



for every child

*Spotlight on Child Poverty in the United States:  
A UNICEF USA Supplement to the UNICEF Innocenti Report*

DECEMBER 2023

# ABOUT THE UNICEF USA REPORT CARD SUPPLEMENT

Each year, UNICEF's Innocenti - Global Office of Research and Foresight monitors, measures and compares progress toward securing the rights of children across high-income countries in the Innocenti Report Card Series. In keeping with UNICEF's universal mandate for children in every country, the Innocenti Report Card series focuses on the well-being of children in high-income countries.

This UNICEF USA Supplement accompanies the UNICEF Innocenti Report Card 18 and provides a detailed domestic examination of child poverty in the United States.

UNICEF USA's Supplemental report, *Spotlight on Child Poverty in the United States*, was written by Kim Eckhart, Anne Day Leong and Tracy Nájera.

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## About UNICEF USA

Over eight decades, the United Nations Children's Fund (UNICEF) has built an unprecedented global support system for the world's children. UNICEF relentlessly works day in and day out to deliver the essentials that give every child an equitable chance in life: health care and immunizations, safe water and sanitation, nutrition, education, emergency relief and more. UNICEF USA advances the global mission of UNICEF by rallying the American public to support the world's most vulnerable children.

Publications produced by UNICEF USA are contributions to scholarship and debate on the state of children in the United States. UNICEF USA publications are not endorsed by UNICEF or the UNICEF Innocenti - Global Office of Research and Foresight.

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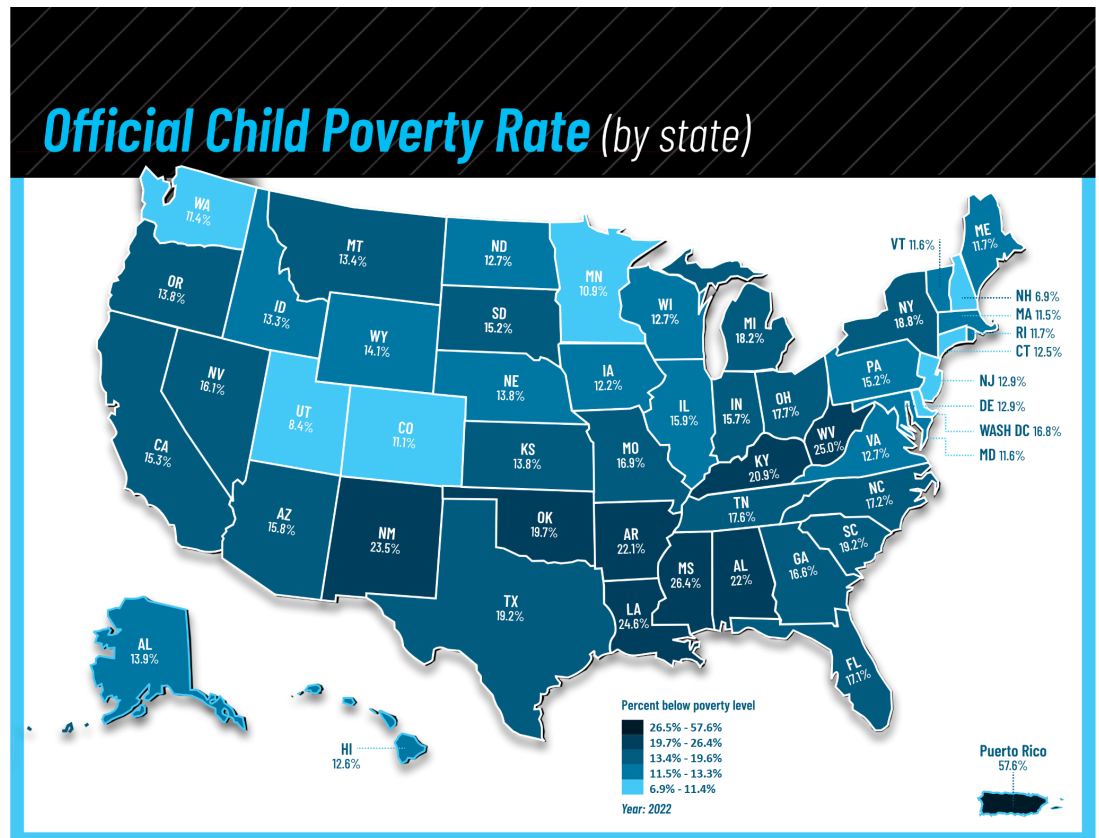
## EXECUTIVE SUMMARY

In 1964, President Lyndon B Johnson declared a War on Poverty. Nearly 60 years later, despite progress, the United States is still battling high levels of poverty- and children are suffering the consequences. Children who live in poverty are more likely to endure poor health and chronic illness, more likely to struggle in school and are at higher risk of behavioral and mental health issues. These increased risk factors put children at higher risk of growing into adults who struggle to find and keep a job. When adults face multiple challenges to maintain work and earn a sufficient income, whole economies suffer.

In recent years federal, state and local policies in the United States have made progress in lowering the number of children in poverty. This report outlines some of the promising policies that can contribute to ending child poverty in the United States. Through research-backed policies and opportunities, the United States has the potential to end child poverty, in every community and for every child.

UNICEF Report Card 18, *Child Poverty in the Midst of Wealth*, compares 43 high-income countries on issues related to child poverty. Across multiple rankings examining child poverty, the U.S. consistently ranks near the bottom among peer countries. The UNICEF Report Card cannot take a deep look into any one country. To fill that gap for the United States, UNICEF USA is producing this supplemental report to provide a more detailed look at child poverty in the United States.

The U.S. is a large and diverse country. With such diversity, poverty in the U.S. is complex. Official child poverty rates range by state from a low of 7% of children in New Hampshire to a high of 26% of children in Mississippi and 57.6% in Puerto Rico in 2022. Found within these numbers are racial differences; Black or African-American children have the highest rates of poverty in the U.S. (30%), followed closely by American Indian or Alaskan Native children (29%), and Hispanic and Latino children (22%). These rates of child

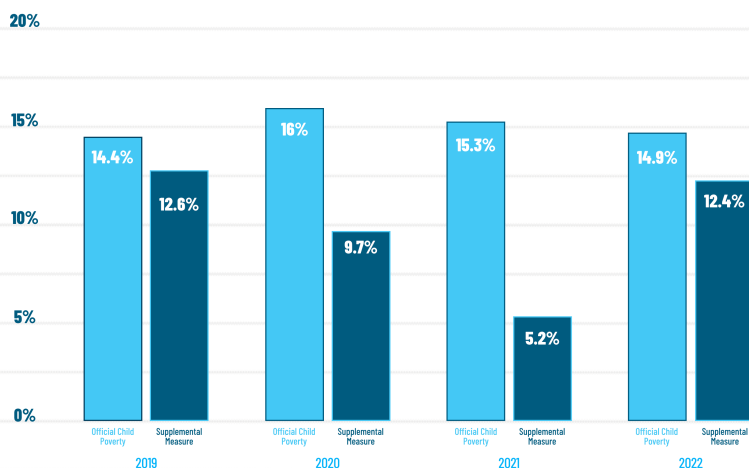


poverty go far beyond an empty wallet. In 2021, one in eight American households did not have enough food to feed everyone in the house. Hungry children struggling to concentrate in school contributed to the 19% of children in poverty who did not graduate high school on time. In the long term, this costs the nation an estimated 5.4% of the gross domestic product in lower economic productivity and increased government spending.

## Child Poverty Rates

The official poverty rate is a traditional measure of poverty in the United States, based solely on income, while the supplemental poverty measure takes into account additional factors like government assistance to provide a more comprehensive picture of poverty.

Official Child Poverty & Poverty Measure



During the COVID-19 pandemic, the United States government responded to a national threat to Americans with a national response. For children, the greatest return on investments came with the expansion of the Child Tax Credit. The additional income support families received in 2021 through programs like the expanded Child Tax Credit produced the greatest drop in child poverty that the United States has ever recorded. The supplemental measure of the child poverty rate dropped to 5.2% in 2021. In 2022, COVID-19 support programs, including the expanded Child Tax Credit, ended, and the supplemental measure of child poverty reverted to rates seen before the expansion of the Child Tax Credit (12.4%). If the

expanded Child Tax Credit had remained in effect in 2022, five million children would have avoided poverty. This is a strong indicator that the expanded Child Tax Credit was an exceptionally effective tool in reducing child poverty.

The expanded Child Tax Credit worked so well, in part, because eligibility was simple and nearly universal. In contrast, means-tested programs require people in need to prove they are in need. Means-tested programs rely on expensive systems of staff reviewing individuals' eligibility. Many families in need never get through the application process. The expanded Child Tax Credit simply used existing information from tax records to send money to eligible families. By using existing data systems to make this benefit available, the expanded Child Tax Credit had low administrative costs, had little stigma and reached nearly all income eligible families. Through simple, low-barrier and nearly universal enrollment this program maximized impact while minimizing overhead cost.

State governments have also found impactful programs to reduce child poverty with low barriers to enrollment. Alaska's Permanent Fund uses income from the State's oil industry to provide an annual payment to Alaskan children and adults without a difficult application process. Alaska's form of basic universal income has experienced success with decreasing poverty rates across the State.

At a local level, Washington, D.C. provides funds to pay for child care to low- and moderate-income children aged 3 and 4. This program has resulted in Washington D.C.'s high rates of enrollment in early education (72% of 3-year-olds and 89% of 4-year-olds) and has increased the rates of mothers in the workforce by 10% between 2009-2019.

The United States is a large and complex country and child poverty is a difficult issue to solve, but not an impossible issue. In the last 60 years since the War on Poverty began, effective tools have been developed to fight child poverty. Through low-barrier, universal or nearly universal anti-poverty policies and programs the United States can end child poverty. The United States is one of the richest nations on earth. With smart investments, American children can and should live in a country with good health, well-being and education for every child.

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# THE CHALLENGE: CHILD POVERTY

## Introduction: A closer examination of child poverty in the U.S.

Child well-being is the foundation for a healthy society and child poverty is a critical threat to the well-being of children. Addressing child poverty is not only a moral imperative but also an investment in the well-being and future prosperity of a nation. The United Nations Convention on the Rights of the Child, adopted on November 20, 1989, establishes that children have a right to lead a safe and fulfilling life. Measuring child well-being provides an indication of how well communities and governments are doing in terms of providing a safe, nurturing and supportive environment for children.

The U.S. ranks 32<sup>nd</sup> out of the 39 nations in UNICEF's Report Card 18 measure of child poverty, despite having the seventh highest GDP per capita<sup>1</sup>. A lower rank suggests that a significant portion of children in the United States are experiencing hardships and provides an indicator that the U.S. has made minimal progress on eliminating child poverty since 2012 when compared to peer high income countries. Further information and analysis of the U.S. progress on child poverty in relation to peer countries can be found in UNICEF Report Card 18, *Child Poverty in the Midst of Wealth*.

## Geographic and Demographic Differences in Child Poverty in the U.S.

Innocenti Report Card 18's comparative analysis prompts an examination of regional and demographic variations in poverty. To examine regional and demographic differences, this report relies on the official measures of poverty used by the U.S. Census Bureau. This measure varies from the one used in the rankings of the Innocenti Report Card 18, which calculated a comparable poverty measure across countries. The Innocenti Report Card on child poverty calculated relative income poverty as households with an income below 60% of the national median income. In contrast, the official U.S. poverty measure is based on the Federal Poverty Level (FPL), which is adjusted each year based on inflation. The U.S. poverty measure is criticized for being an inadequate measure of poverty<sup>2</sup>. It was originally developed in the 1960s and has not kept pace with changes in the cost of living and the changing economic landscape. Many children are not officially considered to be in poverty, but they still experience its hardships. The U.S. child poverty rate measured in Report Card 18 is 26.2%, which is closer to the rate of children who are under 150% of the FPL (27%)<sup>3</sup>. To account for the limitations of an official poverty level that is too low, the eligibility for federal social programs that benefit children in poverty, such as publicly funded school meals and healthcare, range from 150% to over 200% of the poverty line, to include more children who are impacted by economic hardships.

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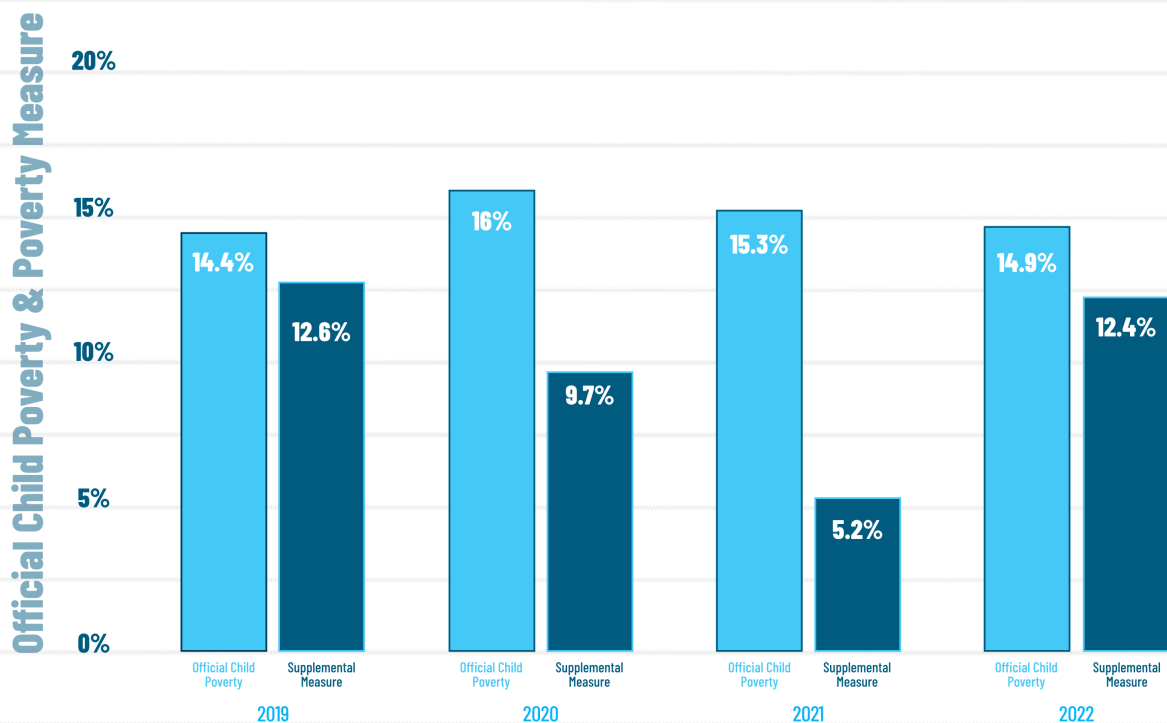
<sup>1</sup> [International Monetary Fund. 2023](#). World Economic Outlook: Navigating Global Divergences. Washington, DC. October 2023

<sup>2</sup> [Population Reference Bureau](#) How Poverty in the United States Is Measured and Why It matters. Washington, DC. January 2022

<sup>3</sup> [KIDS COUNT Data Center](#) prepared by Population Reference Bureau, analysis of data from the U.S. Census Bureau, Census 2000 Supplementary Survey, 2001 Supplementary Survey, 2002 through 2019, 2021 American Community Survey. Accessed November 8, 2023.

# Child Poverty Rates

The official poverty rate is a traditional measure of poverty in the United States, based solely on income, while the supplemental poverty measure takes into account additional factors like government assistance to provide a more comprehensive picture of poverty.

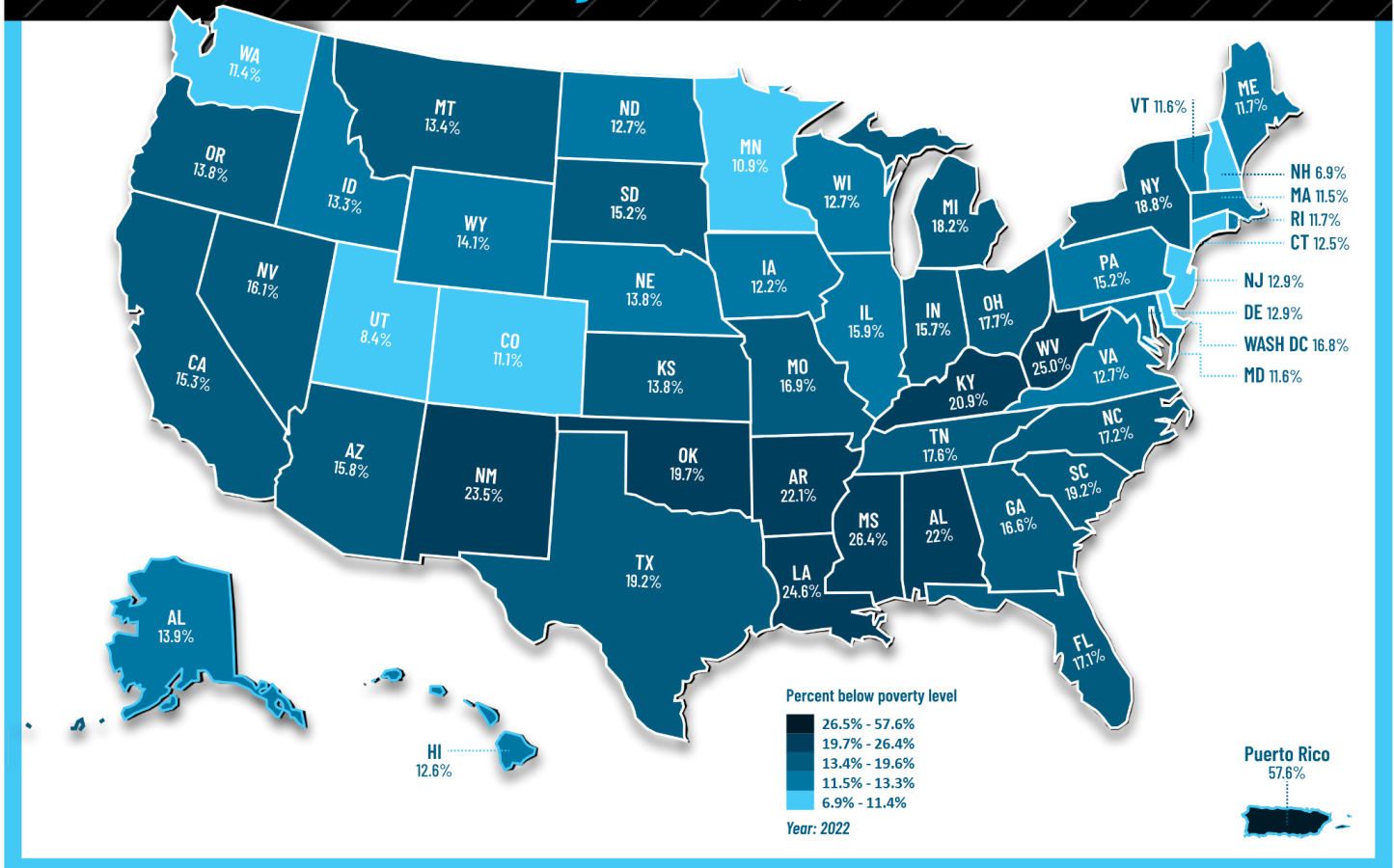


A more nuanced measure of child poverty, the Supplemental Poverty Measure (SPM), takes into account additional factors like government assistance and some essential expenses such as child care, to provide a more comprehensive picture. After taking social protection programs into account, fewer children are considered to be in poverty. Prior to the pandemic, in 2019, the official child poverty rate was 14.4% and the supplemental child poverty rate was 12.6%<sup>4</sup>. This report will describe in more detail how pandemic-era social protections such as the expanded Child Tax Credit further widened the gap between the Supplemental Poverty Level and the Official Poverty Level in 2021, from 15.3% compared to 5.2%. The gap narrowed in 2022 (14.9% compared to 12.4%) reflecting the expiration of the policies<sup>5</sup>.

<sup>4</sup> John Creamer, Emily A. Shrider, Kalee Burns and Frances Chen, "[Poverty in the United States: 2021](#)" U.S. Census Bureau. September 13, 2022, Accessed November 7, 2023.

<sup>5</sup> Emily A. Shrider and John Creamer, "Poverty in the United States: 2022 Current Population Reports," U.S. Census Bureau. Issued September 2023, Accessed November 8, 2023.

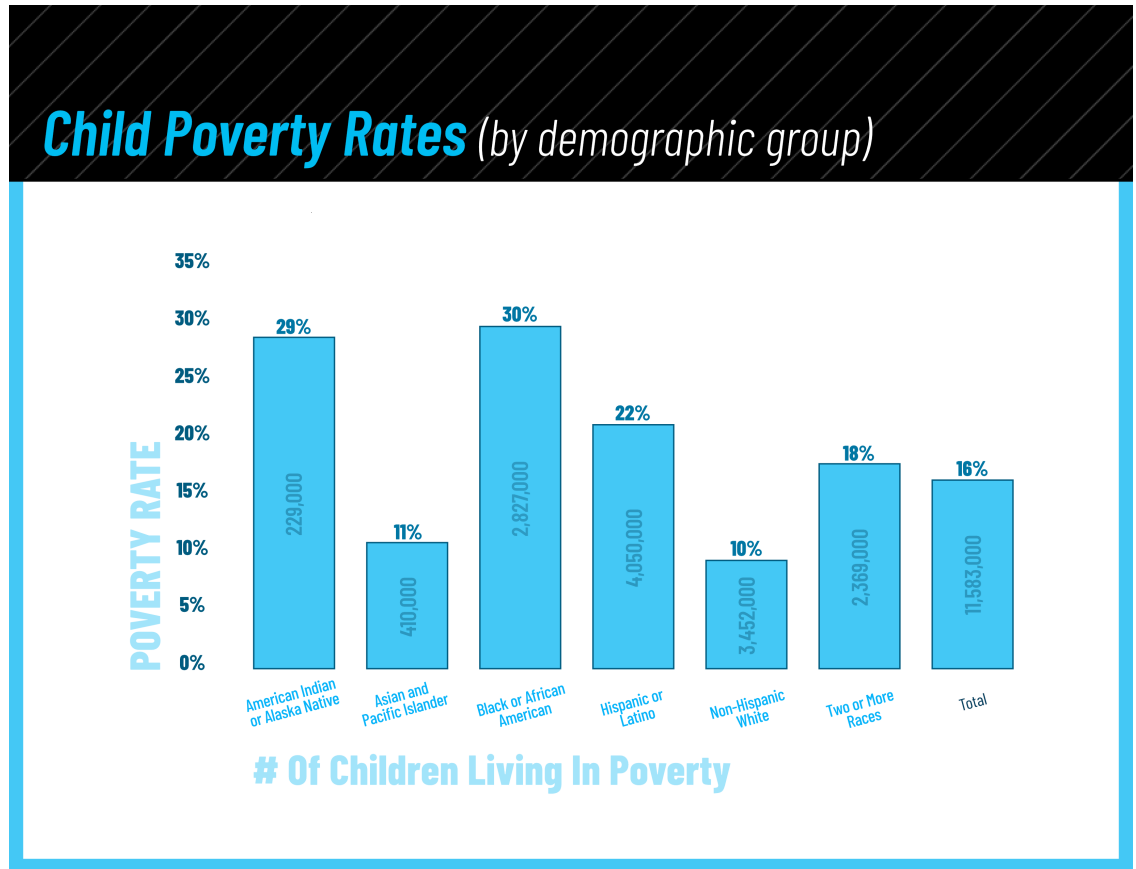
# Official Child Poverty Rate (by state)



Comparing child poverty across regions is essential for understanding and addressing disparities, targeting culturally and geographically responsive interventions and allocating resources effectively. Official child poverty rates vary widely among states, from a low of 6.9% in New Hampshire to a high of 26.4% in Mississippi in 2022<sup>6</sup>. Puerto Rico, the most populous U.S. territory, is not calculated into the Official US Poverty Rate but represents a high level of child poverty (57.6%). The map shows the rates of poverty in different states with the darker shades reflecting a higher rate of poverty. States in the bottom quartile are concentrated in the southern region of the U.S. and also include northern states of Ohio, Michigan and New York. States in the top quartile are concentrated in the New England region and also include western states Colorado, Washington and Utah.

<sup>6</sup> US Census Bureau, 2022 American Community Survey 1-Year Estimates, United States Census Bureau, Issues October 2023, Accessed November 10, 2023

Examining child poverty by race and ethnicity highlights disparities among the population. It is important to put these disparities into the historical context of discrimination against racial and ethnic minorities, particularly the generational repercussions of slavery on Black Americans and discrimination against Native and Indigenous Americans, causing deep-seated inequalities that persist today. Poverty often perpetuates itself across generations. Past discrimination and limited opportunities have contributed to the ongoing cycle of poverty. To address these historical injustices, it's essential to understand how they continue to affect children and families of marginalized racial and ethnic backgrounds. Systemic racism is not just a historical phenomenon, it continues to play a significant role in shaping the economic outcomes of different communities. In 2022, child poverty was three times higher among children who are Black or African American (30%) and American Indian or Alaskan Native (29%) than children who are white (10%) or Asian and Pacific Islander (11%).<sup>7</sup> Children who are



Hispanic or Latino also have higher than average rates of poverty (22%) compared to the average across all children of 16%. Children of two or more races are the closest to the average level of poverty, at 18%. No degree of poverty is acceptable, but higher rates among children who have been historically marginalized require targeted interventions to mitigate the effects of poverty in specific communities.

## The impacts of child poverty

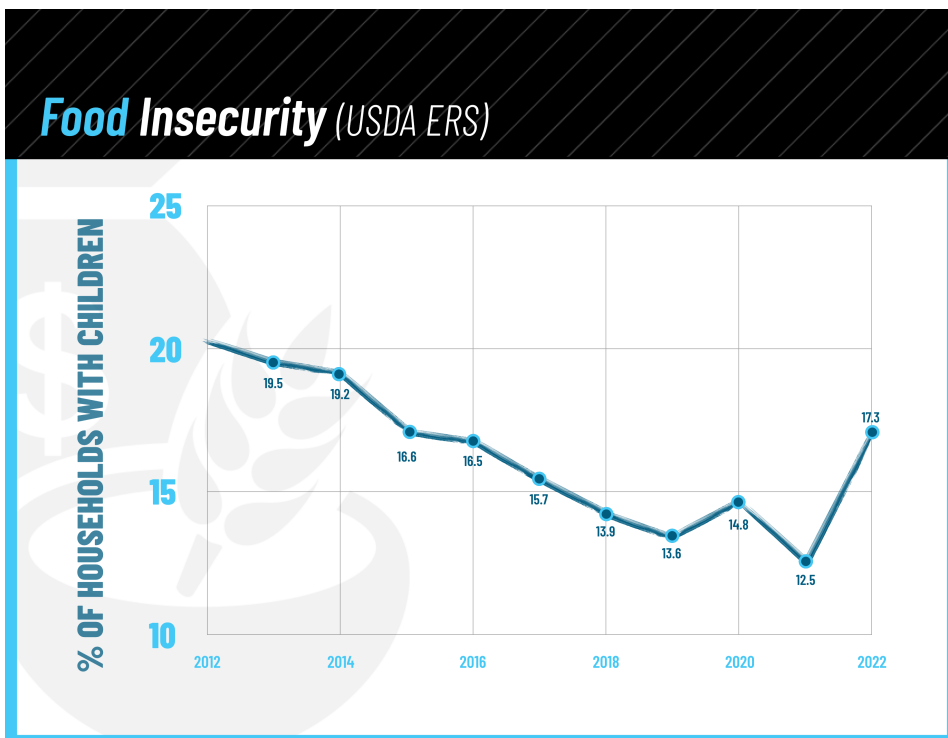
### Hunger

Child poverty has impacts across a variety of outcomes and one of the most salient is hunger. Poverty restricts families' ability to provide their children with enough nutritious food. Food-insecure households may skip meals, reduce portion sizes, or rely on less expensive, less nutritious options, which can result in hunger and malnutrition for children. Consequently, children may lack essential vitamins and minerals, leading to poor health and growth. In some impoverished neighborhoods, there may be limited access to grocery stores and fresh produce, commonly referred to as "food deserts." Families without transportation must rely on convenience stores or fast food, which tend to offer less nutritious options.

<sup>7</sup> [KIDS COUNT Data Center](#). PRB analysis of data from the U.S. Census Bureau, American Community Survey table C17001.

Persistent hunger and malnutrition can have severe health consequences for children, affecting their physical and cognitive development. Malnourished children may experience stunted growth, developmental delays, weakened immune systems and a higher risk of acute and chronic health conditions<sup>8, 9, 10</sup>. Hunger can hinder a child's ability to concentrate, learn and perform well in school. Malnourished children may struggle with cognitive functions, which can perpetuate a cycle of poverty by limiting their future educational and economic opportunities<sup>11</sup>. Hunger can also have psychological and emotional effects on children. It can lead to stress, anxiety and a sense of shame or inadequacy, which can affect their self-esteem and overall well-being<sup>12</sup>.

In the United States, roughly one in eight households with children experienced food insecurity in 2021 while one in six children were in poverty<sup>13, 14</sup>. This suggests households with multiple children are at higher risk of poverty and food insecurity and/or households in poverty are dedicating their limited resources to food. Food insecurity was historically low in 2021, in part due to pandemic-era social protections that will be described later in this report. It is a marked improvement from nearly one in four households who experienced this hardship during the recession of 2009. In 2022, food insecurity among households with children spiked to 17.3% after the expiration of pandemic-era social protections, the highest it has been in eight years<sup>15</sup>. The chart *Food Insecurity* demonstrates the need for more social protections to ensure that children do not suffer from hunger.



<sup>8</sup> de Onis, M., et al. (2018). Prevalence thresholds for wasting, overweight and stunting in children under 5 years. *Public health nutrition*, 22(1), 175-179.

<sup>9</sup> Rytter MJ, Kolte L, Briend A, Friis H, Christensen VB. The immune system in children with malnutrition--a systematic review. *PLoS One*. 2014 Aug 25;9(8):e105017. doi: 10.1371/journal.pone.0105017. PMID: 25153531; PMCID: PMC4143239.

<sup>10</sup> Janina R Galler, Maria L Bringas-Vega, Qin Tang, Arielle G Rabinowitz, Kamarul Imran Musa, Wen Jia Chai, Hazim Omar, Muhammad Riddha Abdul Rahman, Aini Ismafairus Abd Hamid, Jafri Malin Abdullah, Pedro A Valdés-Sosa, Neurodevelopmental effects of childhood malnutrition: A neuroimaging perspective, *NeuroImage*, Volume 231, 2021, 117828, ISSN 1053-8119, <https://doi.org/10.1016/j.neuroimage.2021.117828>.

<sup>11</sup> Siddiqui F, Salam RA, Lassi ZS, Das JK. The Intertwined Relationship Between Malnutrition and Poverty. *Front Public Health*. 2020 Aug 28;8:453. doi: 10.3389/fpubh.2020.00453. PMID: 32984245; PMCID: PMC7485412.

<sup>12</sup> Gallegos D, Eivers A, Sondergeld P, Pattinson C. Food Insecurity and Child Development: A State-of-the-Art Review. *Int J Environ Res Public Health*. 2021 Aug 26;18(17):8990. doi: 10.3390/ijerph18178990. PMID: 34501578; PMCID: PMC8431639.

<sup>13</sup> KIDS COUNT Data Center indicator Children in Poverty in the United States, <https://datacenter.aecf.org/data/tables/43-children-in-poverty#detailed/1/any/false/1095,2048,1729,37,871,870,573,869,36,868/any/321,322>, accessed November 7, 2023

<sup>14</sup> Rabbitt, M.P., Hales, L.J., Burke, M.P., & Coleman-Jensen, A. (2023). Household Food Security in the United States in 2022 (Report No. ERR-325), U.S. Department of Agriculture, Economic Research Services.

<sup>15</sup> Rabbitt, M.P., Hales, L.J., Burke, M.P., & Coleman-Jensen, A. (2023). Household Food Security in the United States in 2022 (Report No. ERR-325), U.S. Department of Agriculture, Economic Research Service.

## Safety

More than six million children were living in areas of concentrated poverty on average from 2017 to 2021<sup>16</sup>. One in twelve children in the U.S. were more likely to live in an area where they were exposed to dangerous living conditions and are at greater risk of witnessing violence<sup>17</sup>. Children have the right to grow up in safe and nurturing environments yet children living in poverty face more risks to their safety. They are more likely to reside in substandard housing, including crowded or poorly maintained homes. These conditions can pose safety hazards, such as the risk of accidents, exposure to lead paint and other environmental toxins or inadequate heating and cooling<sup>18</sup>. Communities with high concentrations of poverty are more likely to lack access to resources and have higher crime rates. Children in these areas may face a greater risk of exposure to violence. A lack of a safe neighborhood means they have limited access to parks and other safe spaces to play, a critical part of their social emotional development<sup>19</sup>.

## Health

The impacts of poverty on hunger and safety are compounded by limited access to quality healthcare services, including preventive care, vaccinations and timely treatment. Poverty may result in children missing out on critical medical check-ups and treatments, leading to unaddressed health issues<sup>20</sup>. As a result, infants have a greater risk of adverse birth outcomes and children have a higher risk of chronic health conditions such as asthma, obesity and diabetes<sup>21,22</sup>. Poverty also affects mental and behavioral health resulting from the hardships children experience<sup>23</sup>. Children living in poverty are likely to have fewer contact points with pediatric health and mental health professionals, leading to delays in diagnosing mental and behavioral health concerns and early intervention services. Children may also experience anxiety and depression which could put children at higher risk of substance abuse in adolescence<sup>24</sup>.

The U.S. provides more generous social protections for children than adults in terms of health insurance, which is evident in the lower rate of children who are uninsured than adults. Across the U.S., only 5% of children lack health

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<sup>16</sup> KIDS COUNT Data Center. Population Reference Bureau analysis of data from the U.S. Census Bureau, 2000 Decennial Census Summary File 1 and Summary File 3 and the 2006-2010 to 2017-2021 American Community Survey 5-year data.

<sup>17</sup> Sampson RJ, Raudenbush SW, & Earls FJ (1997). Neighborhoods and violent crime: A multilevel study of collective efficacy. *Science*, 277(5328), 918-924.

<sup>18</sup> Princeton University, Woodrow Wilson School of Public and International Affairs. "Study links unhealthy segregated neighborhoods to childhood asthma." *ScienceDaily*. ScienceDaily, 7 August 2017. <[www.sciencedaily.com/releases/2017/08/170807111454.htm](http://www.sciencedaily.com/releases/2017/08/170807111454.htm)>.

<sup>19</sup> Babey SH, Hastert TA and Brown ER. *Teens Living in Disadvantaged Neighborhoods Lack Access to Parks and Get Less Physical Activity*. Los Angeles: UCLA Center for Health Policy Research, 2007.

<sup>20</sup> Phelan, J. C., Link, B. G., & Tehranifar, P. (2010). Social conditions as fundamental causes of health inequalities: Theory, evidence, and policy implications. *Journal of Health and Social Behavior*, 51(Suppl 1), S28-S40. <https://doi.org/10.1177/0022146510383498>

<sup>21</sup> Sbihi H, Tamburic L, Koehoorn M, & Brauer M (2015). Greenness and incident childhood asthma: A 10-year follow-up in a population-based birth cohort. *American Journal of Respiratory and Critical Care Medicine*, 192(9), 1131-1133. doi: 10.1164/rccm.201504-0707LE

<sup>22</sup> Metallinos-Katsaras E, Must A, & Gorman K (2012). A longitudinal study of food insecurity on obesity in preschool children. *Journal of the Academy of Nutrition & Dietetics*, 112(12), 1949-1958. doi: 10.1016/j.jand.2012.08.031

<sup>23</sup> Belle, D., & Doucet, J. (2003). Poverty, inequality, and discrimination as sources of depression among U.S. women. *Psychology of Women Quarterly*, 27(2), 101-113. <https://doi.org/10.1111/1471-6402.00090>

<sup>24</sup> Halfon N, Houtrow A, Larson K, Newacheck PW, Halfon N, Houtrow A, ... Newacheck PW (2017). The changing landscape of disability in childhood the changing landscape of disability in childhood, 22(1), 13-42. doi: 10.1353/foc.2012.0004.

insurance, compared to 11% of adults in 2021.<sup>25</sup> However, these protections do not reach all children, which is evident in the higher uninsured rate among children living below the Federal Poverty Level (8.3%)<sup>26</sup>.

Undocumented immigrant children are ineligible for Medicaid and CHIP and even for children in immigrant families who are eligible, some avoid enrolling their children out of fear that applying for public health insurance programs could prevent them from obtaining citizenship status. Uninsured children's families may earn too much to qualify for Medicaid or the Children's Health Insurance Program (CHIP) but not enough to purchase private insurance.

Without adequate health insurance, paid leave, job security and reliable transportation, families may delay or miss regular immunizations<sup>27</sup>. All of these are associated with living in poverty. While this is not the only reason children do not receive their immunizations, it is a critical aspect to address. In 2020, 37% of children living in poverty had not received all of the recommended vaccines by 2 years old, compared to 21% of children above 400% of the FPL<sup>28</sup>. Delayed or inadequate immunizations leave children and others in their community exposed to preventable diseases and can lead to serious illness and even death.

### *Education*

The impacts of poverty on hunger, safety and health have obvious implications for a young person's ability to learn. Families in poverty are more likely to experience housing instability, which can lead to frequent moves and changes in schools<sup>29</sup>. This disrupts a student's education and can hinder their academic progress. Poor physical and behavioral health, a lack of clothing, food and unstable housing can result in increased absenteeism from school and difficulty concentrating in class<sup>30</sup>. Chronic absenteeism refers to students missing a substantial number of school days, typically defined as 10% or more of the school year. With the closure of schools and the transition to remote or hybrid learning models, the COVID-19 pandemic disrupted attendance and since then, chronic absenteeism has become more prevalent in the United States. In the 16 years prior to the pandemic, chronic absenteeism of children in fourth grade was 20% on average<sup>31</sup>. In 2022, chronic absenteeism for all children increased to 30% and for children in poverty it was 41%<sup>32</sup>.

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<sup>25</sup> Laryssa Mykyta, [Katherine Keisler-Starkey](#), Lisa N. Bunch, and Rachel A. Lindstrom, Health Insurance Coverage in the United States: 2022, Report Number P60-281, September 12, 2023.

<sup>26</sup> Laryssa Mykyta, [Katherine Keisler-Starkey](#), Lisa N. Bunch, and Rachel A. Lindstrom, Health Insurance Coverage in the United States: 2022, Report Number P60-281, September 12, 2023

<sup>27</sup> Anderson EL. Recommended solutions to the barriers to immunization in children and adults. *Mo Med*. 2014 Jul-Aug;111(4):344-8. PMID: 25211867; PMCID: PMC6179470.

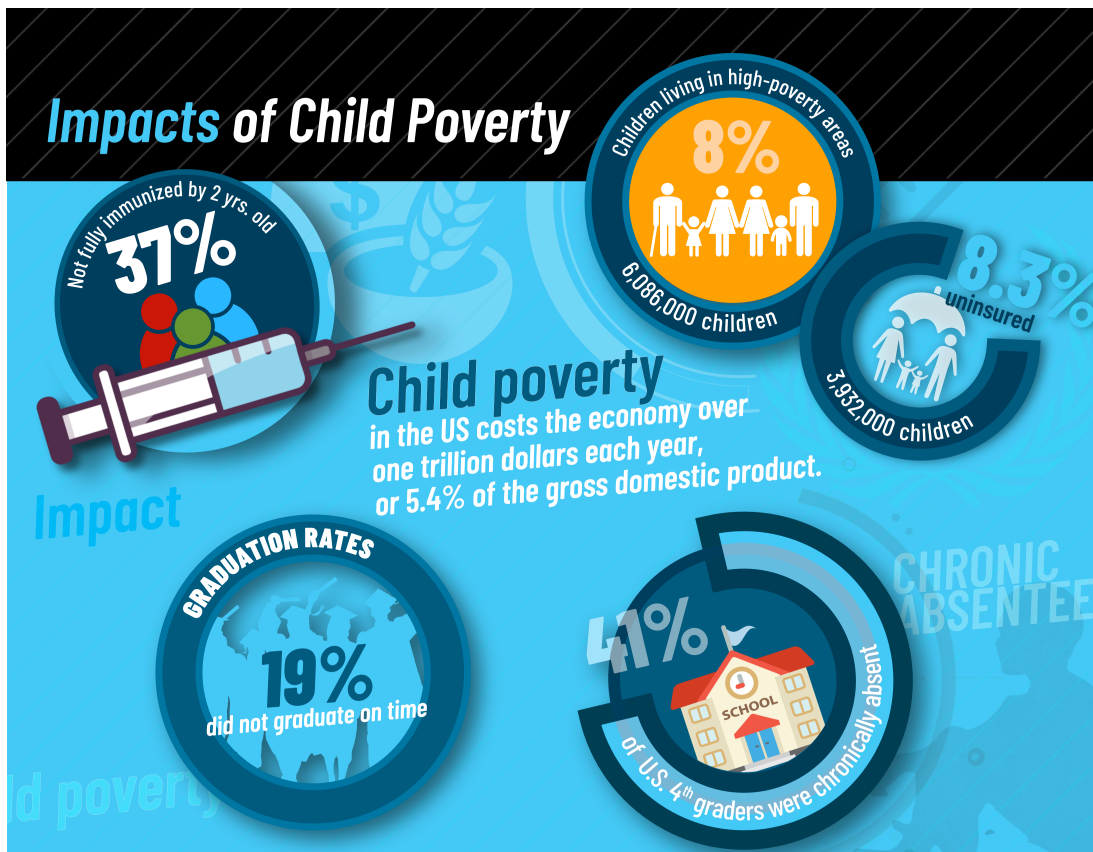
<sup>28</sup> Department of Health and Human Services (DHHS). National Center for Immunization and Respiratory Diseases. [The National Immunization Survey-Child](#), Atlanta, GA : Centers for Disease Control and Prevention, 2020. Data accessed October 26, 2023.

<sup>29</sup> Cunningham, Mary, Robin Harwood and Sam Hall, 2010, "Residential Instability and the McKinney-Vento Homeless Children and Education Program: What We Know and Gaps in the Research," Washington, D.C.: The Urban Institute. <http://www.urban.org/UploadedPDF/412115-mckinney-vento-program.pdf>.

<sup>30</sup> Balfanz, Robert and Vaughan Byrnes. 2012. Chronic Absenteeism: Summarizing What We Know From Nationally Available Data. Baltimore, MD: Johns Hopkins University Center for Social Organization of Schools. [http://new.every1graduates.org/wpcontent/uploads/2012/05/FINALChronicAbsenteeismReport\\_May16.pdf](http://new.every1graduates.org/wpcontent/uploads/2012/05/FINALChronicAbsenteeismReport_May16.pdf).

<sup>31</sup> Analysis of KIDS COUNT Data Center: "Fourth-Graders Who Are Chronically Absent From School In United States." U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics. National Assessment of Educational Progress Assessments (NAEP), 2019 Mathematics Assessments. Accessed through the NAEP Data Explorer, October 21, 2023 at <http://nces.ed.gov/nationsreportcard/naepdata/>.

<sup>32</sup> U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics. National Assessment of Educational Progress Assessments (NAEP), 2019 Mathematics Assessments and National School Lunch Program Eligibility. Accessed through the NAEP Data Explorer, October 21, 2023 at <http://nces.ed.gov/nationsreportcard/naepdata/>.



The cumulative result of barriers and adverse childhood experience related to poverty leads to lower educational attainment. In 2019-2020, 19% of students who are economically disadvantaged did not graduate on time, compared to an average of 13% of the general population<sup>33</sup>.

#### Economic Impacts

Child poverty in the U.S. costs the economy over a trillion dollars each year, or 5.4% of the gross domestic product. These costs are a combination of loss of economic productivity and increased government

spending on healthcare, child welfare interventions and crime<sup>34</sup>. For every dollar spent on reducing childhood poverty, the country would save at least seven dollars with respect to the economic costs of poverty<sup>14</sup>. Child poverty can limit access to education and healthcare, leading to a less skilled and less healthy workforce. This, in turn, reduces overall labor productivity and can hinder economic growth. Limited access to healthcare may lead to costly emergency care and higher healthcare costs that are absorbed by hospitals and public resources<sup>35</sup>.

Child poverty has declined over the past decade as the U.S. economy slowly recovered from the Great Recession. The league table in Report Card 18 measures nations' progress in reducing child poverty from the period of 2012-14 to 2019-2022. The *Decrease in Poverty Rates (by region)* map below shows reductions in the official child poverty rates across different regions in the U.S. along this same timeline. The West has made the most significant progress, reducing child poverty by 7.2%<sup>36</sup> over that time period, while the Northeast has seen smaller reductions of 3.6%. The dynamic is similar to countries in Report Card 18 that had relatively low rates of child poverty in the base year and so their reductions were also relatively small.

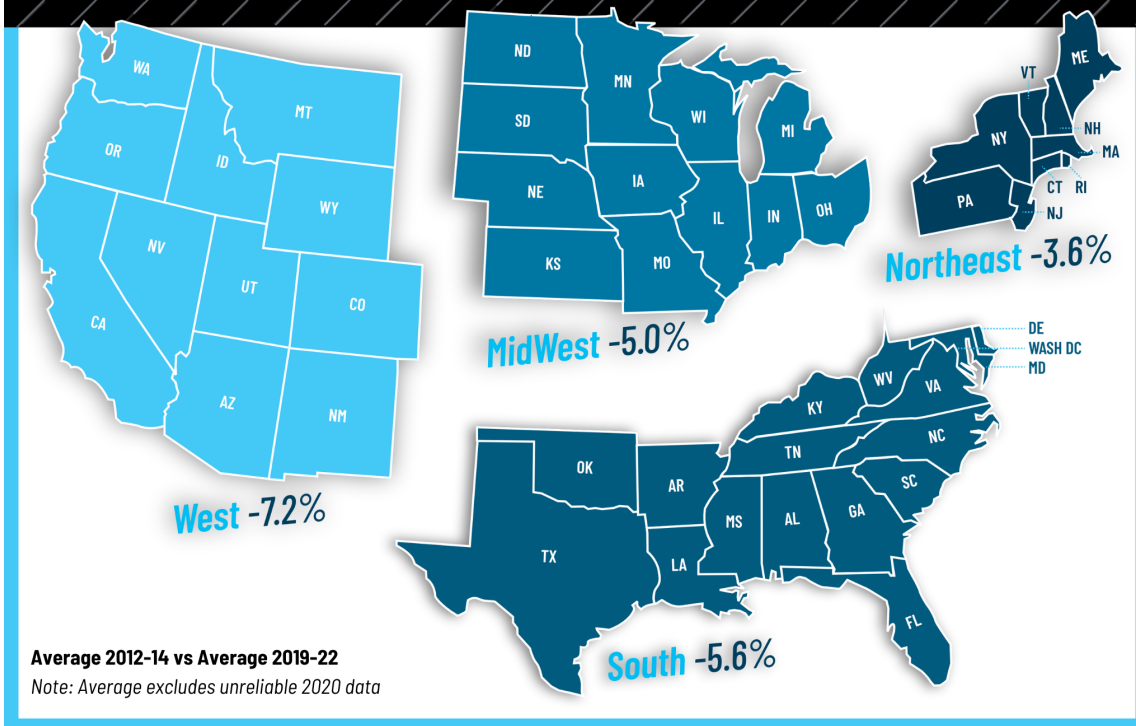
<sup>33</sup> U.S. Department of Education, National Center for Education Statistics. (2023). Public High School Graduation Rates. Condition of Education. U.S. Department of Education, Institute of Education Sciences. Retrieved November 7, 2023, from <https://nces.ed.gov/programs/coe/indicator/coi>.

<sup>34</sup> Michael McLaughlin, Mark R Rank, *Estimating the Economic Cost of Childhood Poverty in the United States*, Social Work Research, Volume 42, Issue 2, June 2018, Pages 73-83.

<sup>35</sup> Udalova, Victoria, David Powers, Sara Robinson and Isabelle Notter "Most Vulnerable More Likely to Depend on Emergency Rooms for Preventable Care, U.S. Census Bureau. January 20, 2022, accessed November 7, 2023 <https://www.census.gov/library/stories/2022/01/who-makes-more-preventable-visits-to-emergency-rooms.html>.

<sup>36</sup> Analysis of [KIDS COUNT Data Center](#). U.S. Census Bureau, American Community Survey table B17001.

## Official Decrease in Poverty Rates (by region)



Despite this progress, the large number of children who continue to face poverty after the economic recovery and the low position of the U.S. among high-income countries on these measures requires a deeper analysis of the social protections that target child poverty.

## THE OPPORTUNITY: EVIDENCE-BACKED SOLUTIONS

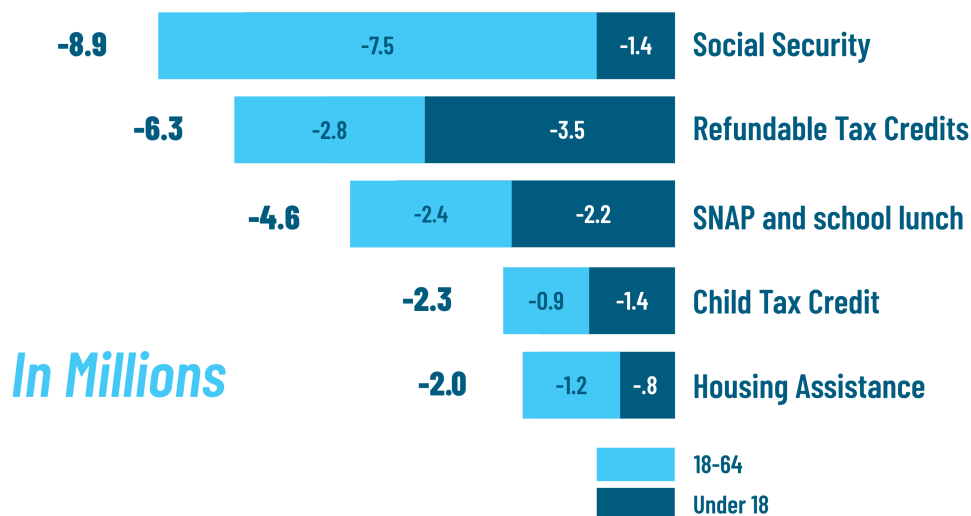
### Social protections to address child poverty

Addressing child poverty is not only a moral imperative but also an investment in the future prosperity of a nation. It promotes economic growth and protects children's rights to a safe and nurturing environment. Social protections encompass a range of initiatives aimed at alleviating child poverty, promoting child health and educational attainment and providing the foundation for them to thrive as adults. There are several models of social protection that have been used by governments around the world to prevent families from falling into poverty and protect children from its most damaging aspects.

The patchwork of social protection policies in the United States is characterized by a complex and fragmented system of programs and initiatives aimed at providing financial support and assistance to various segments of the population. This system has evolved over time, resulting in a mix of federal, state and local programs that often overlap, have different eligibility criteria and are subject to ongoing political debates and changes. The patchwork nature of these programs means that there are often gaps in coverage and disparities in benefits and services across different states. Additionally, partisan politics and budget constraints can lead to changes in social protection policies, making the system subject to continuous evolution. These complexities contribute to ongoing discussions about the effectiveness and adequacy of the U.S. social safety net.

## Poverty Reduction in '22 (due to different programs)

Change in Number of People in Poverty After Including Each Element: 2022



Reductions in poverty through the lens of the Supplemental Poverty Measure

The chart *Poverty Reduction in '22* reflects many of the programs included in the Supplemental Poverty Measure and the number of children and adults of caregiving age who avoided poverty as a result of social protections. Adults of caregiving age were included to capture the effects of social protections on both children and their caregivers. The top line represents Social

Security, a cornerstone of social protections that dates back to 1935. Social Security plays a crucial role in reducing the risk of poverty, as it provides disability protection for workers and their families and ensures financial support for survivors. While its primary impact is on seniors and adults, over a million children avoided poverty because of the social security program.

*Tax credits have the largest impact in reducing child poverty*

The largest reductions in child poverty are attributed to refundable tax credits, reaching over 3.5 million children<sup>37</sup>. A refundable tax credit provides a refund even if the credit exceeds one's tax liability, so the taxpayer can receive a payment equal to the excess. A non-refundable tax credit provides a reduction on taxes owed to the government, but does not provide a refund over the amount owed. There are various forms of tax credits, including the refundable Earned Income Tax Credit (EITC) and the non-refundable Child Tax Credit (CTC) available to families. The CTC by itself helped 1.4 million children avoid poverty<sup>38</sup>. The *Poverty Reduction in '22* chart shows the reductions in 2022, which was scaled back significantly from the prior year. Later, this report will examine the effects of a temporary change to the Child Tax Credit in 2021, which proved to be an even more robust poverty alleviation tool.

*Nutrition protections*

The Supplemental Nutrition Assistance Program (SNAP) and school lunch programs, which focus on providing food and nutritional support, reduced the number of children in poverty by 2.2 million. SNAP, formerly known as food stamps, is

<sup>37</sup> Emily A. Shrider and John Creamer, "Poverty in the United States: 2022 Current Population Reports," U.S. Census Bureau. Issued September 2023, Accessed November 8, 2023.

<sup>38</sup> Same as the previous note

a federal program that provides food assistance to low-income individuals and families. SNAP helps reduce food insecurity and hunger among children by providing resources to purchase groceries. When families with children had access to food stamps, it increased the likelihood that the students would graduate from high school by 18 percentage points.<sup>39</sup>

Even with SNAP benefits, families may not be able to meet their full nutritional needs, especially if they have high housing and medical costs. Barriers to accessing SNAP, such as complex application processes or work requirements, can limit its effectiveness in reaching children. These limitations could be addressed by expanding benefits and streamlining access. During the COVID-19 pandemic, SNAP was enhanced by increasing benefits, reducing work requirements and introducing Pandemic Electronic Benefit Transfer (P-EBT) benefits to support children during school closures to offset the costs of missing school meals. The National School Lunch Program (NSLP) likewise addresses child hunger and food insecurity, ensuring that students from low-income families have access to at least one nutritious meal during the school day. In recent years, there have been efforts to improve the nutritional quality of meals served through the NSLP, with a focus on providing healthier options to students and adhering to dietary guidelines. Additionally, some schools have expanded their meal programs to provide breakfast and snacks to students through related initiatives like the School Breakfast Program and the After-School Snack Program. Summer meals are critical to address hunger during the months when school is not in session. This is addressed at the federal level through the Summer Food Service Program (SFSP), also known as the Summer Meals Program. It serves neighborhoods with high poverty rates to provide meals at sites like schools, community centers, parks and libraries. The school lunch program operates independently from summer meals, but both programs are administered by the United States Department of Agriculture (USDA).

### *Housing protections*

The cost of housing makes up a significant portion of a families' budget and in certain housing markets in the U.S., children can experience the hardships of poverty, such as food insecurity and housing instability, even when their family income is well above the poverty line. Housing costs have increased dramatically between 2013 and 2023, by 47% among renters.<sup>40</sup> Various federal and state programs provide housing assistance to low-income individuals and families, including Section 8 Housing Choice Vouchers and public housing programs. Generally, participants must have incomes below 50% of the median income for their area, accounting for cost-of-living differences across the U.S. Vouchers are used to subsidize a portion of the rent, with families typically responsible for using 30% of their income to pay rent, while the voucher covers the remainder. Due to high demand, there is often a waiting list for Section 8 subsidized housing vouchers.

### *Healthcare protections*

The *Poverty Reduction in '22* chart excludes some key social protection measures which are not a part of the Supplemental Poverty Measure. Medicaid and the Children's Health Insurance Program (CHIP) are not included in the SPM because their primary purpose is to provide healthcare coverage, not to provide direct income support. Medicaid covers low-income adults and children while CHIP is targeted at children whose families' incomes are too high to qualify for traditional Medicaid. These are each distinct from Medicare, which is primarily for seniors aged 65 and older.

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<sup>39</sup> Hilary Hoynes, Diane Whitmore Schanzenbach and Douglas Almond, "Long-Run Impacts of Childhood Access to the Safety Net," *American Economic Review*, vol. 106, no. 4 (April 2016), pp. 903–934.

<sup>40</sup> U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: Rent of Primary Residence in U.S. City Average [CUUR0000SEHA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CUUR0000SEHA>, November 20, 2023.

Medicaid and CHIP together covered almost 41 million children in 2023, which is about half of the child population<sup>41</sup>. The program is implemented at varying levels of eligibility in each state - from a high of 400% to a low of 133% of the FPL. The federal government allows this flexibility acknowledging that not all states require similar interventions.

### *Cash assistance protections*

Another social protection that specifically addresses poverty is Temporary Assistance for Needy Families (TANF). This federal block grant program provides time-limited cash assistance to low-income families with dependent children. States have flexibility in how they design and administer their TANF programs, leading to diverse approaches and benefit levels. Some states may allocate a significant portion of their TANF funds to provide direct cash assistance to eligible families, while others use a larger share of funds for supportive services, work-related programs, or administrative costs. TANF has strict work requirements, which can be challenging for parents who face barriers to employment, such as lack of access to affordable child care, transportation or suitable job opportunities. Meeting these requirements can be difficult, especially for parents of young children. Strict work requirements create additional administrative costs related to verifying eligibility, which limits the amount of direct aid to children.

### *Gaps in protections*

The patchwork of social protections leaves key gaps in the U.S. safety net for children. Not only are the funding allocations, eligibility requirements and benefit levels leaving gaps, some services are not offered at the federal level at all. Paid family leave is a cornerstone of social protection across the world, yet the U.S. is one of seven countries that does not provide for paid parental leave at a national level and the U.S. is the only high-income country without Federal paid parental leave.<sup>42</sup> The Family and Medical Leave Act (FMLA) is a federal law that provides eligible employees with up to 12 weeks of unpaid, job-protected leave for certain family or medical reasons, including the birth or adoption of a child. While it guarantees job protection, it does not provide paid leave. Several states implemented their own paid family leave programs by 2021 with notable examples including California, New York, New Jersey, Rhode Island and Washington. These state programs typically offer partial wage replacement for employees who need to take time off for reasons such as bonding with a new child or caring for a seriously ill family member. Many companies recognize the benefits of paid family leave, though specific policies and benefits vary widely.

Another major gap in the U.S. system is child care. In a 2021 Innocenti Report, *Where do rich countries stand on child care?*, the U.S. ranked second to last on indicators related to accessible, affordable and quality child care<sup>43</sup>. The United States does not provide any national child care or early education universal subsidy, but does provide some support for low-income families. The two federal programs supporting low-income families that struggle to afford child care are the Child Care Development Fund (CCDF) and the Head Start program. The Head Start program has long been considered a successful two-generation child care program which provides care for children on a sliding scale fee while also providing social services for families. However, the Head Start program only serves around one million children per year and many Head Start preschools maintain a waitlist of low-income families in need of child care<sup>44</sup>. The CCDF program provides grants from the Federal government to State governments throughout the country to provide support

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<sup>41</sup> Centers of Medicare and Medicaid Services. "[July 2023 Medicaid & CHIP Enrollment Data Highlights](#)" Accessed November 7, 2023.

<sup>42</sup> "The World 'Has Found a Way to Do This': The U.S. Lags on Paid Leave" [Claire Cain Miller](#), Oct. 25, 2021 World Policy Analysis Center, University of California, Los Angeles, The New York Times

<sup>43</sup> Gromada, Anna and Richardson, Dominic, [Where do rich countries stand on childcare?](#), UNICEF Office of Research – Innocenti, Florence, 2021.

<sup>44</sup> [Office of Head Start, Administration for Children and Families](#). Head Start History. Washington, D.C. June 2023

for low-income families struggling to pay for child care. A 2019 audit of the CCDF program found that only 16% of federally eligible children actually received support under the CCDF program. Meaning out of 12.5 million low-income children in need of child care, less than 2 million actually received help through the CCDF program<sup>45</sup>.

In the absence of national child care subsidies, many families face annual child care costs that are higher than college tuition in many states. Average child care costs in 2020 across the U.S. range from the lowest of \$5,436 per year in Mississippi to the highest cost of \$24,243 in Washington, DC<sup>46</sup>. For comparison, in-state tuition at the University of Maryland costs \$9,889 per year, whereas the average cost of child care for an infant in Maryland is \$18,156 per year<sup>47</sup>. In response to impossibly high child care costs, some states have created universal child care and pre-K programs. In 2009, Washington, DC created a universal pre-K program for low- and middle-income children aged 3 and 4. As a result, in 2019, 72% of 3-year-olds and 89% of 4-year-olds in Washington, DC were enrolled in preschool, which stands in stark contrast to national averages before the COVID-19 pandemic when only 5.7% of 3-year-olds and 33% of 4-year-olds were enrolled in preschool<sup>48</sup>. Importantly, Washington, DC also saw a 10% increase in mothers in the workforce between 2009-2019, providing essential incomes for families and lifting the broader economy of the city<sup>50</sup>.

### *Relying on philanthropy to fill the gaps*

The U.S. has a long tradition of philanthropy and a robust non-profit sector. Many non-profit organizations, religious institutions and charities play a critical role in providing social services, including food banks, shelters, child care and healthcare clinics for the underserved. While the U.S. does have public assistance programs and safety net measures, its balance between public and private sources of social protections is unique among high-income countries.

This patchwork of assistance left almost 9 million children in poverty in 2022<sup>51</sup>. However, in 2021, a combination of social protection policies implemented in response to the pandemic decreased the number of children in poverty to less than 3.8 million. Expanded tax credits was the poverty reduction tool that reached the most children.

### **Tax credits: A powerful social protection tool**

Tax credits provide direct cash assistance to eligible families through the tax system. The Earned Income Tax Credit (EITC) and the Child Tax Credit (CTC) are specifically designed to support families based on their income. Tax credits are a useful poverty reduction strategy because they can direct resources to families based on income and household size, targeting those who are in poverty. The evidence clearly shows the impact on income and studies show the health and education outcomes of these policies as well. For example, the EITC is linked to increased birth weight – which is

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<sup>45</sup> Child Care: Subsidy Eligibility and Use in Fiscal Year 2019 and State Program Changes During the Pandemic, GAO-23-106073, Mar 29, 2023.

<sup>46</sup> “[Child care costs in the United States](#): The cost of child care in Washington, DC,” Economic Policy Institute. Last updated October 2020. Accessed November 7, 2023.

<sup>47</sup> [University of Maryland](#), Student Financial Services and Cashiering. Undergraduate Tuition & Fees 2023-2023.

<sup>48</sup> [Child Care Aware of America](#), Catalyzing Growth: Using Data to Change Child Care. 2022

<sup>49</sup> “[Fiscal Year 2019 Pre-K Report](#),” District of Columbia, Office of the State Superintendent of Public Education. June 2020. Accessed November 7, 2023.

<sup>50</sup> Rasheed A. Malik, “[The Effects of Universal Preschool in Washington, D.C.](#): Children’s Learning and Mothers’ Earnings,” The Center for American Progress. September 26, 2018. Accessed November 7, 2023.

<sup>51</sup> Emily A. Shrider and John Creamer, “Poverty in the United States: 2022 Current Population Reports,” U.S. Census Bureau. Table B-2. Issued September 2023, Accessed November 8, 2023.

correlated with a child's longer-term health outcomes, educational attainment and later-life earnings<sup>52</sup>. Students whose families received the EITC had higher standardized school test scores in the years their families received the tax credit when compared to years prior.<sup>53</sup>

Because the process uses an existing system of income verification, families do not need to navigate complex application processes or meet additional eligibility requirements beyond those associated with income. This reduces administrative costs and the need for a separate bureaucracy to manage the program. The process is relatively straightforward for those who are already filing tax returns. However, it may not reach populations that do not file taxes, such as undocumented families or those whose income is too low to have a tax liability. Still, it remains the most far-reaching program with demonstrated reductions in child poverty, as seen with the reduction in child poverty in 2021.

#### *Non-refundable compared to refundable tax credits*

Non-refundable tax credits have limited effects on child poverty because very low-income families do not have a large tax liability. Families with very low or no tax liability receive little to no benefit from these credits, so it does not effectively target child poverty. Non-refundable tax credits are beneficial to middle-income families who may not qualify for other social protections, but still face financial challenges related to raising children. By providing tax relief, these credits can alleviate some of the financial burden. Non-refundable tax credits are popular among some policymakers because they provide an incentive for parents to enter or remain in the workforce since they can receive the credit based on their earnings. In this sense it is seen as a poverty reduction measure because their earnings contribute to increased family income and reduced poverty. Refundable tax credits, on the other hand, provide a refund even if the credit exceeds one's tax liability, so the taxpayer can receive a payment equal to the excess. Low-income families can benefit in this case. Both types are often designed with income phase-outs, meaning that as a family's income increases, the value of the credit decreases or disappears entirely. Depending on the design, phase-outs can limit the effectiveness of the credit in reaching families near the eligibility threshold or in parts of the country with very high costs of living, where income support is still needed.

#### *Expanded Child Tax Credit*

The Child Tax Credit (CTC) was expanded temporarily in 2021, a measure included in the American Rescue Plan Act in response to the COVID-19 pandemic. It raised the maximum credit from \$2,000 per child to \$3,000 for children aged 6 to 17 and \$3,600 for children under 6. Unlike previous years when the CTC was claimed as a lump sum on annual tax returns, the 2021 expansion allowed for monthly advance payments to families. Families received half of their estimated annual CTC in monthly installments, with the other half to be claimed when they filed their 2021 tax return. Monthly payments were designed to provide a consistent source of income throughout the year. A secondary outcome was that it increased people's awareness of the CTC as a distinct benefit. Previously, it was a part of an overall tax refund at the end of the year. The expansion made the full CTC available to more families by making it fully refundable, allowing children and families with low incomes to receive the same credit amount as children and families with higher incomes. It also included 17-year-old children, who were previously excluded.

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<sup>52</sup> Komro KA, Markowitz S, Livingston MD, Wagenaar AC. Effects of State-Level Earned Income Tax Credit Laws on Birth Outcomes by Race and Ethnicity. *Health Equity*. 2019 Mar 12;3(1):61-67.

<sup>53</sup> Gordon Dahl and Lance Lochner, "The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit," *American Economic Review*, vol. 102, no. 5 (August 2012), pp. 1927-1956,

By providing substantial financial support to low- and moderate-income families, it lifted many children above the poverty line. Over 2.1 million children in the U.S. were lifted above the poverty line.<sup>54</sup> The combination of pandemic-era policies reduced child poverty to an all-time low of 5.2% in 2021. When the temporarily expanded CTC expired, child poverty more than doubled to 12.4%<sup>18</sup>. If the expanded-Child Tax Credit had been extended through 2022, the Child Tax Credit could have kept over 5 million children from poverty and reduced the 2022 SPM child poverty rate by 47%<sup>55</sup>. This evidence of the policy's effectiveness has led to increased efforts to make the expanded CTC permanent on the federal level. As of the publication of this report, bills have been introduced in the U.S. Congress and are pending further legislative action.

### *State-level social protections*

Policymakers at the state level have also created tax credits from state revenue sources. The refundability, eligibility criteria and amount of the credit varies from one state to another. The National Conference of State Legislatures compiled a list of state-level policies, listing twelve states that have enacted a child tax credit in addition to the federal credit<sup>56</sup>. Eight of the twelve states (California, Colorado, Maryland, Massachusetts, New Jersey, New Mexico, New York and Vermont) have made the child tax credit refundable. Established in 2013, Oklahoma's Child Tax Credit is one of the longer-standing state-level child tax credits in the United States. The benefit is relatively small, providing only 5% of the federal CTC, the equivalent of \$100 in 2022. More recently, Colorado implemented a Child Tax Credit in 2023 providing \$1,200 to eligible households.

While not technically a tax credit, one of the most robust and longest standing state efforts to use its revenue to provide direct cash support to families is the Alaska Permanent Fund (APF). It was established in 1976 to invest the state's revenue from its oil industry into children and families. The fund offers an annual payment made to eligible Alaska residents, both adults and children. The amount of the dividend varies from year to year based on the fund's performance and the legislative appropriation. Over the last 10 years, the payments have ranged from \$900 to \$3,284.<sup>57</sup> Unlike a tax credit, residents must apply through a separate process each year. Like the CTC, there are no restrictions on how families can use their dividend payments. Also like the CTC, the dividends have significantly decreased child poverty. A recent study showed that without the dividends, 16% of children would have been in poverty, compared to only 10% with the dividends.<sup>58</sup>

### *Municipal-level social protections*

Amid the patchwork of social protections, municipalities have demonstrated promising practices for poverty reduction at a small scale. Cities across the U.S. are piloting policies that provide a regular, unconditional cash payment to cover a family's basic needs, referred to as guaranteed income. Over 30 cities have pilot programs, ranging from 10 months to 3 years and from \$200 to \$1,000 per month. For example, St. Paul, Minnesota launched the People's Prosperity Guaranteed Income Pilot, offering 150 Saint Paul families with \$500 per month in guaranteed income for a period of 18

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<sup>54</sup> U.S. Census Bureau, Current Population Survey, 2022 Annual Social and Economic Supplement (CPS ASEC)

<sup>55</sup> Koutavas, Anastasia, Christopher Yera, Sophie Collyer, Megan Curran, David Harris, and Christopher Wimer. 2023. "What Would 2022 Child Poverty Rates Have Looked Like if an Expanded Child Tax Credit Had Still Been in Place?" Poverty and Social Policy Brief, Vol. 7, No. 3. Access at: [www.povertycenter.columbia.edu/publication/2023/what-2022-child-poverty-rates-would-have-looked-like](http://www.povertycenter.columbia.edu/publication/2023/what-2022-child-poverty-rates-would-have-looked-like).

<sup>56</sup> National Council of State Legislatures. "Child Tax Credit Overview Issue Brief" October 2023, Accessed November 7, 2023.

<sup>57</sup> "Permanent Fund Dividend - Summary of Dividend Applications & Payments". Permanent Fund Dividend. October 23, 2023.

<sup>58</sup> [How PFDs Reduce Poverty in Alaska](#), Matthew Berman and Random Reamey, Institute of Social and Economic Research, 2016

months between 2020 and 2022.<sup>59</sup> The findings from these pilots generally show that these types of cash assistance programs alleviate poverty and improve health and education outcomes<sup>60</sup>.

### *Potential Concerns and Criticisms*

Cash assistance programs can offer significant benefits in terms of poverty reduction and improving education and health outcomes. The evidence is mixed as to whether they reduce labor force participation, but critics highlight this as a challenge<sup>61</sup>. Another criticism is that social protection programs create “benefit cliffs” where individuals who transition to higher wage work find the net financial gain to be marginal or negative as their benefits are reduced<sup>23</sup>. The result, critics say, is a dynamic that traps people in low-wage work. Others are concerned by the administrative burdens created by determining eligibility. There are also costs associated with staff and IT systems, especially if there are frequent changes in regulations that require training and upgrades. Critics also highlight the potential for fraud and the expense associated with detecting and preventing it.

Many of these concerns are mitigated if social protections are designed well. Tax credits, as mentioned earlier, make use of existing tax systems to verify eligibility. The strength of the evidence that increased family income improves outcomes for children offsets concerns about labor force participation. Evidence shows that children have better school performance and greater college enrollment as a result of the EITC and CTC indicating these benefits are an investment in the future workforce.

## THE ACTION: IMPLICATIONS

### Conclusions

Policy makers at the local, state and federal levels have a variety of tools for improving child wellbeing by alleviating poverty. The patchwork of social protections in the U.S. makes use of some of these tools to varying degrees, leaving many gaps. Publicly-funding healthcare, food assistance and housing protect families from the worst effects of poverty and increasing income directly through tax credits addresses their immediate financial needs.

Research shows that improved economic security has a profound effect on child wellbeing, measured by improved health and educational outcomes<sup>25, 34, 35</sup>. It increases a families' ability to provide their children with nutritious food to lead a healthy, active life. Tax credits are linked to increased birth weight<sup>17</sup>. Students whose families received tax credits had higher test scores<sup>62</sup>. When families with children had access to food stamps, it increased the likelihood that the students would graduate from high school by 18 percentage points<sup>63</sup>. Families in poverty have demonstrated incredible strength and resilience navigating the complex patchwork of programs to mitigate poverty, but the barriers to accessing necessary basic services remain insurmountable to many.

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<sup>59</sup> “[Guaranteed Income Pilot Dashboard](#).” The Stanford Basic Income Lab and Center for Guaranteed Income Research, accessed October 27, 2023.

<sup>60</sup> Hasdell, R. (2020) What we know about Universal Basic Income: A cross-synthesis of reviews. Stanford, CA: Basic Income Lab.

<sup>61</sup> Hoynes H, Rothstein J. Universal Basic Income in the US and Advanced Countries. National Bureau of Economic Research; 2019. doi:10.3386/w25538

<sup>62</sup> Gordon Dahl and Lance Lochner, “The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit,” *American Economic Review*, vol. 102, no. 5 (August 2012), pp. 1927-1956,

<sup>63</sup> Hilary Hoynes, Diane Whitmore Schanzenbach and Douglas Almond, “Long-Run Impacts of Childhood Access to the Safety Net,” *American Economic Review*, vol. 106, no. 4 (April 2016), pp. 903–934.

The U.S. falls into the means-tested category of national policies in Report Card 18 because its social protections are determined based on income. Means-tested social programs require recipients to prove need, meaning recipients typically need to go through a lengthy application process. This process requires considerable staffing to review applications and determine eligibility and many people in need never make it through the process. Universal programs are generally available to the entire population and have little to no application process. Universal programs are more costly because they often reach more people, which is in part why the U.S. falls near the bottom of the high-income countries in terms of spending as a percentage of GDP per capita as shown in Report Card 18. The benefits of universal programs are that they reduce the administrative burdens of verifying income eligibility and more of the money invested in social care programs goes to families in need. For example, one of the largest and most effective federal near universal benefit programs in the United States has been Social Security Retirement benefits. As a near universal program, the Social Security Retirement program only spends about 0.5% of the annual budget toward administrative costs<sup>64</sup>. In contrast, the means-tested food assistance program Women, Infants and Children (WIC), spends around 9% of its annual budget on administrative costs and in an average month in 2020 only 50.2% of those eligible were served and benefited from the WIC program<sup>65</sup>. Universal programs, particularly those that can rely on existing sources of information, ensure the funding invested in lowering poverty goes to families in need. Tax credits use an existing system of income verification through the Internal Revenue Service, which lowers administrative costs and makes enrollment easier.

#### Directions for Further Consideration:

In 2022, there were over 11 million children living in poverty in the U.S. Each child is full of hopes, dreams and potential. How a nation supports its children is a measure of its own hope and ability to dream of a better future for its people.

The research is clear in that evidence-based policies and programs reduce poverty rates for children and have life-long effects. In the life of a child, this means not having to pack their belongings and move once again, it means knowing that there will be a next meal, having clean clothes to wear to school the next day and not experiencing the stress and uncertainty that accompany poverty.

These outcomes can be measured and some of the most immediate impacts of research-based policy interventions include:

- Decreases in school absenteeism
- Improved standardized testing scores
- Increased high school graduation rates, increased college attendance rates
- Greater likelihood of employability
- Higher lifetime earnings
- High returns on investments that benefit the broader economy

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<sup>64</sup> [“Policy Basics: Top Ten Facts about Social Security.”](#) Center on Budget and Policy Priorities. April 17, 2023. Accessed November 7, 2023.

<sup>65</sup> [“Neuberger, Zoë, “Claim Regarding High WIC Administrative Costs Is False.”](#) Center on Budget and Policy Priorities. September 19, 2011. Accessed November 7, 2023.

**The costs of many of these interventions are overshadowed by societal benefits that go beyond those experienced directly by the individual. More importantly, they provide the opportunity for children to thrive and flourish into successful adulthood.**

**The following represent considerations for policymakers as they develop and implement strategies that support the wellbeing of children - especially those who are furthest from opportunity - in their communities:**

**Urge States to Maximize Flexibility in Federal Programs to Benefit More Children in Need: The Federal government currently provides flexibility to states to expand social protections and incentivizes this through enhanced matching federal funds in certain programs such as the Children's Health Insurance Program (CHIP). As an example, in this particular program, state and local governments are afforded flexibility to address the needs of their unique populations. However, not enough states are taking full advantage of the flexibility afforded in eligibility thresholds or in other aspects of the programs. For example, states may increase eligibility for CHIP up to 400% of the Federal Poverty Level. While a handful of states go up to this maximum, far too many have eligibility capped at the bare minimum of 133% of the FPL. More states can take advantage of this type of flexibility and other program allowances in state administered and federally funded programs related to child care and nutrition, and other programs, to mitigate the complexities of child poverty.**

**Pilot State and Local Interventions: The United States is a diverse and vast country. In a country as diverse as the U.S., one size fits all policies may not work in every place. Many states and local communities are experimenting with their own version of evidence-based interventions. These local initiatives can further demonstrate efficacy of these research backed practices and can also be used to inform future policies at the local, state and Federal levels.**

**Maximize Investments in Poverty Reduction: The evidence has shown programs with low barriers to enrollment and near or fully universal eligibility are effective and efficient. Through lower barriers to enrollment, families in need are more likely to utilize services that are available to them. Importantly, lower barriers to enrollment also means programs require less administration. As Federal and state budgets tighten, maximizing the investments in poverty mitigation must be a priority.**

**The War on Poverty began over sixty years ago, but it doesn't need to continue for another sixty years. The United States has the 7th highest GDP per capita on earth. This is a country with the means to end child poverty. Through maximizing Federal flexibilities in state level eligibility criteria, piloting state and local initiatives, and maximizing investments in poverty reduction through lowering barriers to enrollment in social programming the dollars spent toward ending poverty in America will be more effective than ever before.**