

# Poverty and early care and education

Three panelists addressed the relationship between poverty and early care and education. Jane Waldfogel summarized current evidence on early childhood policies and suggested that expanding policies that promote early learning, improving income supports, and implementing complementary policies during a child's years in K–12 schooling could help reduce the intergenerational transmission of poverty. Terri Sabol considered the question of what constitutes “high-quality” early care and education, which is often associated with better outcomes for children, and described two studies of quality assessment tools, suggesting that measures of structural quality such as class size and teacher-child ratios are not consistently associated with children's learning, whereas measures of the quality of teacher-child interactions are. Christina Weiland considered the implications of scaling up preschool programs that have been successful in improving academic achievement and reducing inequality. She presented the results of a pilot study to expand the Boston Public School's prekindergarten model to community-based preschools, which brought to light a number of facets of these centers that presented barriers to implementation, but also identified some advantages and opportunities in locating preschools in community-based organizations. This set of articles summarizes their presentations.

## What is the role of early childhood policies in fighting intergenerational transmission of poverty?

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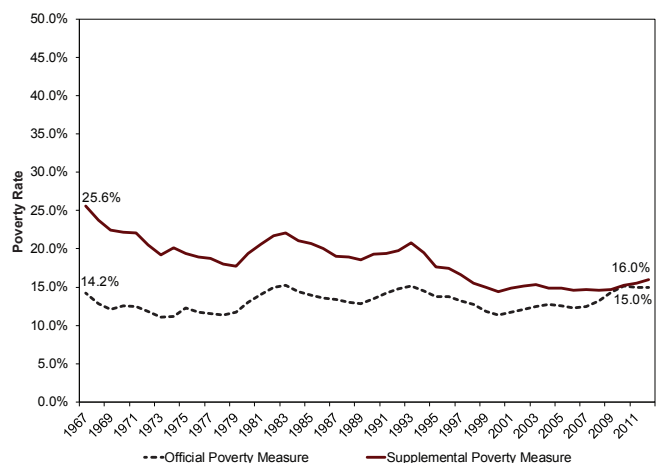
The persistence of large achievement gaps by socioeconomic status is an important factor in the intergenerational transmission of poverty. Because these gaps are already present early in life, there is an opportunity for early childhood policies to make a difference. This article summarizes current evidence on early childhood policies and identifies promising policies in the areas of early learning, education, and income support.

### Why focus on educational inequalities?

In 1964, President Johnson declared an “unconditional war on poverty in America.” Fifty years later, we have made some progress on income poverty. Figure 1 shows rates over time for the official poverty measure and the Supplemental Poverty Measure, carried back historically and adjusted for inflation. Poverty assessed using the official poverty measure, which looks only at pre-tax cash income and uses a threshold set at three times the cost of a minimum food diet in 1963, has fluctuated but not changed greatly over time. However, there has been a dramatic drop in poverty as measured by the Supplemental Poverty Measure, which accounts for a fuller range of income sources and expenses and uses thresholds calculated from Consumer Expenditure Survey data on basic necessities (food, shelter, clothing, and utilities) and adjusted for geographic differences.

In addition to reductions in income poverty, there has also been progress on decreasing inequalities in other areas such as nutrition and health.<sup>1</sup> However, very large educational

inequalities remain, and these present a major challenge in fighting intergenerational transmission of poverty. Although racial and ethnic disparities in educational outcomes have narrowed, there are large and growing achievement gaps between children from low and high socioeconomic status families. These growing socioeconomic status gaps in achievement have occurred in parallel with growing gaps in family resources—a phenomenon that Sara McLanahan calls “diverging destinies.”<sup>2</sup> McLanahan finds that since the 1960s, educational attainment is increasingly associated with a variety of outcomes, so that children born to women with high levels of education also benefit from resources of parental time and money, while those born to women with



**Figure 1. Official and Supplemental Poverty Measure rates, 1967–2012.**

**Note:** Rates based on the Supplemental Poverty Measure are anchored in 2012 and carried back historically, adjusting for inflation.

**Source:** C. Wimer, L. Fox, I. Garfinkel, N. Kaushal, and J. Waldfogel, “Progress on Poverty? New Estimates of Historical Trends Using an Anchored Supplemental Poverty Measure,” *Demography* 53, No. 4 (August 2016): 1207–1218.

low education levels lag behind. Investments in children are also diverging, as shown by Greg Duncan and Richard Murnane, who found that between 1972 and 2006, the gap in per-child parental spending on education-related items and activities such as music and art lessons, children's books and toys, sports equipment and classes, and tutoring between children from families in the top fifth and bottom fifth of the income distribution grew from about \$2,700 in 2008 dollars in 1972 to over \$7,500 in 2005.<sup>3</sup> Robert Putnam found a similar divergence over time by education level in the time spent by parents reading to their children.<sup>4</sup>

## Educational inequalities in the United States compared to other countries

To put the U.S. inequalities into perspective, Bruce Bradbury, Miles Corak, Elizabeth Washbrook, and I compare the United States with Australia, Canada, and the United Kingdom. We found that, compared to these other wealthy countries, the United States has larger achievement gaps and less intergenerational mobility.<sup>5</sup> Although there is a gap in family resources by socioeconomic status (represented by education level) in all four countries, this inequality is starkest in the United States. For example, in the United States, incomes for families with high levels of parental education (bachelor's degree or higher) are 1.8 times as large as in medium-educated families (some education beyond high school), and three times as large as in low-educated families (high school degree or less). The comparable differences are markedly smaller in the other three countries, particularly Australia. The disadvantage experienced by children from low socioeconomic status families in the United States is compounded by the fact that the U.S. safety net and supports for working families do the least among the four countries to combat income inequality.

The countries also differ on educational policies and outcomes. With respect to universal preschool, both Australia and the United Kingdom provide universal preschool, but in the United States and Canada—where preschool is not universal—there is significant variation by socioeconomic status. Families with high parental education have higher enrollment in preschool than families with low parental education. With respect to cognitive skills and achievement of children, inequality by parental education is significantly larger in the United States than in the other countries both at school entry and during school years.

## What can we do in early childhood to reduce intergenerational transmission of poverty?

Children from low socioeconomic status families face considerable challenges, and more so in the United States than in other countries. Their parents not only lack education, they also tend to be younger, live in less stable families, and have lower incomes than high socioeconomic status families, who are investing heavily in their children.

These inequalities are exacerbated by a less robust safety net than is provided by peer countries, lacking paid parental leave, universal preschool, reliable income supports, and until recently universal health care.

Children from low socioeconomic status families are behind even before they start school, meaning there is an important role for early childhood policies. While not all early childhood policies are effective, we do have good evidence to support expanding policies to promote early learning. Such policies would include evidence-based parenting programs for families with infants and toddlers<sup>6</sup> and universal high-quality preschool for three- and four-year-olds.<sup>7</sup>

In addition, it is important to expand income support policies to raise family incomes for the poor and near-poor by: raising the minimum wage; expanding the Earned Income Tax Credit and the Child Tax Credit, and/or implementing a universal child allowance (which would provide a cash grant to all families with children); strengthening food and nutrition programs such as the Supplemental Nutrition Assistance Program (SNAP), school meals, and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and providing supports for working families, through measures such as paid family and medical leave.

The effects of early childhood policies would be enhanced by complementary policies in the school years. In addition to continued income supports, policies to improve the quality of teaching and learning in schools would focus on: recruiting, supporting, and adequately compensating more effective teachers; implementing more rigorous curricula such as Common Core; and setting higher expectations and providing more support for low-achieving students through evidence-based interventions.

While the U.S. record sometimes suggests there is little we can do to reduce educational inequalities and the intergenerational transmission of poverty, the experience of peer countries suggests we can and should do better. ■

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<sup>1</sup>S. Danziger and M. Bailey, eds., *Legacies of the War on Poverty* (New York: Russell Sage Foundation, 2013).

<sup>2</sup>S. McLanahan, "Diverging Destinies: How Children Are Faring Under the Second Demographic Transition," *Demography* 41, No. 4 (November 2004): 607–627.

<sup>3</sup>G. J. Duncan and R. J. Murnane, eds., *Whither Opportunity? Rising Inequality, Schools, and Children's Life Chances* (New York: Russell Sage Foundation, 2011).

<sup>4</sup>R. D. Putnam, *Our Kids: The American Dream in Crisis* (New York: Simon & Schuster, 2015).

<sup>5</sup>B. Bradbury, M. Corak, J. Waldfogel, and E. Washbrook, *Too Many Children Left Behind: The U.S. Achievement Gap in Comparative Perspective* (New York: Russell Sage Foundation, 2015).

<sup>6</sup>R. Haskins and G. Margolis, *Show Me the Evidence: Obama's Fight for Rigor and Results in Social Policy* (Washington, DC: Brookings Institution Press, 2014).

<sup>7</sup>C. Ruhm and J. Waldfogel, "Long-Term Effects of Early Childhood Care and Education," *Nordic Economic Policy Review* 1 (2012): 23–51.