

# Reducing Intergenerational Poverty

At any given time over the past decade, about 10 million U.S. children lived in families with incomes below the poverty line. Their experiences with childhood poverty can compromise their health and welfare and also hinder their opportunities for economic mobility in adulthood. An intergenerational cycle of economic disadvantages weighs heavily not only on children and families experiencing poverty but also on the nation as a whole by reducing future national prosperity and burdening its educational, criminal justice, and health care systems.

In response to a congressional mandate, the National Academies of Sciences, Engineering, and Medicine convened a committee of experts to conduct a comprehensive study of intergenerational poverty in the United States. The committee's report, *Reducing Intergenerational Poverty*, examines the drivers of long-term, intergenerational poverty, identifies potential policies and programs to reduce it, and recommends actions to address gaps in data and research.

## UNDERSTANDING INTERGENERATIONAL POVERTY

A child growing up in a low-income family experiences worse outcomes, on average, than a child from a higher-income family in virtually every area. The National Academies' 2019 report *A Roadmap to Reducing Child Poverty* documented these differences and developed evidence-based ideas for reducing child poverty by half in 10 years.

This new report examines intergenerational poverty, a situation in which children who grow up in families with incomes below or near the poverty line experience low-income status in adulthood. Among U.S. children born around 1980 who grew up in families with incomes below or near the poverty line, 34 percent also had low household incomes in adulthood. This is twice the 17 percent rate found among



adults born at the same time who did not grow up in low-income households.

Patterns of intergenerational economic mobility differ sharply by race. Intergenerational persistence in low-income families is relatively similar for White and Latino children, lower for Asian children, and much higher for Black and Native American children. Low-income Black children, in fact, are less likely to experience upward mobility than White children growing up in the same economic circumstances and living in the same neighborhoods (see Figure 1).

### RACIAL DISPARITIES IN INTERGENERATIONAL POVERTY

Contemporary and historical disparities, discrimination, and structural racism, as well as behaviors and choices, create additional challenges for Black and Native American families in providing economic security for their children. Relative to White children and their families, Black and Native American children and families encounter more persistent and larger gaps in access to health care and to well-funded, quality schools; have greater exposure to crime, violence, and harm from the criminal justice system; experience more housing insecurity and exposure to toxins; and have lower family

incomes, wealth, and neighborhood resources. The size and consistency of these gaps underscore the importance of understanding the causes of racial and ethnic disparities, as well as developing and implementing large-scale, effective programs and policies to ameliorate intergenerational poverty.

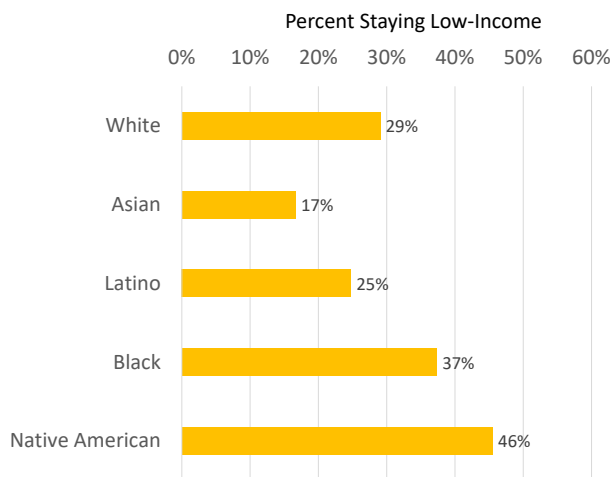
### KEY DRIVERS OF INTERGENERATIONAL POVERTY

*Reducing Intergenerational Poverty* identifies possible drivers of intergenerational poverty, classifying the many factors that influence the developmental trajectories of children living in households below the poverty line into the following seven domains.

**Education**—including early education, K-12, and postsecondary schooling, as well as career training—is a key factor in enabling individuals to escape from poverty. However, children in low-income families start school with lower levels of academic and social skills than other children, on average, and these average gaps do not close as they progress through school. Large gaps in school achievement and completed schooling also persist across racial and ethnic subgroups.

**Child health** is an important driver of intergenerational mobility. Children in low-income families have worse health than other children, a disparity that 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. They are also more likely to be exposed to pollution, an important driver of health.

**Family income and wealth, and parental earning and employment** play an important role in shaping the family, schooling, and neighborhood contexts in which children develop. Low wages, earnings, and income threaten to perpetuate the cycle of economic disadvantage by leaving low-income parents unable to provide their children with proper nutrition, access to medical care, and enrichment and learning activities, along with a host of other resources that might promote intergenerational mobility.



**FIGURE 1** Intergenerational persistence of low-income status, by racial and ethnic group.  
NOTES: This figure shows the share of children with parents in the bottom income quintile, who remained in the bottom income quintile in adulthood. Child income is measured as mean household adjusted gross income (AGI) in 2014–2015 and parent income is measured as mean household AGI in 1994–2000. Children were born between 1978 and 1983.  
SOURCE: Data from Chetty, R., Hendren, N., Jones, M. R., & Porter, S. R. (2020). Race and economic opportunity in the United States: An intergenerational perspective. *The Quarterly Journal of Economics*, 135(2), 711–783.

**Family structure** has changed over the past 50 years, as single-parent families have become much more prevalent. There is a strong association between growing up in a single-parent family and low-income status in adulthood.

**Housing, residential mobility, and neighborhood conditions** serve as the foundation for children's health, education, and development. Consistent evidence shows that intergenerational poverty is linked with high lead levels, homelessness, overcrowding, moving frequently, and high housing costs (relative to income) in childhood.

**Neighborhood safety and the criminal justice system** affect the well-being, development, and mobility of children. Crime affects children in two ways—through victimization and through involvement with the criminal justice system. Low-income and younger people are most likely to report being victims of crime in their neighborhoods and schools. At the same time, despite generally declining rates of crime in recent decades, persistently high rates of incarceration disproportionately affect children in families with low incomes.

**Child maltreatment and involvement with the child welfare system** are highly correlated with income and poverty. Children who experience abuse, neglect, and/or involvement with child welfare systems are at elevated risk of intergenerational poverty.

#### **POLICIES AND PROGRAMS TO REDUCE INTERGENERATIONAL POVERTY**

Policies and programs implemented in the past 50 years have succeeded in addressing some of the drivers of intergenerational poverty in health, education, and family income. At the same time, other policies and programs have hindered the mobility of some children, particularly Black and Native American children.

The committee identified evidence-based policies and programs that appeared likely to reduce instances of low-income children becoming low-income adults. In examining policies and programs, the committee considered the strength of the research and evaluation evidence; the magnitude of impacts relative to costs; and

possible behavioral responses to policies and programs. The report found direct evidence of success in reducing intergenerational poverty in policies and programs addressing five of the seven key drivers: education; child and maternal health; family income, employment, and wealth; housing and neighborhoods; and neighborhood crime and the criminal justice system.

#### **Education**

- Increase K-12 school spending in the poorest districts\*
- Increase teacher workforce diversity\*
- Reduce exclusionary school discipline\*
- Expand effective financial aid programs for low-income college students\*
- Increase campus supports such as tutoring and case management\*
- Expand high-quality career and technical education programs in high school\*
- Expand occupational training programs for adults and youth\*
- Increase access to Ethnic Studies courses

#### **Child and Maternal Health**

- Increase funding for Title X family planning programs\*
- Ensure that Medicaid beneficiaries have access to family planning services\*
- Expand access to Medicaid with continuous 12-month eligibility and 12-month post-partum coverage\*
- Remove the 5-year waiting period of Supplemental Nutrition Assistance Program (SNAP) eligibility for legal permanent resident parents\*

- Eliminate the proration of SNAP benefits for citizen children with undocumented parents
- Expand access to the Indian Health Service for all eligible mothers and children
- Support the Environmental Protection Agency in working with local partners to adopt and expand efficient methods of monitoring outdoor and—especially in schools—indoor air quality
- Expand use of effective strategies like community policing\*
- 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\*

#### **Family Income, Employment, and Wealth**

- Expand the Earned Income Tax Credit by increasing payments along some or all portions of the schedule and possibly by providing a credit to families with no earnings\*

#### **Housing and Neighborhoods**

- 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

#### **Neighborhood Crime and the Criminal Justice System**

- Use juvenile confinement only for youth who pose a serious and immediate threat to public safety\*
- Improve school quality and reduce lead exposure in ways identified in the education and health categories\*
- Scale up programs that abate vacant lots and abandoned homes\*
- Increase grants to community-based organizations\*
- Expand funding for policing in high-crime neighborhoods\*

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

#### **PRIORITIES FOR FUTURE RESEARCH**

While the committee was able to identify a number of programs and policies that appeared to be effective in reducing intergenerational poverty, it lacked high-quality evidence on whether many successful programs run in one site would succeed if operated on a much larger scale. Most importantly, though, data access issues thwarted efforts to estimate the intergenerational impacts of many promising programs.

Existing census, survey, and administrative data—linked for families over time and across subject domains, including income, wealth, demographics, health, and education, and with appropriate confidentiality protection—would be invaluable for cost-effective research on intergenerational mobility. The report recommends that the Chief Statistician at the Office of Management and Budget facilitate research on economic opportunity, intergenerational poverty, and related topics by reducing the barriers to secure access to confidential data from the Internal Revenue Service, Census Bureau, and certain state benefit program records to allow for policy evaluation and research.

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\* Indicates that the supporting evidence was particularly strong.

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#### FOR MORE INFORMATION

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