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Reducing Intergenerational Poverty

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Reducing Intergenerational Poverty

Consensus Study Report

Committee

Greg J. Duncan *(Chair)*
University of California, Irvine

Fenaba R. Addo
University of North Carolina

Anna Aizer
Brown University

Margaret R. Burchinal
University of Virginia

Raj Chetty
Harvard University

Stephanie Fryberg
University of Michigan

Harry J. Holzer
Georgetown University

Vonnie C. McLoyd
University of Michigan

Kimberly G. Montez
Wake Forest University

Aisha Nyandoro
Springboard to Opportunities

Mary E. Pattillo
Northwestern University

Jesse Rothstein
University of California, Berkeley

Michael E. Strain
American Enterprise Institute

Stephen J. Trejo
University of Texas, Austin

Rita Hamad *(Consultant)*
Harvard University

Staff

Jennifer Appleton Gootman

Priyanka Nalamada

Brianna Smith

Connie Citro

Emily P. Backes

Natacha Blain

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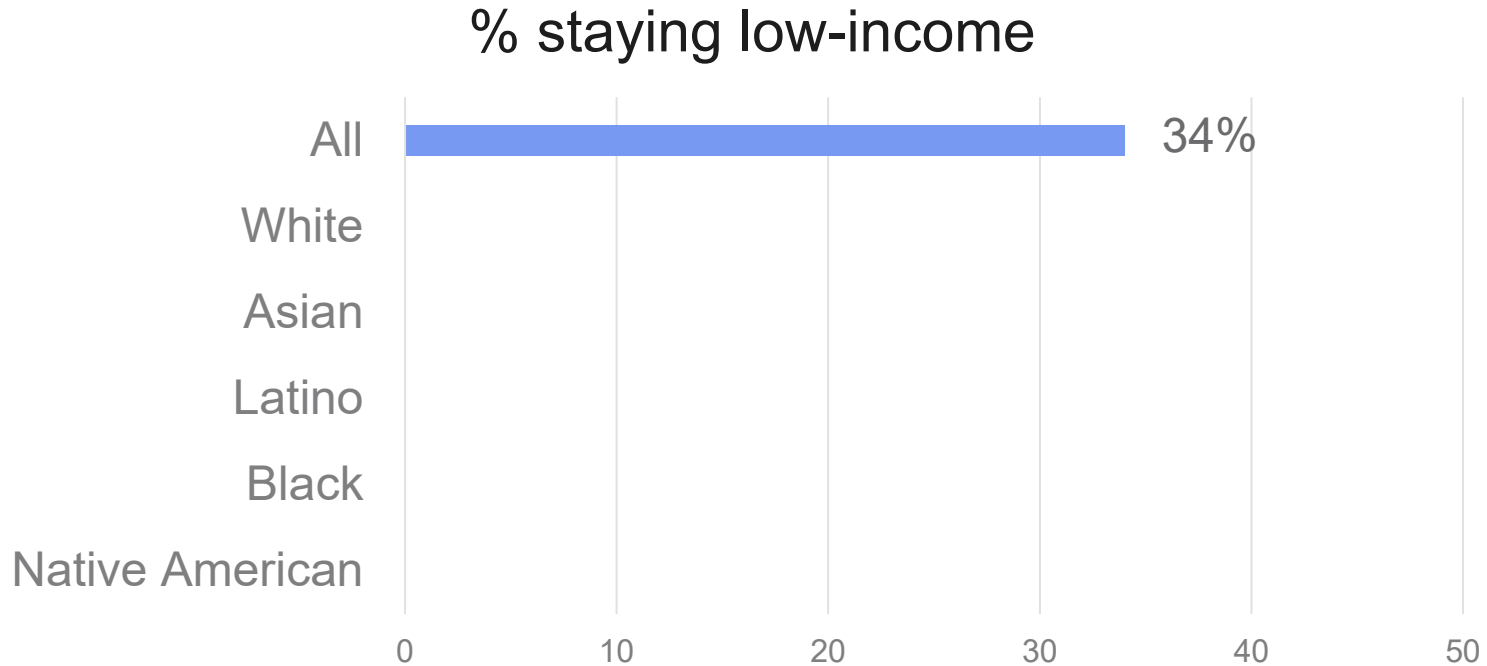
Evaluates the **racial and ethnic disparities and structural factors** that help perpetuate intergenerational poverty

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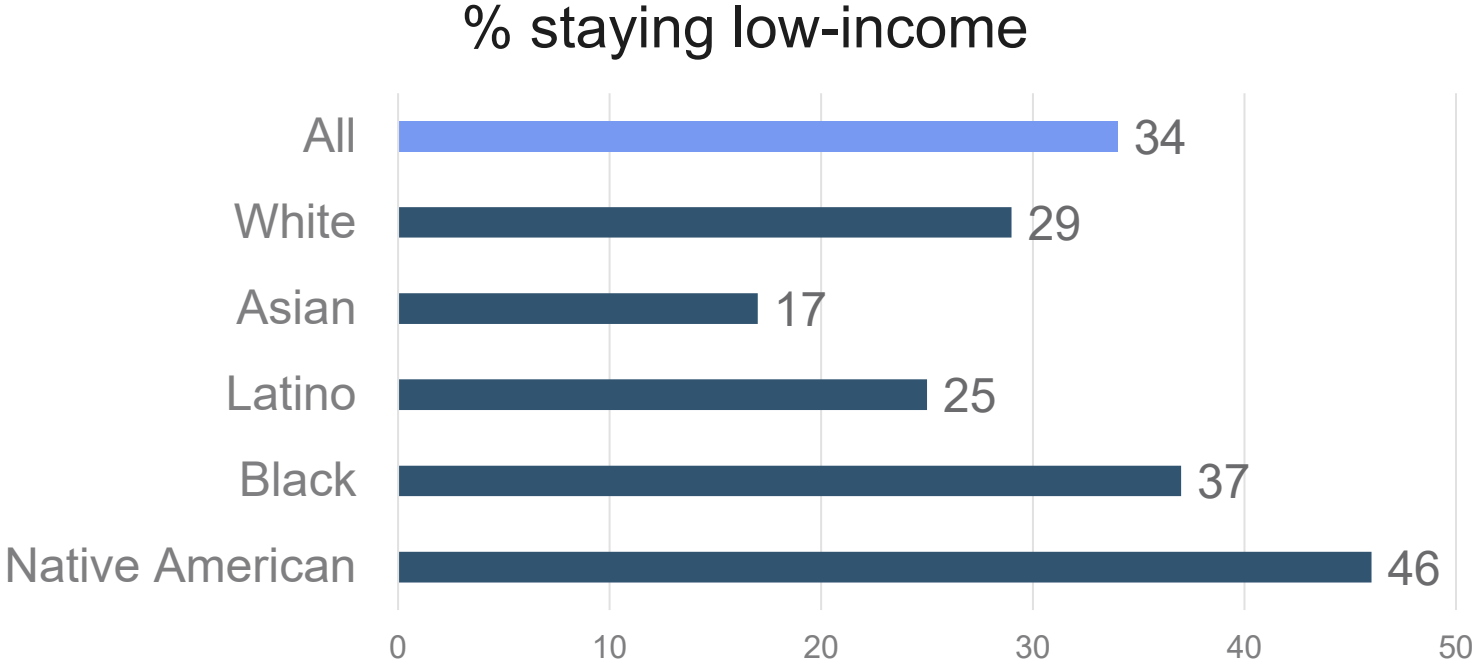
Intergenerational poverty

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

% staying low-income

Category	Value
All	34%
White	
Asian	
Latino	
Black	
Native American	

(horizontal axis: 0, 10, 20, 30, 40, 50)

Chetty et al. (2020)

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Intergenerational Persistence of Low-Income Status Differs Sharply by Race

% staying low-income

Race	% staying low-income
All	34
White	29
Asian	17
Latino	25
Black	37
Native American	46

Chetty et al. (2020)

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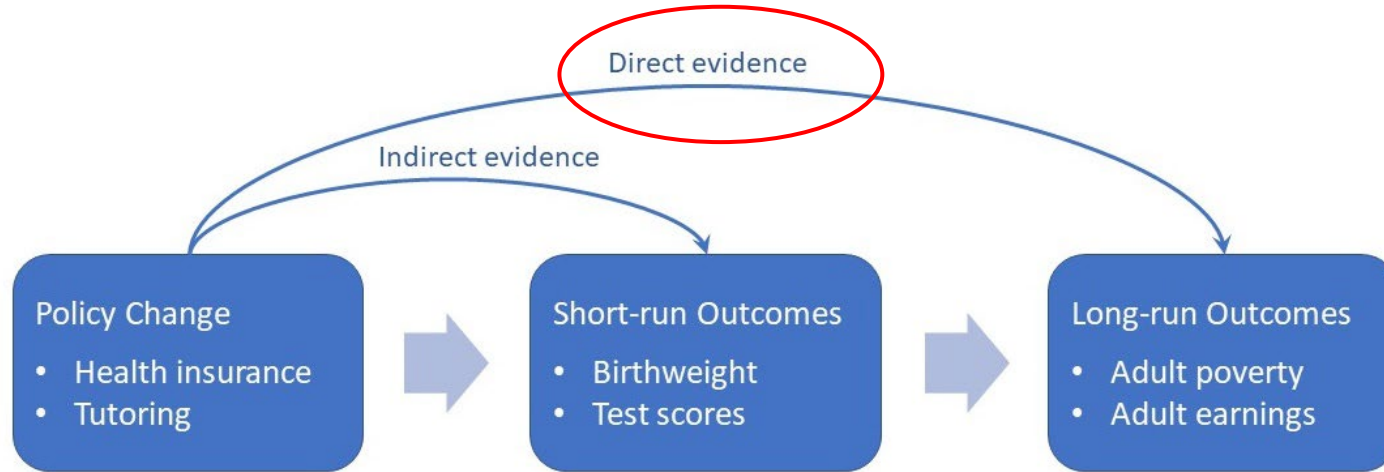and Programs and Policies to Address Them

From the Committee's Statement of Task

- The committee will identify **key drivers** of long-term, intergenerational poverty

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

Direct vs. Indirect Evidence

Key Limitation of our Strict Standards of Evidence

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

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
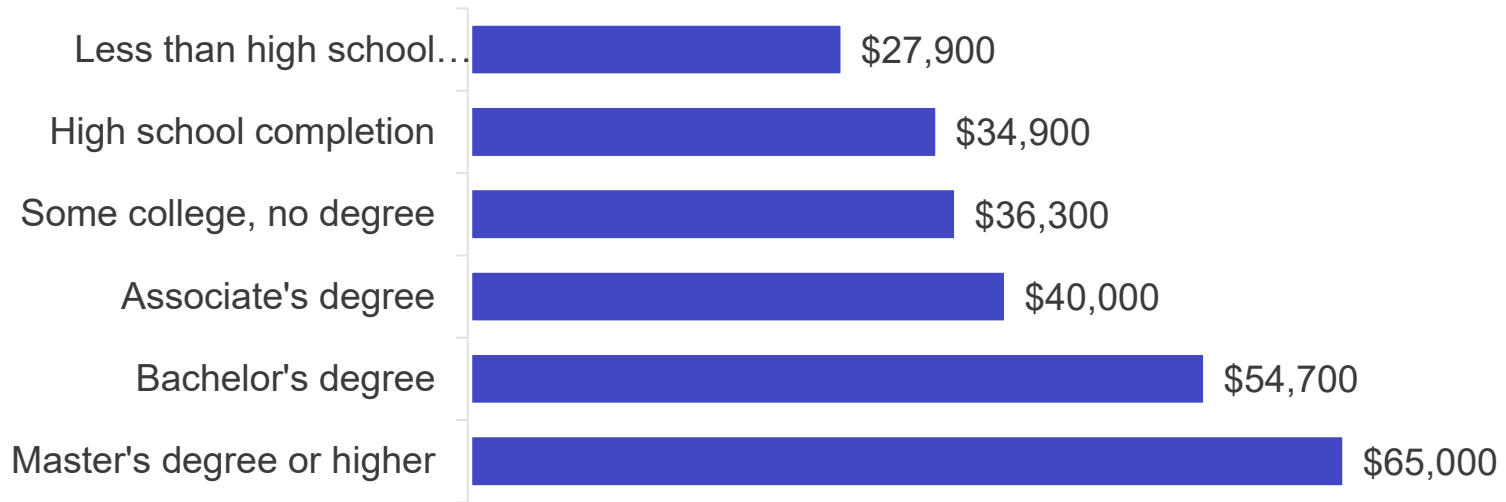
Child Maltreatment and the Child Welfare System

We Will Highlight Evidence in Five Areas

- Education

- Employment

- Health

- Crime

- Housing

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Education

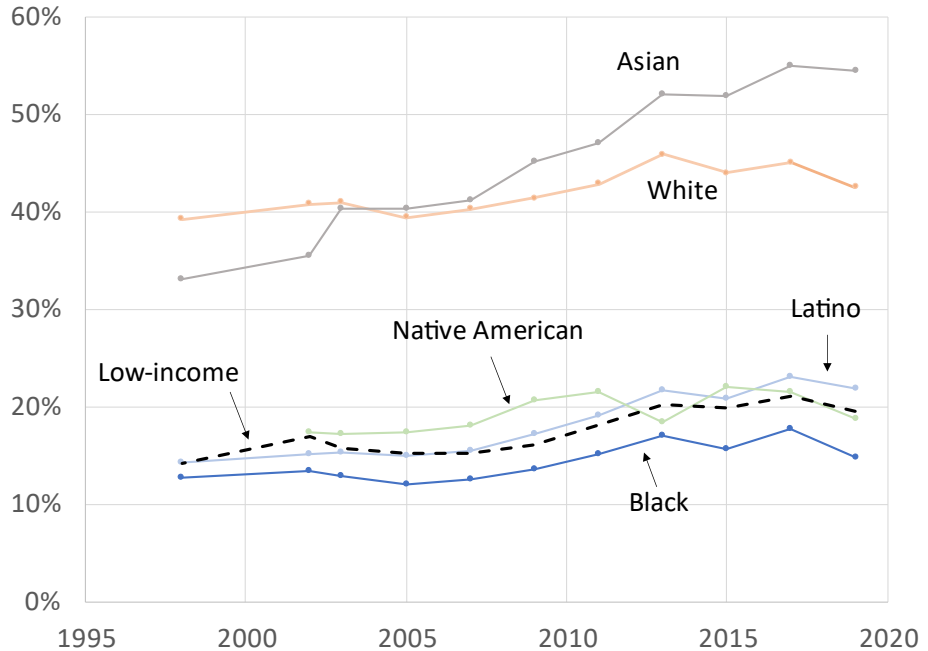# **Education** Can Play a Powerful Role in Promoting Knowledge and Skills to be Successful in the Labor Market

More School = Greater Earnings

Education Level	Earnings
Less than high school…	$27,900
High school completion	$34,900
Some college, no degree	$36,300
Associate's degree	$40,000
Bachelor's degree	$54,700
Master's degree or higher	$65,000

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

Education policies and programs

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
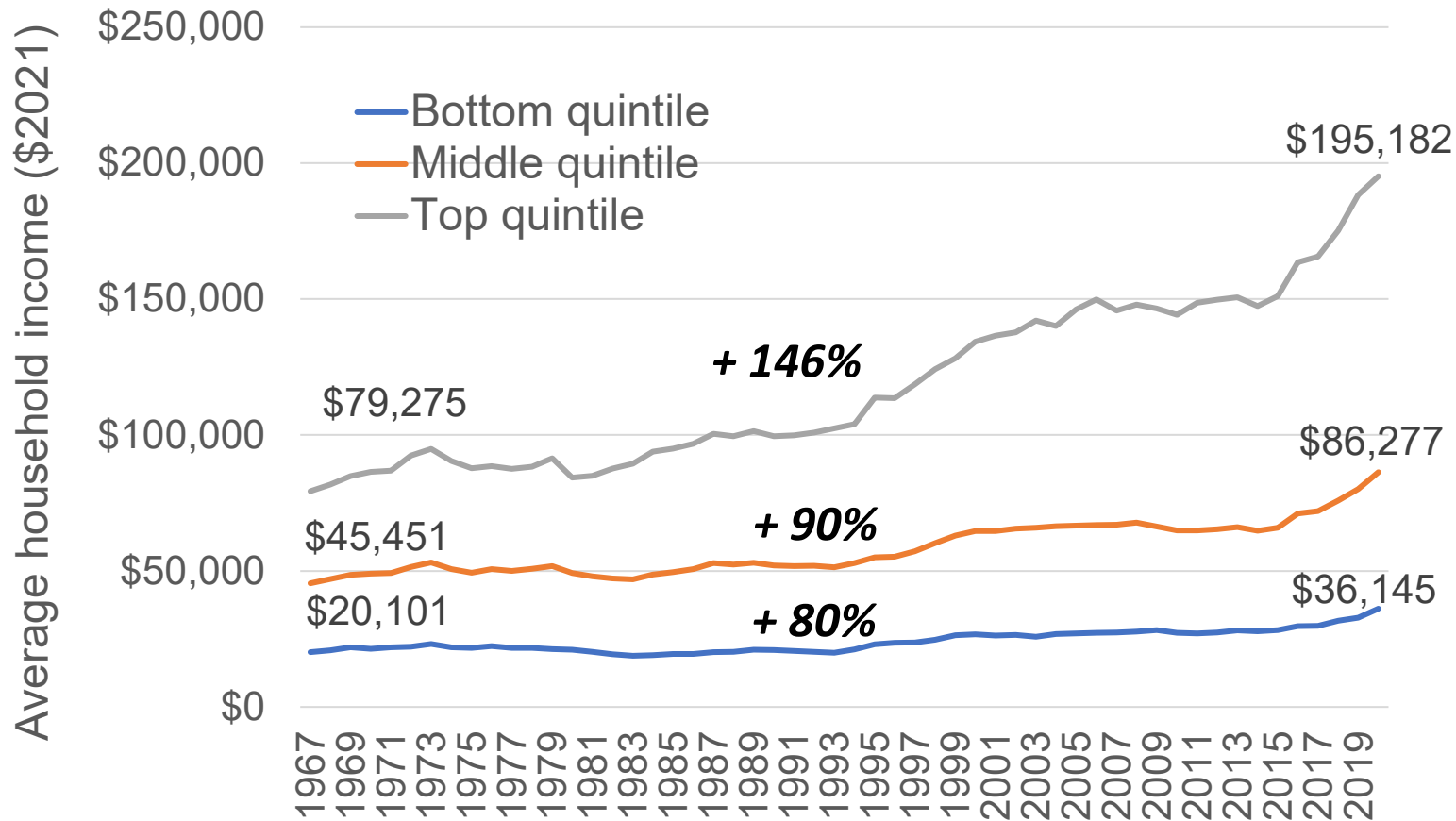- Increase campus supports such as tutoring and case management

Occupational training

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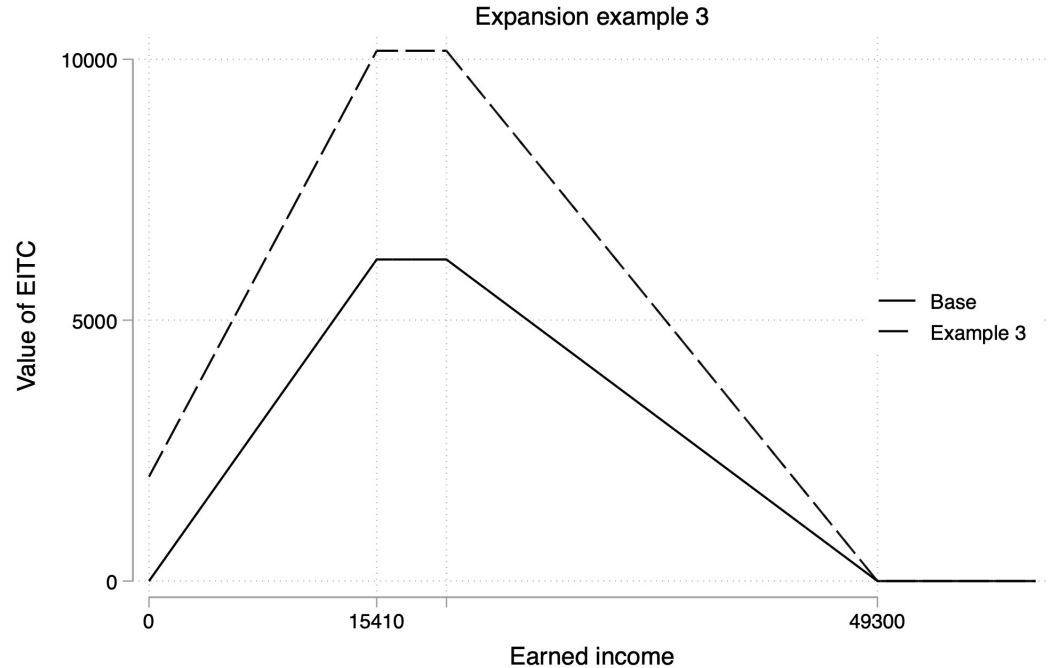- Expand occupational training programs for adults and youth

Income and Employment

Average U.S. household income of children in the bottom, middle, and top income quintiles

Average household income ($2021)

- Bottom quintile
- Middle quintile
- Top quintile

$250,000
$200,000
$150,000
$100,000
$50,000
$0

$79,275
$45,451
$20,101

+ 146%
+ 90%
+ 80%

$195,182
$86,277
$36,145

1967 1969 1971 1973 1975 1977 1979 1981 1983 1985 1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015 2017 2019

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

Expansion example 3

Health

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

Child and Maternal Health Programs and Policies

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

- Expand access to Indian Health Services for all eligible mothers and children

Child and Maternal Health Programs and Policies (con't)

Nutrition

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

Air quality

- Support the EPA in working with local partners to adopt and expand efficient methods of monitoring outdoor and—especially in schools—indoor air quality
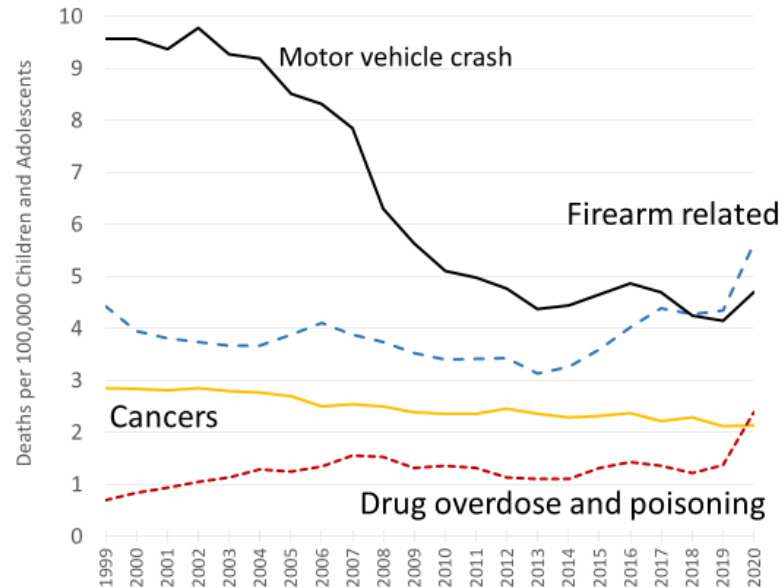
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Crime

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

- 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.

Crime and the Justice System Programs and Policies

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

Crime and the Justice System Programs and Policies (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

Reducing Offending via Investments in Children

- Scale-up evidence-based therapeutic interventions such as the Becoming a Man program
- Increase K-12 school spending in the poorest districts

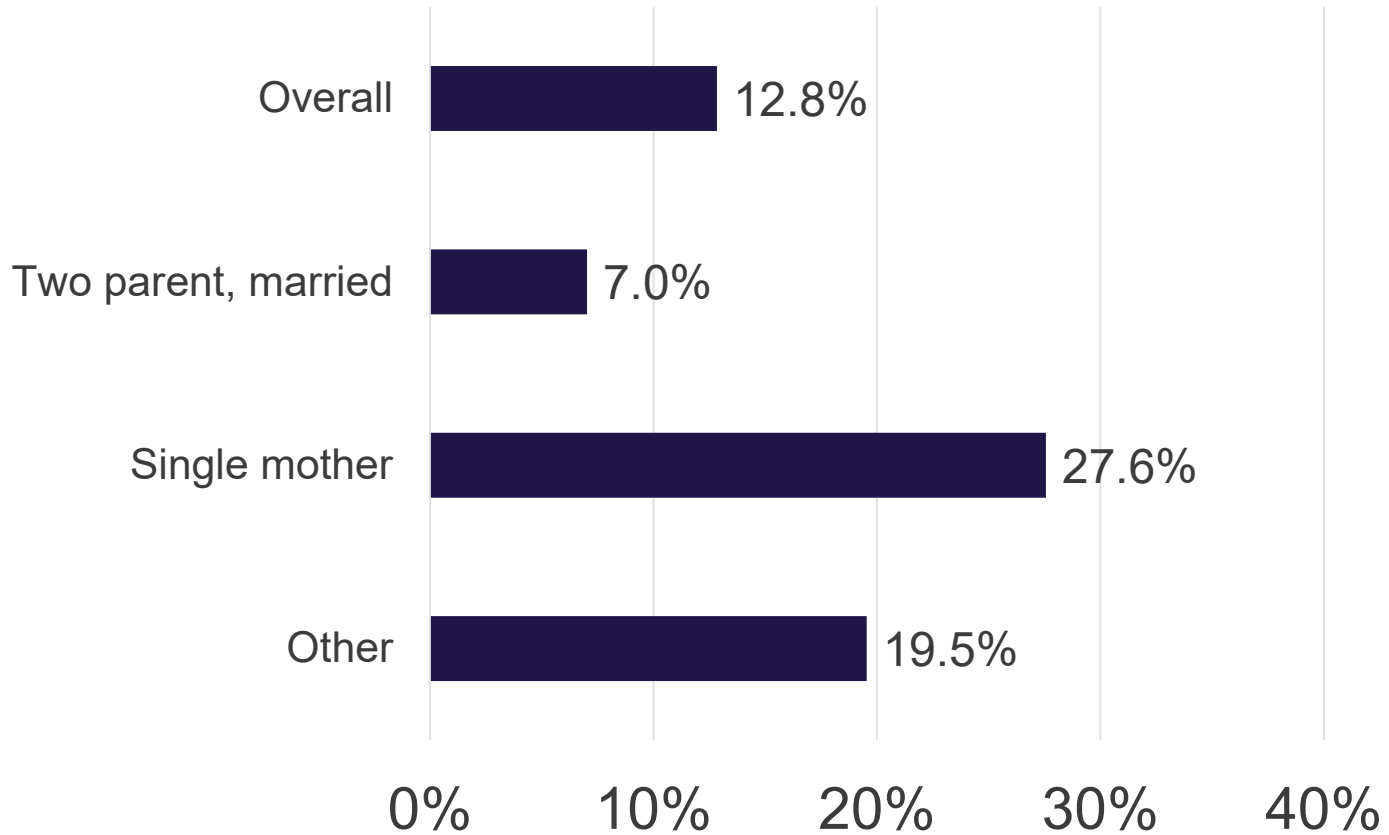NATIONAL ACADEMIES *Sciences Engineering Medicine*

Housing

Housing and Neighborhood Programs and Policies

Promote residential mobility

- Expand coverage of the Housing Choice Voucher program and couple it with customized counseling and case management services to facilitate moves to low-poverty neighborhoods

Family Structure and Child Welfare:

Possible drivers with no programs proven to reduce intergenerational poverty

SPM Child Poverty Rate in 2019

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.

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

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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 12 policy and program ideas supported by direct evidence on reducing intergenerational poverty for Black children.

Education

✓ Increase K-12 school spending in the poorest districts.

✓ Recruit Black teachers.

✓ Reduce exclusionary school discipline.

✓ Expand effective financial aid and tutoring programs for low-income students.

✓ Expand high-quality career and technical education programs in high school and sectoral training programs for adults and youth.

• Expand occupational training programs for adults and youth

Child and Maternal Health

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

✓ Support U.S. Environmental Protection Agency (EPA) to work with local partners to adopt and expand efficient methods of monitoring outdoor and indoor air quality, especially in and near schools.

• Increase funding for Title X family planning programs

• Ensure that Medicaid beneficiaries have access to family planning services

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Family Income, Employment, and Wealth

✓ Expand the Earned Income Tax Credit (EITC) by increasing payments along some or all portions of the schedule.

Neighborhood Crime and the Criminal Justice System

✓ Eliminate most or all juvenile detention and incarceration for non-felony offenses and most non-violent felony offenses.

✓ Scale-up evidence-based therapeutic interventions such as the Becoming a Man program.

✓ Scale up programs that abate vacant lots and abandoned homes; increase grants to community-based organizations.

✓ Expand funding for policing in high- crime neighborhoods and use of effective strategies like community policing.

• Increase grants to community-based organizations

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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

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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

The Study
Sponsors

Administration for Children and Families, U.S. Department of Health and Human Services

Bainum Family Foundation

Doris Duke Foundation

Foundation for Child Development

Russell Sage Foundation

The National Academy of Sciences W.K. Kellogg Fund

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Questions?

Thank You!

For more information, please contact:

Jennifer Gootman

JGootman@nas.edu