

Reducing Intergenerational Poverty

The Impact of Family Structure 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 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.

The National Academies of Sciences, Engineering, and Medicine released a comprehensive report on 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—in the United States. 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.

BACKGROUND

Trends in child poverty over the past half century have been shaped by a number of demographic changes. Increases in both educational attainment and employment among low-income mothers, coupled with reductions in teen births, have lowered the child poverty rate. At the same time, the declining share of children

living with married parents has led to an increase in child poverty. Much less is known about the impact of these demographic factors on intergenerational poverty.

The share of children living in homes with married parents has fallen considerably, dropping from 77% in 1980 to 63% four decades later. The striking increase in incarceration over the last quarter of the 20th century accounts for some but not most of these trends.

Children reared in single-parent homes are much more likely than other children to be living in poverty. In 2019, 8% of children living in homes with married parents had family incomes below the Supplemental Poverty Measure (SPM) poverty line, compared with more than one-quarter of children living with single mothers.

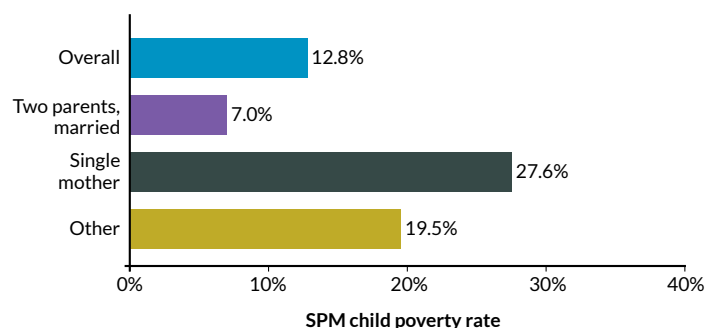


FIGURE 1 SPM child poverty rates by family composition, 2019.
SOURCE: Data from the Annual Social and Economic Supplement to the Current Population Survey data from IPUMS-CPS (2022).

Cyclically, family structure during childhood has been linked to intergenerational outcomes, such as completed schooling. Research shows that children growing up in stable married households completed 1.6 more years of schooling than other children. In addition, they found that these children’s adult family incomes were \$52,000 higher than those of children in families with never-married parents. Differences in these intergenerational outcomes were smaller, yet still notable, when children in stable married families were compared with children who were born into married-couple families but experienced marital dissolution while they were growing up.

FAMILY STRUCTURE AND INTERGENERATIONAL CHILD WELL-BEING

One possible reason why married-parent family structure is associated with better child outcomes is that having two adults in the home means twice as many potential income earners relative to single-parent families. Research following Consumer Expenditure Survey data shows that families with married parents spend nearly twice as much on enrichment goods and services (e.g., daycare centers, private school tuition, lessons, and other extra-curricular activities) for their children than either cohabiting or single parents.

Studies have found a direct positive association between child well-being and marriage. Stability, a nurturing home environment, health insurance coverage, home ownership, and paternal involvement are associated with marriage and may also have independent effects on intergenerational mobility. Children growing up in a two-parent home may also enjoy substantially more time with a parent, which could complement parental financial investments.

DOES FAMILY STRUCTURE AFFECT INTERGENERATIONAL MOBILITY?

Estimating the causal effect of marriage on intergenerational poverty is difficult because the true causes may lie in unmeasured differences across family types, rather than in family structure itself. While

no study yields truly convincing causal evidence, the persistence of impacts across varied studies is strongly suggestive of a causal relationship.

That said, changes in family structure associated with divorce have been found to lead to reductions in adult earnings and college attendance and increases in teen births and incarceration. Exposure to divorce prior to age 11 is associated with a reduction of greater than 6% in children’s family income in adulthood.

DISPARITIES IN FAMILY STRUCTURE

Family structures differ markedly by race/ethnicity and education levels. The largest proportions of children living with both married parents could be found among Asian children (88%), followed by White (77%) and Hispanic (62%) children, while only 38% of Black children were living with married parents. Rates of married-parent family structures are 28 percentage points higher for White college graduates than White high school dropouts. Corresponding differences amount to 17 percentage points for Hispanic children, 30 percentage points for Black children, and 9 percentage points for Asian children.

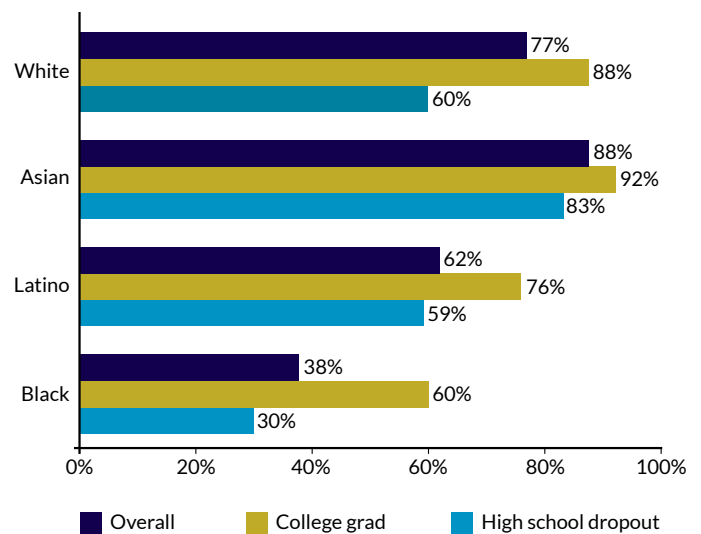


FIGURE 2 Percent of children living with married parents, by race/ethnicity and education, 2019.
 SOURCE: Adapted from Figure 4 in Kearney (2022) and based on data from the American Community Survey.

NEIGHBORHOOD DIFFERENCES IN FAMILY STRUCTURE

A correlational study of intergenerational mobility found lower mobility for low-income children in neighborhood areas with a large fraction of single parents in the neighborhood. Children of single parents have higher rates of upward intergenerational mobility if they grow up in a neighborhood with fewer single-parent households. These neighborhood effects have been shown to be particularly strong for Black males: there is a striking association between Black father presence in the neighborhood and second-generation outcomes for Black males.

CONCLUSION

While a number of social policies might influence the decisions that teens and adults make about family composition, recent reviews conclude that the existing literature on marriage incentives and disincentives does not suggest that current social policies have had a substantial impact. Still, while it appears that married, two-parent family structures may reduce intergenerational poverty, there is a lack of direct evidence of policies and programs that are capable of promoting such structures.

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* (2023).

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