Berkeley looked at employment levels from 1990 to 2006 in every pair of neighboring U.S. counties with different minimum wage levels. Study found that higher minimum wages did not lead to hiring reductions or to shifts of jobs to neighboring lower-wage counties.
- 2016 National Employment Law Project study of seven decades of trends found no correlation between federal minimum wage increases and adverse employment trends (using various indicators). Overall employment usually increased, and periods of decline were due to overall economic downturns.
- Study by Michael Reich (UC Berkeley) found that phased in repeated minimum wage hikes in San Francisco did not hurt employment.
- CAVEAT: available studies measure the impact of gradual hikes in steps, not big upward increases in the minimum wage floor.

Children in Poverty: What Works?

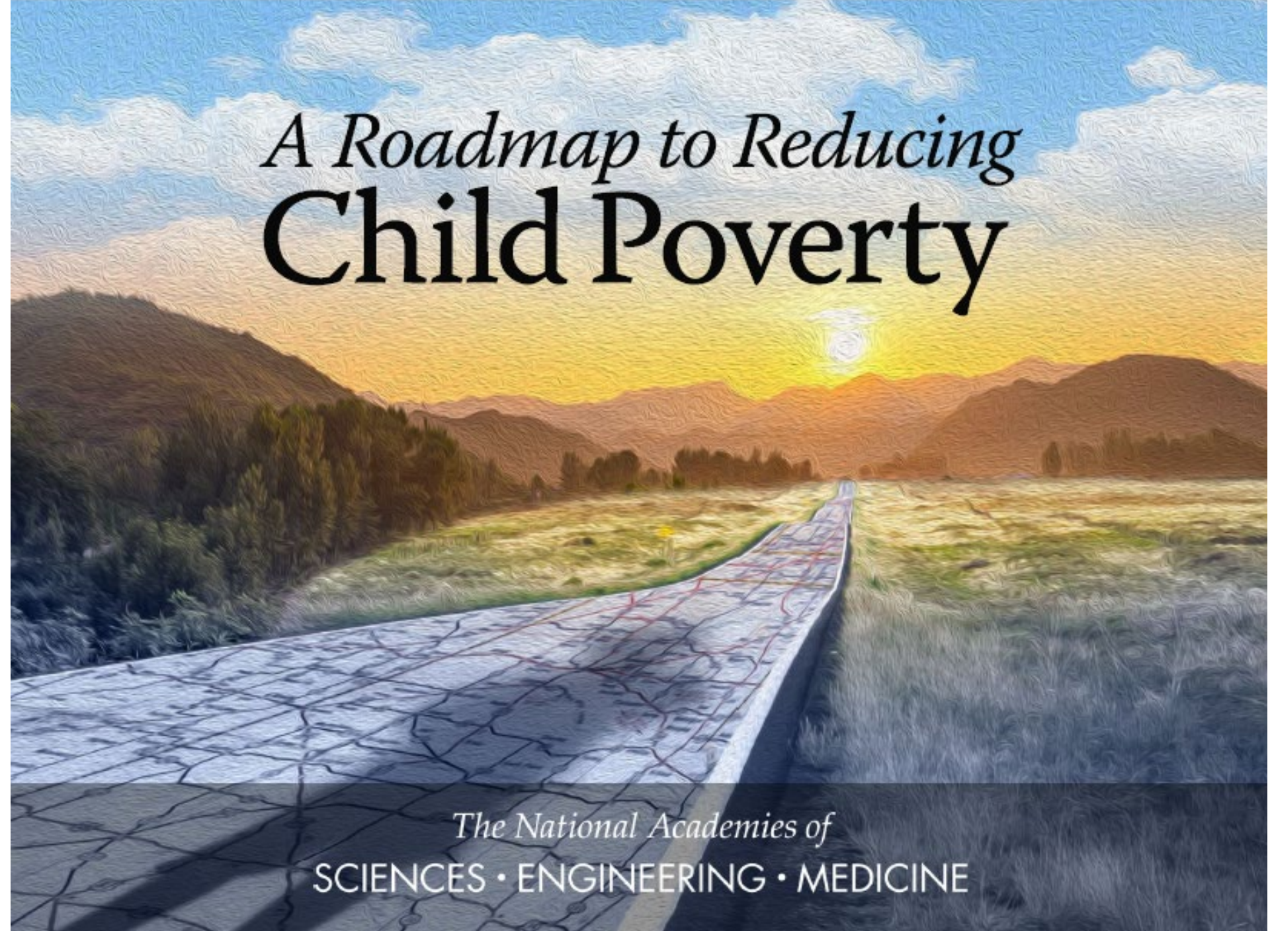
- <https://www.nap.edu/catalog/25246/a-roadmap-to-reducing-child-poverty>
- NAS Report on how to cut child poverty in half.

One in three U.S. children lives in poverty

% of children living in households earning less than 60 percent of the median income



60% of US median income is \$31,000 annually.

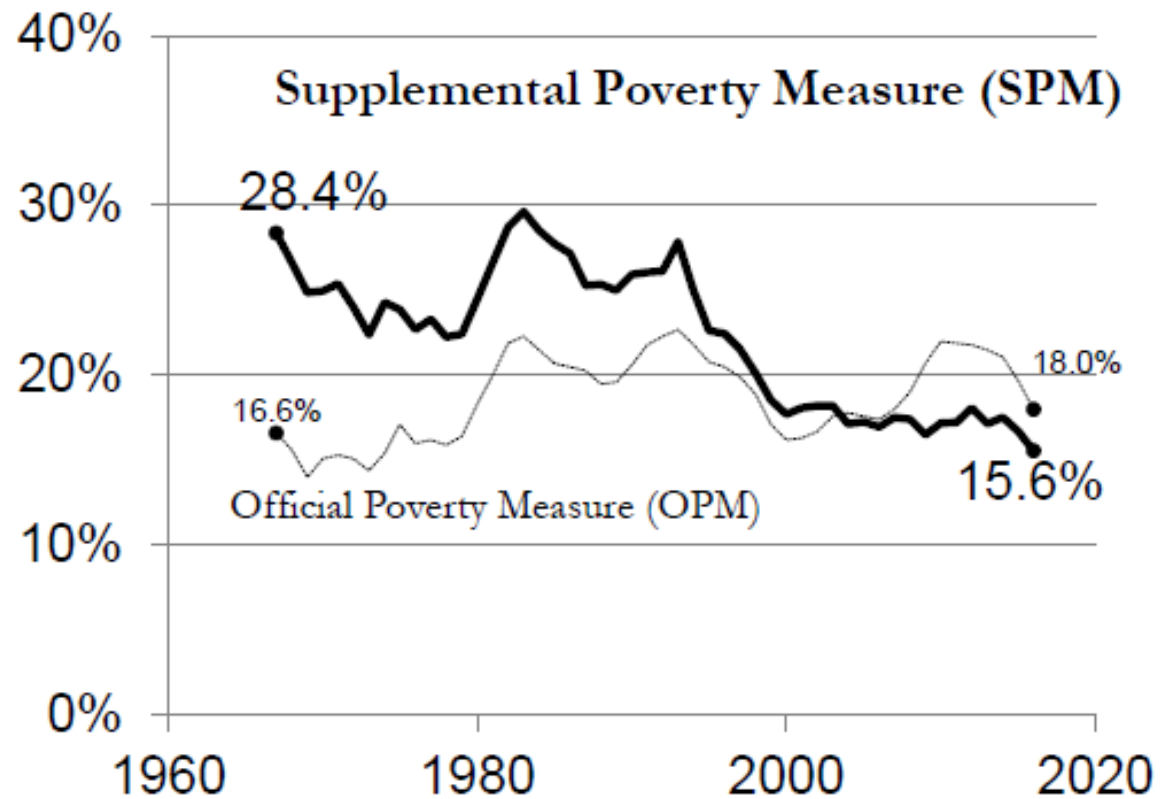
The background is a landscape painting of a road at sunset. The sun is low on the horizon, casting a warm orange and yellow glow across the sky and the landscape. The road is paved and stretches from the foreground into the distance, where it disappears into the horizon. On the left side of the road, there are dark, silhouetted hills and trees. On the right side, there is a field of tall grass. Overlaid on the road is a faint, stylized map of a city or region, with red lines indicating major roads or routes. The overall style is painterly and evocative.

A Roadmap to Reducing **Child Poverty**

The National Academies of
SCIENCES • ENGINEERING • MEDICINE

A 50% Reduction in Child Poverty is Achievable

- The U.K. cut its child poverty rate in half from 2001-2008
- Canada's Child Benefit program is on course to cut child poverty in half
- The US nearly cut its child poverty rate in half between 1967 and 2016



Anchored U.S. SPM child poverty rate. SOURCE: Original analyses commissioned by the committee from Christopher Wimer (2017, October).




Impacts on Child Poverty

- No single programs reduced poverty by 50%
- Enhancements to SNAP and housing vouchers, and a child allowance, came closest
- Enhancements to the EITC and CDCTC also reduce poverty significantly



Costs of the Packages:



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

Studies have estimated the annual costs of child poverty to range from \$800 billion to \$1.1 trillion



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