

# Reducing Intergenerational Poverty

## The Role of Racial Disparities on 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 disadvantage 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.

Although the costs of perpetuating the cycle of poverty fall on society as a whole, poverty itself is not spread equally throughout society. 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—disproportionately impacts Black and Native American families, who experience much less upward mobility than White children growing up in the same circumstances.

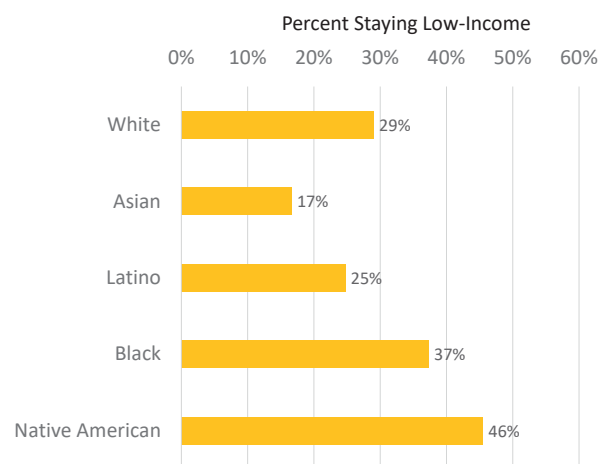
The National Academies of Sciences, Engineering, and Medicine released a comprehensive report on intergenerational poverty. The report, *Reducing Intergenerational Poverty*, examines the drivers of long-term, intergenerational poverty; identifies potential policies and programs to reduce it; and recommends actions to address gaps in data and research. This issue brief discusses the significant role of racial disparities in intergenerational poverty, including the historical

roots and contemporary drivers of racial disparities in intergenerational mobility.

### RACIAL DISPARITIES IN INTERGENERATIONAL POVERTY

The challenges that Black and Native American families face in propelling their children into socioeconomic security result from contemporary and historical disparities, discrimination, and structural racism. These factors are crucial in shaping the relevant determinants of poverty over generations.

Almost half (46%) of Native American children and more than one-third (37%) of Black children who grew up in low-income families have low incomes in adulthood.



**FIGURE 1** Intergenerational low-income persistence, by racial and ethnic group.  
SOURCE: Data from Chetty et al. (2020), based on data from the Internal Revenue Service.

## **HISTORICAL ROOTS OF RACIAL DISPARITIES IN**

### **INTERGENERATIONAL MOBILITY**

Many factors influence the behaviors and choices of Black and Native Americans, including experiences of historical violence, oppression, and marginalization. This history has shaped contemporary racial disparities in health, education, the labor market, housing, the criminal legal system, and child maltreatment. Black and Native Americans were set on a course of socioeconomic disadvantage largely by the forced migration of Native Americans and land theft; chattel slavery and labor exploitation; and forced assimilation and legalized racial discrimination.

## **CONTEMPORARY DRIVERS OF RACIAL DISPARITIES IN**

### **INTERGENERATIONAL POVERTY**

Systems and social drivers—education, health, housing and neighborhood resources, child welfare, criminal justice, and wages and employment—continue to perpetuate racial disparities in intergenerational poverty today.

#### **Education**

While educational attainment and skills have dramatically improved over time among Black and Native American children, disparities in access to educational opportunities are still deep and enduring characteristics of the American education system.

Most school districts reflect the demographic and socioeconomic compositions of their neighborhoods, and Black and Native American children are more likely than White children to live in high-poverty areas. Schools serving children from low-income families tend to have fewer material resources, course offerings, and experienced teachers.

When a Native American child enters kindergarten, compared with other American children, they are often behind in reading, mathematics, and fine motor skills, which can be largely attributed to the lack of early childhood education and economic and social struggles in the home. Disparities continue throughout the life course. Black students entering kindergarten are about half a year behind their White counterparts in early math

achievement and experience gaps in kindergarten–entry literacy, differences that continue throughout school completion.

#### **Health**

Lack of access to health care is detrimental to the health of Black and Native American people, with these populations more likely to experience high uninsured rates. Even after accounting for socioeconomic factors, race and ethnicity remained significant predictors in access to and quality of health care received.

Today, more than 25% of Native Americans under age 65 are uninsured, and Black individuals under the age of 65 have an uninsurance rate of 11.5%, compared with 7.5% for their White counterparts.

Black and Native American children experience worse health than their White counterparts, impacted by limited access to health care, environmental influences including pollution and community violence, poor nutrition, and differential treatment by health care providers. Racism is associated with greater exposure to and experiences of trauma and chronic stress, environmental toxins, and violence.

#### **Wages and Employment**

Evidence indicates that there is racial discrimination in the labor market, affecting who gets an interview and who gets hired, as well as enduring patterns of racial inequality. White applicants are more likely than Black applicants with the same education and employment qualifications to receive employer call-backs and job offers.

Black workers are more likely to be employed in lower skilled or disappearing occupations, less stable jobs, with less regular work, and with more precarious work hours.

#### **Housing and Neighborhood Environments**

Despite a reduction in Black–White residential segregation in recent decades, Black Americans have experienced systematic exclusion from places that promote upward mobility. Additionally, the rise in segregation by socioeconomic status (SES) means that

Black and Native American families living below the poverty line suffer a double blow, which limits the upward mobility of their children over time.

Historically redlined neighborhoods are disproportionately occupied by non-White residents today and have lower homeownership rates, lower home values, higher poverty rates, lower life expectancy, higher rates of chronic disease, higher rates of preterm births, less health-promoting tree cover and green space, and higher incidence of emergency room visits for asthma.

### Crime, Victimization, and Criminal Justice

Racial inequalities explain most of the dramatic differences in crime across racial groups. These same disadvantages also contribute to racial disparities in criminal justice contacts, further compounding inequality.

There are racial disparities in both the commission of violent crime and victimization as well as in arrests, charging, convictions, sentencing, incarceration, and community supervision. Black and Native American youth are much more likely to be arrested and detained. An analysis of juvenile incarceration in 2018 shows that the rate of confinement for Black and Native American youth is higher than the rates of confinement for White, Latino, and Asian youth combined. Disproportionate punishment in the juvenile justice system reduces

educational attainment and increases future criminal activity, both of which are directly linked to lower employment and earnings.

Community violence poses a significant risk to health and well-being for Black, Native American, and low-income communities. Black and Native American youth are more likely to be victims of crime and to witness more community-level violence than White youth.

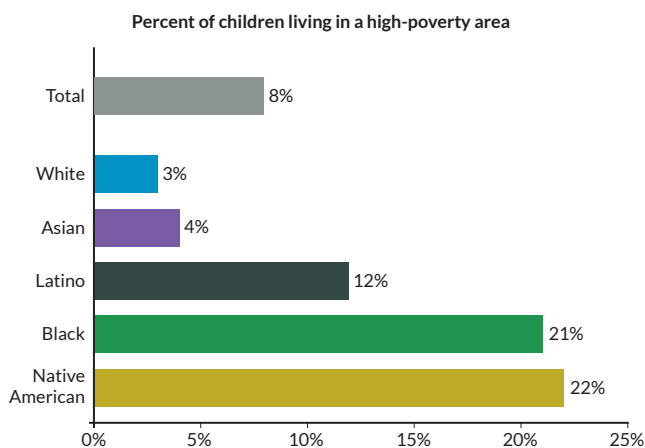
### Child Welfare System

Differentiating child maltreatment and neglect from the common conditions of poverty (e.g., food insecurity, lack of child care) can be challenging, and thus the child welfare system risks sweeping in families—particularly Black and Native American families—just for having low incomes. Black children are more likely than their White counterparts to be referred to the child welfare system regarding suspected maltreatment and to be substantiated for maltreatment.

The limited rigorous data on children from Native American populations suggest that they have the highest rate of maltreatment at 15.5 per 1,000 American Indian/Alask Native children. Black children have the second highest maltreatment victimization rate, at 13.2 per 1,000 Black children.

### TAKING ACTION TO ADDRESS RACIAL DISPARITIES IN INTERGENERATIONAL POVERTY

The following programs and policies show evidence of reducing intergenerational poverty for Black children. As none of the programs or policies below were assessed for addressing intergenerational disparities among Native American children, they did not meet the criteria for being effective for this population.



**FIGURE 2** Children living in high-poverty areas by race and ethnicity in the United States, 2017–2021.  
SOURCE: Data from Kids Count Data Center (2023) with the original source using data from the U.S. Census Bureau, 2006–2010 to 2017–2021 American Community Survey five-year data.

NOTE: While the following policy interventions are supported by the strongest evidence, several other policies show promising potential. More research is needed to identify direct evidence of their efficacy in reducing racial disparities in intergenerational poverty.

DRIVER	PROGRAM OR POLICY EXAMPLE SUPPORTED BY DIRECT EVIDENCE
<b>Education</b>	
K–12 education	Increase K–12 school spending in the poorest districts.
	Recruit Black teachers.
	Reduce exclusionary school discipline.
Post–secondary education	Expand effective financial aid and tutoring programs for low-income students.
Career training	Expand high-quality career and technical education programs in high school and sectoral training programs for adults and youth.
<b>Child and Maternal Health</b>	
Health insurance	Expand access to Medicaid with continuous 12-month eligibility and 12-month post-partum coverage.
Pollution reduction	Support the U.S. Environmental Protection Agency to work with local partners to adopt and expand efficient methods of monitoring outdoor and indoor air quality, especially in and near schools.
<b>Family Income, Employment, and Wealth</b>	
Work-based income support	Expand the Earned Income Tax Credit by increasing payments along some or all portions of the schedule.
<b>Neighborhood Crime and the Criminal Justice System</b>	
Juvenile incarceration	Eliminate most or all juvenile detention and incarceration for non-felony offenses and most non-violent felony offenses.
Child investment strategies	Scale up evidence-based therapeutic interventions.
Strengthen communities to reduce violent crime and victimization	Scale up programs that abate vacant lots and abandoned homes; increase grants to community-based organizations.
Policing strategies	Expand funding for policing in high-crime neighborhoods and use of effective strategies like community policing.

#### FOR MORE INFORMATION

This Consensus Study Report Highlights was prepared by the National Academies' Board on Children, Youth, and Families and Committee on National Statistics based on the report *Reducing Intergenerational Poverty* (2024).

This study was sponsored by the Administration for Children and Families, a division of the U.S. Department of Health and Human Services; Bainum Family Foundation; Doris Duke Foundation; Foundation for Child Development; National Academy of Sciences' W.K. Kellogg Fund; Russell Sage Foundation; and W.K. Kellogg Foundation. Any opinions, findings, conclusions, or recommendations expressed in this publication do not necessarily reflect the views of the sponsors.

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