Reducing Intergenerational Poverty
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
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

All 34%
White
Asian
Latino
Black
Native American
Intergenerational Persistence of Low-Income Status Differs Sharply by Race

% staying low-income

- All: 34%
- White: 29%
- Asian: 17%
- Latino: 25%
- Black: 37%
- Native American: 46%

Chetty et al. (2020)
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

Policy Change
- Health insurance
- Tutoring

Short-run Outcomes
- Birthweight
- Test scores

Long-run Outcomes
- Adult poverty
- Adult earnings
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
Education
Education Can Play a Powerful Role in Promoting Knowledge and Skills to be Successful in the Labor Market

More School = Greater 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**
  - $20,101 (1967)
  - $79,275 (1979)
  - $45,451 (1987)
  - $20,101 (1993)
  - $0 (2001)

- **Middle quintile**
  - $36,145 (1967)
  - $100,000 (1979)
  - $50,000 (1987)
  - $25,000 (1993)
  - $0 (2001)

- **Top quintile**
  - $50,000 (1967)
  - $150,000 (1979)
  - $79,275 (1987)
  - $36,145 (1993)
  - $195,182 (2019)

**Percentage Increases**
- Bottom quintile: +146%
- Middle quintile: +90%
- Top quintile: +80%
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.
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
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
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
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

- Overall: 12.8%
- Two parent, married: 7.0%
- Single mother: 27.6%
- Other: 19.5%
Applying a Racial/Ethnic Disparities Lens
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

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
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
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
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
Questions?
Thank You!

For more information, please contact:
Jennifer Gootman
JGootman@nas.edu