Abstract

Now, more than ever, it is crucial to address the topic of children and poverty in the U.S., given current scientific knowledge about poverty’s influence on children and effective strategies to mitigate its negative impact. In this report, we summarize the best available information on definitions and trends in child poverty, policy responses to child poverty and the impact of poverty on children’s health and development. Research suggests that various factors exert upward and downward pressure on child poverty rates. Upward pressure is exerted by declining work rates for men, stagnant wages for low-wage workers, increasing rates of children raised in female-headed households, and growing gaps in educational attainment. Downward pressure is exerted by the U.S. system of antipoverty policies and programs, which appears to be cutting “pre-transfer” poverty rates by more than 50%. Nonetheless, child poverty rates in the United States are high by both historical and international comparison. We then review the emerging science on biological and ecological processes by which poverty affects child development and key findings regarding the efficacy of comprehensive strategies to reduce poverty and to promote the human capital development of poor children. In the final section, we reflect on implications for moving forward in science and policy.
From the Editors

Poverty has always been with us. The “haves” and the “have nots” have defined our sociological boundaries. Although the charm of some of the Dickensian characters of the 19th century put a polish on a bleak situation, there is little romance in the grinding poverty that affects many children and families. In this Social Policy Report, Larry Aber, Pamela Morris, and Cybele Raver examine poverty in the United States from a variety of angles, articulating clearly the different definitions of poverty and its prevalence. They specify the psychological stressors and physiological effects that poverty exerts on children and family members, describing the potential long-term effects on children’s development and well-being. Also, they search for answers for a U.S. society that has a willingness to help those in need, but at the same time is strapped by the lingering effects of the Great Recession and increasing budget deficits. Aber et al. focus on Poverty Reduction and Human Capital Development models and suggest that, though there is no single “magic bullet,” the two implemented together may have a synergistic effect.

In her commentary, Rhonda Tsio-A-Fatt Bryant extends this discussion of the circumstances of many Black children in America, including their over-representation in low resource communities and homes and the potential positive effects of comprehensive poverty reduction programs on child and family outcomes. Eugene Garcia describes the shift in population demographics in the U.S., with the current minorities of color becoming the majority in the next decade (and indeed is already occurring in some states like California). For Latino children, the complex factors of race, language, culture, and immigration status mix with poverty to create challenges that will also unfold, and hopefully our society will address, in the coming years. Ron Haskins emphasizes the critical dimensions of individual choice and personal responsibility in confronting the circumstances that poverty imposes for children and families. He describes the pressures of policymakers to reduce the federal deficit and the limitations those decisions will place on the types of programs that may be enacted in the future. In total, the report and the commentaries provide a comprehensive set of perspectives on children in poverty, programs that may help, and challenges of funding and implementing such programs in the future.

We would like to announce a change in our editorial team. Donna Bryant, who has been an issue editor on this team for the past three years, is stepping off the team. Donna was instrumental in beginning this new format and editorial phase of the journal, and we thank her for all her hard work. Iheoma Iruka, a Scientist at the Frank Porter Graham Child Development Institute, is joining the team as an issue editor—so welcome Iheoma. She actually was a co-editor of this issue.

—Samuel L. Odom (Issue Editor)
Kelly L. Maxwell (Editor)
Iheoma Iruka (Editor)
In 2010, in the shadows of the Great Recession, 46.2 million Americans lived in “poverty” using the federal government’s official measure of poverty (National Poverty Center, 2012). Fully 15.5 million of poor Americans are children under the age of 18 (Addy & Wight, 2012). Thus 15.1% of the country’s population and 21% of all its children are poor. Over the last 40 years, the national poverty rate has fluctuated from a low of 11.1% in 1973 to a high of 15.2% in 1983 (National Poverty Center, 2012). Such numbers, percents and time trends are the basic facts of poverty in America that the media, politicians, policymakers and the concerned public typically track. In this Social Policy Report, we examine definitions of poverty, the numbers and time trends that derive from the definitions, and what they mean for the nation’s children and families. First, we ask “what is poverty?” and “why is it important at this time to address the topic of children, families and poverty in the U.S.?” Second, we review some of the emerging basic science on the influence of poverty on children and families to better understand its grave and complex consequences. Third, we turn to applied (intervention and policy) science for insights about effective strategies to address the multiple challenges that children and families in poverty face. Finally, on the basis of these reviews of concepts, definitions, and basic and applied research, we conclude with critical reflections on a way forward.

Definitions and Trends

What is Poverty?
In many ways, the definition of poverty that is used to benchmark American families’ economic struggles is unambiguous: A specific dollar value for yearly income (such as $17,568) is used as a threshold for families of a given size (e.g. including an adult with two children) in a given year, and if family income falls below that bright line, the family is considered to be “in poverty.” However, when social scientists step back to consider the root causes of poverty, its impacts on development, and preferred program and policy interventions to tackle poverty, it is clear that poverty can be defined in several other ways (Aber, Jones & Raver, 2007). For example, “relative” poverty illustrates how far a family’s income is from the national median for families, while “subjective” poverty reflects individuals' perceptions and local economic conditions. The “family self sufficiency standard” serves as an additional measure, taking into account what it would take to meet family’s basic needs without relying on external, government, or charitable support. Among these definitions and estimates, the official U.S. poverty line represents the lowest “bar” and therefore, the figures we noted previously (where 15.1% of the country’s population and 21% of its kids were “poor” in 2010) represent lower bound estimates of poverty in this country.

In this report, we primarily will use the U.S. official definition of poverty and child poverty (Citro & Michael, 1995), despite its limitations, because the vast amount of basic and applied research in the U.S. uses these official definitions. As mentioned earlier, children in families with incomes less than 100% of the poverty threshold are considered poor. In addition, children in families with incomes below 50% of the poverty threshold currently are defined as in deep poverty and those in families with incomes below 200% of the poverty threshold (approximately the same as the “family self-sufficiency standard”) are considered “low income.”

Why a Focus on Children, Families and Poverty?
Poverty serves as a major risk factor for non-optimal child development. Poverty in childhood, and especially deep poverty in early childhood, is associated with a very broad range of problems in physical-biological, cognitive-academic and social-emotional development (Duncan & Brooks-Gunn, 1997) and evidence grows that these problems persist into adulthood (Johnson & Schoeni, 2010).
After years of debate, it is now clear that low family income actually has a causal impact on non-optimal health and development. Important questions remain about the mediating processes through which poverty affects child health and development. But rapid progress in understanding these causal processes is being made, which contributes to improved scientific understanding of child development and offers new insights into important targets for program and policy interventions.

Since poverty leads to substantially higher risk of non-optimal outcomes for both children and adults, citizens and policymakers have important reasons to be concerned. Poverty itself is a major contributor to many of the most serious social problems facing our nation, including widening health and academic achievement gaps between high and low income children (Rardon, 2012), high rates of school failure and dropout (Chapman, Laird, Ifill, & Kewal Ramani, 2011), declining rates of college attendance and graduation (Bailey & Dynarski, 2011), and a growing skills gap between what the U.S. economy requires from young workers to make a middle class income and what many young adults possess (Duncan & Murnane, 2011). Notably, while poverty disparities in academic achievement have grown over the last several decades, corresponding racial disparities have actually declined (Reardon, 2012). Thus, while race and ethnicity are correlated with poverty in this country, we focus on poverty in this paper given the substantial differences in outcomes between poor and nonpoor children. In sum, according to the best scientific research and to policy analysts across a broad range of the political spectrum, reducing poverty and ameliorating its negative effects on human capital development are essential to returning the U.S. to its historical legacy of being the land of opportunity (Haskins & Sawhill, 2009).

**And Why Now, in the Fall of 2012?**

Fifty years ago, Michael Harrington published *The Other America* (1962), a wake-up call to the nation describing invisible pockets of poverty in a nation of plenty. Two years later, Lyndon Johnson declared his famous “War on Poverty.” In this section, we briefly outline trends in child poverty over the last 50 years, describing the nation’s historic policy responses to poverty (both to reduce poverty and to enhance and protect children’s health and development in the face of poverty). We then assess the impact of policy on poverty, describing why, despite considerable effort (and indeed success), we find ourselves back where we were 50 years ago, facing a daunting set of challenges.

**Trends in Child Poverty**

Figure 1 (from Shanks & Danziger, 2010) charts changes in the child poverty rate from 1960 to 2009. After a dramatic decline in child poverty over the 1960s (to a historic low in 1968), rates have risen and fallen with the business cycle ever since. Two periods of increasing poverty rates (late 1970s to early 1980s, late 1980s to early 1990s) were followed by two periods of decreasing rates (early 1980s to late 1980s, early 1990s to 2000). Figure 1 also charts trends by race/ethnic group. While the trends follow generally the same pattern of rise and fall over time for White, Black and Latino children, their average rates vary dramatically. Over the last 35 years, rates for White children have varied between 10% and 15%, but rates for the Black and Hispanic children have varied from just above 25% to just below 50%.
Different factors push poverty rates up or down. Factors that exert upward pressure on child poverty rates include low work rates, low wage rates, and adverse changes in family structure and trends in education (Haskins, 2011). Women’s work rates were relatively low in 1980 (about 46%), increased steadily from 1980 to 2000, but have flattened out in the face of two recessions from 2000 to 2010. Single and never married mothers, whose children experience especially high poverty rates, increased their work effort quite dramatically from 1992 to 2000 in response to both welfare reform legislation and a booming economy. In contrast, men’s work rates were relatively high in 1980 (about 74%) and did not change much until they began to decline from 2008 to 2010 in the face of the Great Recession. Especially hard hit in periods of economic downturn over the last three decades have been young Black men. Haskins (2011) describes these secular trends in U.S. work rates as “a mixed bag,” with trends “toward less work by males, especially Black males, and more work by females, including low-income mothers” (p. 4).

Wage rates also have an important impact on poverty rates. According to calculations by the Economic Policy Institute using U.S. Census Bureau data from 1973 to 2009, wages for the 10th percentile (or the least well-paid) of the income distribution fell through the late 1980s and then returned to their 1973 levels. In contrast, wages for workers in the top half of the income distribution rose steadily from the early 1980s, increasing by 10% for the 50th percentile group and 32% for the 90th percentile group. Haskins (2011) summarizes the combined work and wage trends succinctly: “people with low skills and little schooling cannot escape poverty unless they work, but even if they do work and their only income is wages, they are likely to be poor” (pp. 5-6).

Family structure also affects poverty rates. About 11% of children in married couple families are poor, but 44.3% of children in female-headed families are poor (U.S. Census Bureau, 2009). Over the last 50 years, the proportion of families with children that are headed by females has nearly quadrupled, from 6.3% to 23.9% (U.S. Census Bureau, 2009). The increased proportions of children being raised in female-headed households has exerted clear upward pressure on child poverty rates over the last 50 years.

Parent education is another factor influencing child poverty rates. Recent census data indicates that in 2009, the median income of families headed by a college graduate was about $99,700 while that of the average high school dropout is about $31,100 (U.S. Census Bureau, 2009). While college graduation rates have increased for all race/ethnic groups over the last 30 years, Hispanics (13%) and Blacks (19%) complete college at one-third to half the rate of Whites (39%) (U.S. Census Bureau, 2009). Notably, on measures of college entry, persistence, and completion, the increases over time have been largely concentrated in the top end (rather than the bottom) of the income distribution (Bailey & Dynarski, 2011). In fact, the disparity is quite stark: with the top two quartiles increasing college entry rates by 22 percentage points and the bottom increasing by only 10 percentage points—resulting in a growing gap in college entry rates between the rich and poor. And, even among those who enter college, poverty continues to exert a toll on degree receipt (Bailey & Dynarski, 2011).

If declining work rates for men, stagnant wages for the low-skilled worker, increasing rates of children raised in female-headed families and growing gaps in educational attainment exert upward pressure on child poverty rates, a logical, if surprising question might be “Why have child poverty rates not increased more?” The preponderance of the evidence suggests that over and above temporary improvements caused by upturns in the economy, it is public policy that has exerted consistent downward pressure on child poverty rates. We turn next to summarizing the research that supports this judgment.

The impact of anti-poverty programs and policies on U.S. poverty rates. A set of new studies have identified the policy steps that the U.S. has taken to reduce poverty and examined whether those steps have been effective (Ben-Shalom, Moffit & Scholz, 2011; Gershoff, Aber & Raver, 2003; Haskins, 2011). For example, Haskins (2011) identifies 82 specific means-tested federal programs that provide assistance to the poor, relying on long-term trend data for means-tested spending from the Congressional Research Service. He focuses on spending levels for 10 major means-tested programs, and estimates outlays of $621 Billion in 2010, with spending having increased six-fold from 1968 to 2004.

In comparison, Ben-Shalom et al. (2011) include both means-tested programs such as Medicaid, the Supplemental Nutritional Assistance Program (SNAP, formerly Food Stamps), the Earned Income Tax Credit (EITC) and Temporary Assistance to Needy Families (TANF, formerly AFDC) and also social insurance programs (like Social Security, Medicare and Unemployment Insurance). Because Ben-Shalom et al. take the most comprehensive view on antipoverty programs and policies, we emphasize their findings.
here. For FY 2007, Ben-Shalom et al. estimate about $523 Billion in annual expenditure on nine major means-tested programs for low-income persons and families. In addition, while not targeted primarily on low-income persons or families, five social insurance programs accounted for another $1.105 Trillion in expenditure, much of which goes to poor and low-income individuals (See Table 1). While this demonstrates substantial support for the poor, it is notable that U.S. expenditure on social programs was only 75% of the OECD 30-country average in 2005 (Adema & Ladaique, 2009), leaving the U.S. behind most of our peer countries in the OECD (Garfinkel, Rainwater & Smeeding, 2006).

Regarding time trends, an initial look at Ben-Shalom et al.’s (2011) numbers would suggest that U.S. spending on the poor went up: They show that both means-tested and social insurance programs grew faster than did GDP before 1995 and at about the same rate of growth as GDP from 1995 to 2007 (just before the Great Recession). But those data also highlight the relatively stable average growth in social spending in the U.S. since 1995 is a result of two very different trends: dramatic declines in TANF (i.e., the cash assistance program for needy families) and very large increases in SNAP. And, their evidence suggests that there was significant redistribution of expenditures

<table>
<thead>
<tr>
<th>Programs</th>
<th>Type of Transfer</th>
<th>Demographic Groups Covered</th>
<th>Expenditures (constant 2007 dollars, millions)</th>
<th>Caseloads (thousands)</th>
<th>Monthly Expenditures per Recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MEANS TESTED PROGRAMS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicaid</td>
<td>In-Kind</td>
<td>Families with dependent children, disabled, elderly</td>
<td>328,875</td>
<td>56,821</td>
<td>482</td>
</tr>
<tr>
<td>SSI</td>
<td>Cash</td>
<td>Aged, blind, and disabled individuals and families</td>
<td>41,205</td>
<td>7,360</td>
<td>467</td>
</tr>
<tr>
<td>AFDC/TANF</td>
<td>Cash</td>
<td>Mostly single mother families</td>
<td>11,624</td>
<td>4,138</td>
<td>234</td>
</tr>
<tr>
<td>EITC</td>
<td>Cash</td>
<td>Individuals with positive earnings</td>
<td>48,540</td>
<td>24,584</td>
<td>165</td>
</tr>
<tr>
<td>SNAP</td>
<td>In-Kind</td>
<td>All individual and families</td>
<td>30,373</td>
<td>26,316</td>
<td>96</td>
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<tr>
<td>Housing Aid</td>
<td>In-Kind</td>
<td>All individuals and families</td>
<td>39,436</td>
<td>5,087</td>
<td>646</td>
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<tr>
<td>School Food Program</td>
<td>In-Kind</td>
<td>Children in School</td>
<td>10,916</td>
<td>40,720</td>
<td>22</td>
</tr>
<tr>
<td>WIC</td>
<td>In-Kind</td>
<td>Mother, infants, and children at nutritional risk</td>
<td>5,409</td>
<td>8,285</td>
<td>54</td>
</tr>
<tr>
<td>Head Start</td>
<td>In-Kind</td>
<td>All children</td>
<td>6,889</td>
<td>908</td>
<td>632</td>
</tr>
<tr>
<td><strong>SOCIAL INSURANCE PROGRAMS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OASI</td>
<td>Cash</td>
<td>Elderly, 62 and over</td>
<td>485,881</td>
<td>40,945</td>
<td>989</td>
</tr>
<tr>
<td>Medicare</td>
<td>In-Kind</td>
<td>Elderly, 65 and over and some SSDI recipients</td>
<td>432,169</td>
<td>44,010</td>
<td>989</td>
</tr>
<tr>
<td>UI</td>
<td>Cash</td>
<td>Unemployed individuals with sufficient earnings and employment histories</td>
<td>32,454</td>
<td>7,642</td>
<td>354</td>
</tr>
<tr>
<td>WC</td>
<td>Cash</td>
<td>Disabled individuals with qualifying work histories</td>
<td>55,217</td>
<td>NA4</td>
<td>NA4</td>
</tr>
<tr>
<td>DI</td>
<td>Cash</td>
<td>Disabled individuals with qualifying work histories</td>
<td>99,086</td>
<td>8,920</td>
<td>926</td>
</tr>
</tbody>
</table>

1 Expenditures include benefits and some non-benefit costs fro Medicaid, AFDC, TANF, Housing, School Food Programs, WIC, Head Start, Medicare, and UI. For all other programs, expenditures are for benefits only

2 Caseload is unduplicated number of individual recipients, apart from the following programs:
   - AFDC/TANF: Average monthly number of recipients
   - EITC: Total number of recipient families
   - SNAP: Average monthly number of recipients
   - Housing Aid: Total number of households receiving direct housing assistance (unduplicated for renter receiving more than one subsidy).
   - School Food Programs: Average monthly number of breakfast & lunch recipients, based on 9-month average (includes duplicates & full-price meals).

3 Expenditures divided by 12 divided by caseloads

4 NA=not available

Sources: available upon request from the authors
on the poor over the period from 1984 to 2004: relatively more for the elderly and disabled and relatively less for single-parent families and the non-employed.

In summary, both in aggregate and per capita, the U.S. has very significantly increased expenditures on both means-tested programs and social insurance programs over the last four decades. And, this form of spending benefits lower-income families. As shown in Table 2, analyses of the Survey of Income and Program Participation (SIPP) data show that in 2004, without transfers, 29% of U.S. families would fall below the poverty line; but after transfers the poverty rate falls to 13.5%. In 2004, the U.S. system of means-tested and social insurance programs reduced poverty by 16 full percentage points (and reducing deep poverty and near poverty by nearly as much).

What can we conclude? First, these analyses highlight the ways that poverty is not a “natural state” dictated by the exigencies of labor policy and recession, but instead can be clearly remediated by anti-poverty policy. Second, we (and others) argue that, as successful as the U.S. sys-

As would be expected, in the wake of the recession, both unemployment rates and poverty rates increased. Low income families have substantial difficulty finding jobs in the current economic climate. And, since we have largely placed the social safety net on top of employment, tying benefits for poor families to their work effort (with the notable exception of food assistance through SNAP), they are hit doubly hard by the recession. In short, not only have poor families lost ground on employment like their middle and upper income neighbors, but they have also lost their opportunity to take advantage of key benefits, like the Earned Income Tax Credit, that were so pivotal to move them out of poverty in recent times.

The Great Recession could not have come at a worse time for America’s poor children and families. Growing federal budget deficits and resulting increases in national debt have led to calls from both major political parties to cut the federal budget deficit (although how to cut the federal deficit is fiercely disputed). The need to cut the deficit in the long term clashed with the need for government to provide a significant short-term stimulus to the economy to get it going again and to bring down the unemployment rate. The Obama administration fought for and won passage of the American Recovery and Reinvestment Act (ARRA). Many key provisions of the Act supported children, especially low-income children, by increasing public resources through approximately two dozen federal programs that benefit children (Aber & Chaudry, 2010). An estimated $153 Billion of the $787 Billion in ARRA, or approximately 20% of the total, was dedicated to children and children’s programs (First Fo-

### Table 2.
Pre- and Post-Transfers Income Distributions (excluding Medicare, Medicaid), 1984, 1993, and 2004 (Ben-Shalom, Moffitt & Scholz, 2011) (Reproduced by permission)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Pre-Transfer</th>
<th></th>
<th></th>
<th>Post-Transfer</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent Poor (below the Poverty Line)</td>
<td>Poverty Gap ($ Million)</td>
<td>Percent of Families under 50% of the Poverty Line</td>
<td>Percent of Families under 150% of the Poverty Line</td>
<td>Percent Poor (below the Poverty Line)</td>
<td>Poverty Gap ($ Million)</td>
</tr>
<tr>
<td>2004</td>
<td>29.0</td>
<td>28,334</td>
<td>21.3</td>
<td>39.6</td>
<td>13.5</td>
<td>9,690</td>
</tr>
<tr>
<td>1993</td>
<td>30.3</td>
<td>25,303</td>
<td>20.8</td>
<td>43.7</td>
<td>13.1</td>
<td>6,530</td>
</tr>
<tr>
<td>1984</td>
<td>32.1</td>
<td>21,339</td>
<td>20.4</td>
<td>49.7</td>
<td>15.3</td>
<td>6,105</td>
</tr>
</tbody>
</table>

Source: Authors’ calculations from the 1984, 1993, and 2004 SIPP (waves 1). Dollar amounts are in 2007 dollars, using the CPI-U.

The current social-economic and policy-political context. Questions regarding the causes and consequences of poverty for children come at a critical juncture in American economic history. We are just beginning to emerge from the Great Recession of 2007, one of the worst economic periods of our time (Elsby, Hobijn, & Sahin, 2010). Yet most of the research on child poverty trends and the effectiveness of antipoverty policies dates from before the Great Recession. What about now?
requirements. The record is clear that he does not favor ending work
President Obama favored ending the work requirements central to the welfare
dential campaign is the dust-up which erupted in September about whether
1 One exception to the relative silence about poverty issues in the 2012 presi
dence, 2011). These temporary investments did reduce the
unemployment rate and partially protected federal, state and local investments in low-income children as well. But the ARRA provisions are ending in 2012. How to get the economy going again and generate new jobs are the paramount issues in the Presidential and Congressional elections of 2012. Alarming, while there is hot debate about how to protect and revive America’s middle-class families, there are many fewer debates or compelling new ideas about how to protect America’s low-income children and families and help them move into the middle class1. Finally, in addition to major national elections and huge decisions to make about the economy and federal budget deficits, a large number of pieces of federal legislation that directly impact low-income children and their families are coming up for re-authorization (e.g. TANF, ESEA) or face an uncertain future (e.g. the Medicaid provisions of the Affordable Care Act).
In short, the U.S. is still in the throes of the biggest economic crisis since the Great Depression; poor families have been hit doubly hard—losing both employment and the social safety net tied to employment; the short-term policy actions that protected low-income children and families from the Great Recession have begun to expire; child poverty rates are up; the 2012 Presidential and Congressional election campaigns have not included much discussion about poverty; and major policies affecting poor children and families will be reconsidered in 2013. For all these reasons, it is a very compelling time to address issues of children, families and poverty.

The Emerging Science of Poverty
A long history of research has examined questions of whether, how, and for what outcomes income “matters” for children’s well-being. The answer to this question is key to informing policy decision-making about whether and how to effectively target policy to improve the lives of low-income children. In this section, we discuss the state of the science on income effects. In doing so, we first highlight the way in which the last decade has “put to bed” some key questions about income effects, while also opening new questions about pathways that are key for further investigation.

A wealth of research has been devoted to addressing the question about the magnitude of income effects and, most critically, whether or not the associations between income or poverty and outcomes for children are mere associations (and thus overestimate the effects of poverty) or represent causal relations (see Mayer, 1997). Fortunately, a number of studies have tried to address this question by leveraging planned (random-assignment) experiments (e.g., Duncan, Morris, & Rodrigues, 2011); “natural” experiments (e.g., Akee, Copeland, Keeler, Angold, & Costello, 2010); policy changes outside of families’ control (e.g., Dahl & Lochner, 2008), or, finally, by conducting rigorous analyses of nonexperimental data (e.g., Votruba-Drzal, 2006). The consensus from this work is that there are “modest” positive effects of income on multiple domains of children’s development. These studies together show that income effects range from about .10-.20 of a standard deviation with $1,000 increase in family income for families at the low end of the income distribution. Using these estimates, a grant the size of the EITC (at $3k- $4k) could generate moderate to large increases in outcomes for children.
What remains unclear, however, is the precise pathways by which income effects occur beyond the economic investment (Becker, 1981) and family stress (McLoyd, 1990) pathways that are typically invoked. New findings from related social-science disciplines, such as neuroscience, economics, and sociology have not been fully integrated into a conceptual frame for this area of research. In the next section, we begin to build this more nuanced conceptual frame in order to understand how to improve the trajectories of low-income children.

Common Theories of Income Effects
The two most commonly considered complementary theories about how income affects outcomes for children are drawn primarily from the fields of economics and psychology, respectively. From economics (and family sociology), income is thought to affect children through the investments their parents can make in their developmental outcomes (Becker, 1981; Coleman, 1988). Income enables parents to purchase both material resources for their children (books, toys) as well as nonmonetary goods (e.g., time). From developmental psychology (and family sociology), seminal studies conducted on families losing income in the Great Depression (Elder, 1974) and during other periods of economic shocks like farm failures (Conger & Conger, 2002) have highlighted the role of income in increasing parents’ stress and impairing
parents’ child-rearing practices. This theoretical work on the stress effects of poverty has been extended to single-parent African-American families, showing how poverty may impinge on children’s social-emotional development through disruptions in parents’ psychosocial well-being and parenting (McLoyd, 1990).

Both of these traditional theories have largely focused on the family unit and effects on behavior of parents and children, while simultaneously paying relatively less attention to both the internal (biological) processes and external (environment) factors beyond the family unit. Fortunately, advances in neuroscience and sociology/ecological science allow us to expand the conceptual frame (inward and outward) to address these issues. The issues raised from these disciplines are largely not new, but they are only recently being integrated to an interdisciplinary view of understanding the effects of income and poverty on children. We focus on a few key findings below by way of example.

**Biological Processes in the Effects of Poverty: Advances in Neuroscience**

What is going on inside the bodies of low-income children that would make poverty disrupt their behavior and achievement? Recent work on the physiological impacts of stress suggests that the initial response may lie in the brain, particularly in the emotional systems of the brain, with far-reaching physiological consequences (Ganzel, Morris, & Wethington, 2010; McEwen & Gianaros, 2011). Current thinking argues that the stress-system is characterized by “allostasis” rather than homeostasis (Sterling & Eyer, 1988; McEwen & Stellar, 1993), such that rather than return to baseline following the experience of a stressful event, the stress-sensitive system matches internal processes with external demands (through a process called “allostatic accommodation;” Ganzel et al., 2010). In the case of poverty, this means that the child (or even the parent) in a low-income family, faced with a stressor, will respond physiologically by adjusting parameters to a range of functioning that is appropriate to that stressor.

The condition of poverty does not entail a single stressful event. And thus, the value of the allostatic model is that it can account for the physiological effects of repeated or chronic exposure to stressors on outcomes and address questions about how and for what outcomes poverty will have long-lasting consequences. Under repeated stressor exposure, which is more likely to occur in cash-strapped households and communities, the body “anticipates” the stressor by setting new set points in physiological systems (Sterling & Eyer, 1988). While preparing the body for the stressor in a number of ways (which is highly adaptive), these new set points also have long-term physiological costs (allostatic load; McEwen & Stellar, 1993) to physical and mental health outcomes. They do so through adverse changes to the cardiovascular system (with health implications), the immune system (with greater vulnerability to disease), and/or the neuroendocrine and cortical systems (with implications for learning and decision-making), in ways that are “toxic” (Blair & Raver, 2012; Shonkoff & Gardner, 2012).

Importantly, parents as well as children can be affected physiologically by poverty, and these effects may explain some of the effects of poverty on parents’ health. Low-income adults have consistently been found to experience substantially deteriorating health, such as compromised immune functions and/or higher risk of cardiovascular disease, with increasing exposure to cumulative poverty-related stressors and at much earlier ages than their more advantaged counterparts (Geronimus, Hicken, Keane & Bound, 2006). These health effects may be a consequence of higher levels of allostatic load, with concomitant disruptions in both sympathetic and parasympathetic nervous system response, as indicated by altered cortisol, norepinephrine, and DHEA-S release and uptake that would explain these health effects (Chen Miller, Lachman, Gruenewald, & Seeman, 2012; McEwen & Seeman, 1999). Thus, adults who are caring for children under conditions of chronic and high economic stress are also likely to have health problems of their own. The implications of parent health for health care policy and the role of health care policy in ameliorating or reducing that burden are substantial.
This new thinking helps to specify more precisely the outcomes on which poverty might impinge, while also highlighting potential avenues for intervention. Much of the child development research on outcomes for children in poverty has focused on effects on academic achievement and social-emotional outcomes, with less attention to health effects and underlying brain-related processes. This work would suggest that more attention be paid to both—the health consequences of poor economic conditions as well as implications of such conditions for processes such as executive function and regulation (Blair & Raver, 2012). With regard to intervention, these models also imply addressing the stress-response system (e.g., successful coping), which is a critical addition to poverty-fighting policies.

Considering the neurobiological consequences of poverty also highlights another key nuance in our thinking about income effects on children—that poverty may or may not be a static state. Interestingly, such income instability or volatility has been largely understudied in the poverty literature, especially with regard to its implications for children (Hill, Morris, Wolf, Tubbs & Gennetian, in press). Yet, income volatility may especially disrupt children’s development by reducing the regularity of routines in their lives (e.g., mealtime routines, activities, and even sleep) and impinging on their health. Policy features, such as income eligibility limits for benefits and short recertification periods may exacerbate the problem of income volatility among families, while the availability of short-term low-cost loans could facilitate the smoothing of family income across periods when resources are scarce. In this way, attention to the issue of income instability may help us better develop a system of policies that promotes the development of low-income children.

Environmental Factors in Poverty Effects: Advances in Sociological/Ecological Science

Children and families living in poverty have inferior and sometimes toxic housing conditions, and those environments likely also impinge on the outcomes of low-income children (Evans, 2006). For example, housing conditions of low-income families include higher exposure to standard physical characteristics (heating, sanitary conditions, presence of environmental pollutants) as well as higher density (crowding); the implications of such conditions for family processes may be substantial (see Leventhal & Newman, 2010). Household characteristics such as lack of safety, noise and crowding are associated with greater cognitive and neuroendocrine indicators of stress and lower levels of child adjustment (Leventhal & Newman, 2010; Lepore, Shejwal, Kim & Evans, 2010). For example, a compelling study on the negative impact of noise shows how that the introduction of sound absorbent panels can improve preschoolers’ letter-word-number recognition and language skills (Maxwell & Evans, 2000). Recent quasi-experimental and experimental studies of low-income families’ housing mobility and their corresponding decreases in symptoms of anxiety and stress suggest that low housing quality (as well as neighborhood and neighborhood school quality, as we discuss below) may be an additional dimension of poverty-related risk to consider, even after taking income and psychological dimensions of poverty into account (Ludwig et al., 2008).

The effects of poverty also extend to neighborhoods. Less-advantaged neighborhoods provide fewer enriching opportunities for children such as parks, libraries, and children’s programs (Brooks-Gunn, Duncan & Aber, 1997), while dangerous neighborhoods present physical and social hazards to children. A large body of research highlights how even living in close proximity to (as well as witnessing) violence in the community can negatively affect children’s social-emotional and cognitive development (Leventhal & Brooks-Gunn, 2000; Sharkey, Tirado-Strayer, Papachristos & Raver, in press). Mechanisms for the negative impact of more violent and more socially disorganized neighborhoods on child outcomes may be both direct (via increased allostatic load) and indirect (such as through parental efforts to lower their children’s risk of exposure to harm; see Roche & Leventhal, 2009).

The peer and parenting environments of low-income communities also likely differ from those in higher income communities (Jencks & Mayer, 1990). Peers exert strong influences on children’s behavior for a number of reasons, resulting in children’s higher rates of delinquency in higher risk neighborhoods. For example, children may imitate their peers’ behaviors, emulating the behavior of those around them. But at the neighborhood level, other processes are at play, as stigma is reduced for delinquency when such behaviors occur more frequently, and the likelihood of getting caught is reduced because of congestion effects in law enforcement (Cook & Goss, 1996). And even beyond peers, adults in a neighborhood can influence young people who are not their children by acting as role models or, more importantly, by exerting social control on their own children’s as well as their friends’ behavior (Sampson, Raudenbush, & Earls 1997).

These findings demonstrate that poverty can dictate the broader “contextual” state of the family rather
than merely be a measure of the amount of resources within a given household. Thus, changing family income alone, without attending to the broader context of poverty, may not be sufficient to improve the outcomes of children. As we discuss in the next section, policies can be expanded to address issues in neighborhoods or communities, and doing so may be key to making a substantial difference in the lives of low-income children.

**Advances in Applied Intervention and Policy Research**
As previously proposed, the U.S. system of antipoverty programs and policies has served to reduce poverty. Nonetheless, the general and child poverty rates remain stubbornly high. In this section, we turn to research over the last decade that may provide insights about program and policy innovations and reforms that could (1) directly reduce poverty, or (2) protect and enhance the human capital development of poor children or parents. In this way, they map closely onto the investment and family stress theories of income effects. The goal of this is to selectively and strategically focus on a few initiatives (i.e. rather than an exhaustive review) that hold special promise and merit serious consideration.

**Poverty Reduction Models**
Particularly striking recent changes in U.S. antipoverty policy include a decline in cash assistance through the welfare system and an increase in cash assistance through the tax system. In this section, we focus on the latter in part due to the fact that the former is currently serving an increasingly smaller proportion of the low-income population (due to changes in eligibility requirements among other things).

The largest form of cash assistance for low-income families is delivered via the Earned Income Tax Credit (EITC). Eligibility for EITC is contingent on work. A family earns 40¢ of a tax credit for each dollar earned from $1 to $10,000 dollars of earned income. None of the credit is lost until a family’s earned income reaches beyond the poverty line. Then the credit is phased out at a slower rate until it reaches zero at about $40,000 of earned income per year. The tax credit is first used to offset tax liabilities. But if the value of the credit exceeds a family’s tax liability, the remainder of the credit is refundable. Both the tax offset and the refundable features of the credit are critical to its antipoverty effect. Another form of cash assistance that is targeted on a broad range of families, not just poor families, with children under age 17 is the Child Tax Credit (CTC). Under current law, families can receive a CTC of $1,000 for each child. Like the EITC, the CTC is partially refundable and conditional on earnings, where some families may either earn too little (under $3,000), or earn too much (e.g. $75,000 for single parents and $130,000 for married couples) to get the credit.

Together, these refundable tax credits are estimated to lift 7.2 million Americans, including 4 million children out of poverty, which is more than any other program or category of program at any level of government (Marr & Highsmith, 2011). And, by tying support to work, they encourage rather than discourage work effort. Not only do refundable tax credits reduce child poverty; they also promote child development. Dahl and Lochner (2008) found that with each increase of $1,000 brought about by income tax credits, children’s reading and math achievement (measured by standardized tests scores) increased by 0.06 SD. Importantly, these positive effects were somewhat larger for lower income families.

In light of the higher level of political and public support for efforts to combat poverty via the tax system (rather than the welfare system), tax policy is a particularly promising avenue to directly reduce poverty. A variety of changes could be made that would increase the antipoverty effects of the EITC and the CTC. As examples, Congress could raise the maximums and increase the phase-in rates of both credits; the CTC could become fully refundable. Of course, these changes would require additional federal expenditures. But decisions could be made to redistribute government expenditures to strengthen tax credits for poor families and their children, and to consider additional tax credits beyond those tied to employment alone. Even so, the question is whether such approaches are sufficient to substantially improve outcomes for poor children, whose outcomes fall so far behind those of middle- and high-income families.

**Human Capital Development Models**
A number of programs designed to advance the human capital of low-income children have been evaluated and show promise for such children, at least in the short term. These span the age range from early childhood to adolescence, targeting children (with one exception) primarily outside of the family—in the child care and education services where children spend a substantial component of their day. These interventions often target the quality of interactions between children and adults or peers—
is, those same interpersonal processes that are eroded by poverty-related stressors (Bronfenbrenner & Morris, 2006). Certainly, none of those programs can be said to completely make up for the deficits of growing up in poverty. With that caveat in mind, we discuss promising programs below, to illustrate progress made over the last several decades in identifying programmatic strategies that can improve the outcomes of low-income children.

Preschool is a centerpiece of policy efforts intended to reduce the achievement gap of low-income children, in part because of the early emergence of the achievement gap before the start of school and in part because of cost-benefit calculations that show that even very expensive preschool efforts nonetheless can be cost-effective (Reynolds & Temple, 2006). Comprehensive early childhood programs for children at risk have the potential to improve cognitive and academic outcomes and have extended benefits over time. In fact, a meta-analysis estimated that the average effect size on cognitive measures was half a standard deviation in size (Shager, et al., 2012). The two most widely touted comprehensive programs—Perry Preschool and Abecedarian, have both been tested in small-scale randomized trials and show sizeable short and long-term benefits (Campbell, Pungello, Miller-Johnson, Burchinal, & Ramey, 2001; Weikart & Schweinhart, 1997).

The more recent findings from the Head Start impact study, providing a rigorous test of the effects of Head Start across 84 nationally-representative delegate agencies, have shown more modest, but still positive, short-term effects on outcomes for children (USDHHS, 2005). But there also appears to be considerable fade out of effects as children advance to elementary school (USDHHS, 2010). Now, a “next generation” of preschool studies shifts from the question of whether preschool benefits poor children, to asking how best to provide sustained, high-quality opportunities for learning within multiple educational contexts. Recent cluster-randomized trials have demonstrated that effect sizes for the impact of preschool intervention on low-income children’s cognitive and behavioral outcomes can be substantially larger when the quality of the classroom environment is targeted (Bierman, Nix, Greenberg, Blair, & Domitrovich, 2010; Morris, Raver, Millenky, Jones & Lloyd, 2010; Raver et al., 2011). From that perspective, child care, preschool, pre-kindergarten, and kindergarten programs are then best conceptualized not as a patchwork system of care, but as multiple early educational platforms that bridge home and formal schooling. It is to those two respective contexts of home and school that we now turn.

For very young children, fewer promising interventions have emerged, in part because younger children spend a substantial amount of time with parents and it has proved to be more challenging to intervene with parents than with teachers. Several models capitalizing on early childhood settings and/or home visitation such as Early Head Start (Love et al., 2010) and Nurse Family Partnership (Olds, Henderson, Tatelbaum & Chamberlin, 1986) have shown small positive effects on quality of parenting and school readiness for children in the infant and toddler years. Two newer approaches to changing parenting are also worth noting and show promise in changing child outcomes. First, some interventions rely on an interventionist who video-records the parent and child and uses review of the video with the parent to support positive parenting (Dozier et al., 2006; Landry, Smith, Swank & Guttentag, 2008; Mendelsohn, et al., 2005). Second, Family Check up (Shaw, Dishion, Supplee, Gardner & Arnds, 2006) is a home-based, family-centered intervention that utilizes an initial ecologically-focused assessment to promote motivation for parents to change child-rearing behaviors, with follow-up sessions on parenting and factors that compromise parenting quality.

For school-age children, comprehensive school reform models have burgeoned over the last decade. These models target not only teachers’ professional development and practice in individual classrooms, but strive to alter the entire school context by offering curriculum aligned across grade levels. Some of the most well-known of such programs, such as Success for All (SFA), have been examined in over 100 studies, with SFA demonstrating...
improvement in children's early reading skills across several RCT evaluations (AIR, 2006; Borman et al., 2007). In addition, other models for school-age children have also targeted children's social and emotional learning (SEL), recognizing that children's social experiences, emotion skills and regulation can support or impede their own and others' academic success in school (Durlak, Weissberg, Dymnicki, Taylor & Schellinger, 2011; Jones, Brown, & Aber, 2011). A recent meta-analysis finds that SEL programs successfully improve children's academic performance, with effects ranging from a fifth to a quarter of a standard deviation (Durlak et al. 2011). Key to these initiatives has been the recognition that intervention-driven academic gains that are earned within a given grade or school year may not be sustained unless that intervention or school reform effort is extended across grades. That said, these models provide another promising strategy for intervention with school-age children.

For the oldest children, there are a few programs with promise in reducing the intergeneration cycle of poverty. Evaluations of small schools of choice in the New York City system, for example, have shown benefits to children's graduation rates and prospects for college attendance (Bloom & Unterman, 2012). The feature that differentiates these schools is not only their size, but their emphasis on academics, personalized attention, and community relationships. Another example of a promising approach for this age group is a set of programs called “Career Academies” that connect older children to the world of work (Kemple & Willner, 2008). These programs have substantial effects on the earnings of low-income young men as they moved into young adulthood (Kemple & Willner, 2008).

While there are a number of approaches that can boast success, the human capital development models for all age groups of children could do better. The core challenge is that while they all attempt to “make up” for the challenges of growing up in poverty they do nothing to change the economic conditions of families or communities. The result is that children get some dose of nutritious interactions, but these effects are continually undermined by the stressors of growing up in poverty. As we discuss next, there are innovative models that attempt to do both in the form of “conditional cash transfers.”

A Model Designed to Reduce Poverty and to Promote Human Capital Development: Conditional Cash Transfer Programs

Remarkably, while the research community has realized that the separation of the investment and family stress pathways is a false dichotomy, our policy efforts have largely proceeded on separate and parallel tracks. As the Haskins (2011) and Ben-Shalom et al. (2011) analyses describe, the U.S. system of antipoverty programs and policies include major investments to reduce poverty in the short-term via cash and in-kind assistance. They also include major investments aimed at stimulating the human capital formation of poor children, youth and parents. But in the U.S., there are few policy efforts designed to address both of these goals simultaneously and synergistically: that is, the reduction of income poverty in the short-term and increases in (parent) investment in children’s human capital development in the intermediate- and longer-term. However, in the southern hemisphere, one such approach known as holistic or comprehensive conditional cash transfers (CCTs) has been tried.

Comprehensive CCTs have been developed and implemented over the last 15 years, first in Latin America and increasingly in Africa and Asia. CCTs aim to 1) reduce poverty in the near term by providing cash support to families and to 2) increase parent investment in their own self sufficiency and their children’s human capital by making cash support contingent on certain behaviors that are consistent with such investments. In their review of the first wave of well-evaluated CCTs, Fiszbein and Schady (2009) concluded that CCTs can reduce poverty, increase the use of health, nutrition and education services and improve health outcomes, especially in early childhood. But there is less evidence that CCTs have an impact on children’s learning and academic achievement despite their positive impacts on school enrollment and attendance.

Comprehensive CCTs are one variant of the broader use of financial incentives to change behavior. Other types of financial incentives designed to change low-income people’s outcomes also have been evaluated over the last two decades with the range of targeted domains, value, and resulting impacts of different packages of incentives varying widely. Conceptually, one would not expect domain-specific incentives of less value to have the same impact on behavior and outcomes as multi-domain, higher value incentive systems. Thus, comprehensive CCTs are expected to have more synergistic effects across several domains of behaviors and outcomes. Moreover, they resolve some of the challenges presented earlier in terms of tying all incentives to employment highlighted in section I—in times of high unemployment, CCTs that target education and health as well as employment can still support low-income parents’ investments in children and help reduce poverty.
The first effort to adapt the holistic CCT approach to combat poverty in a developed country was undertaken by New York City government and named “Opportunity NYC/Family Rewards” (Aber, 2009; Riccio et al., 2010). Families were paid cash rewards of about $3K a year (on average) on condition that parents and children undertake a variety of activities to advance children’s education, families’ preventive health care and parents’ employment (see Riccio et al., 2010, for details). A rigorous random assignment evaluation of Family Rewards, undertaken by MDRC, is following 4,800 families and 11,000 children over the 3 years of participation of the program and 2 additional years after the CCTs are ended. Interim results after 2 years of the initiative are promising in some respects (Riccio et al., 2010). Family Rewards reduced current poverty and material hardship; increased savings and banking; increased school attendance, course credits, grade advancement and scores on standardized tests (but only for better-prepared high school students); increased families’ health insurance coverage and receipt of medical and dental care (and reduced emergency room use). This is an impressive array of short-term outcomes, very much in keeping with the dual goal of CCTs: to reduce poverty in the short-term and to stimulate investments in human capital development in the long-term. But Family Rewards did not impact achievement test scores for most children; and while it increased employment in jobs not covered by the unemployment insurance (UI) system, it reduced employment in UI covered jobs.

We have argued elsewhere that Family Rewards represents CCTs 1.0 as the first attempt to implement this kind of program in the United States (Morris, Aber, Wolf, Berg, & Riccio, in press). New York City government and the Obama administration concurred that there was sufficient promise in the strategy to revise the CCT policy based on interim results, and to conduct a new random assignment trial of CCTs under the Obama administration’s Social Innovation Fund in New York City and in Memphis, TN.

Why (and how) do we think that CCTs can do better than either poverty reduction or human capital efforts alone when the history of such programs is positive but not yet remarkable? What CCTs do really well at is reducing poverty, but they also encourage parents to take advantage of human capital development services. Yet, they have not yet generally been paired with “supply side” services to boost the quality of services, focusing instead on “demand side” adjustments (parents’ take up of those services). If we can do all three—help encourage parents to take up services, while reducing family poverty and ensuring the services children are receiving are high quality—we may finally make a substantial dent in the effects of poverty for the next generation.

The recent work in the U.S. on CCTs is but one example of the many ways that the U.S. can adopt new, innovative approaches to combating poverty. Policy makers and prevention scientists may consider these interlocking components of poverty reduction (through economic levers), allostatic load and stress reduction (potentially through health levers), human capital promotion and behavioral change (through interactions), and, finally, community-improvement, as multiple “working parts” of comprehensive intervention. This example could serve as a catalyst for other innovative models that strategically take a “both-and” rather than “either-or” approach to reducing material hardship and increasing the likelihood of children’s positive health, educational, and behavioral outcomes over time.

**On a Way Forward**

In this final section, we reflect on implications for moving forward on the program and policy front and on the research front.

**Program and Policy Reflections**

First, there is no single magic bullet to address the child and family poverty problem in the U.S. Rather, a combination of cost-effective and publicly supportable strategies is needed to reduce child poverty and to promote human capital development for poor children. But our both/and approaches in the past have either not been enough to reduce child poverty or have been poorly coordinated, failing to protect poor children from the worst effects.

Second, to more effectively reduce child poverty and to enhance children’s health and development will require a greater proportion of U.S. public expenditures being devoted to these efforts and creative redesign of poverty reduction and human capital development initiatives to achieve greater synergies across our investments. Alarmingly, antipoverty programs and policies remain in silos that are insufficiently coordinated to obtain optimum impact for our investments.

Third, the costs of doing nothing more and/or differently in poverty reduction and human capital investment are high. Poverty’s impact on children’s educational achievements and health result in lower productivity of the nation’s economy and higher health care costs. Indeed,
cost-benefit analyses of many antipoverty programs suggest they more than pay for themselves (Heckman, 2006).

Our broad review indicates that the rate of poverty among our nation’s children and their families is not immutable. A productive policy strategy would be for policy makers, leaders, and community members at the state and federal level to set a target for how much of a reduction in the rate of U.S. poverty among children that we hope to accomplish in the coming 5 to 10 years (see: www.halfinten.org). Without a transparent commitment to an ambitious, yet achievable target for anti-poverty policy, it will be difficult to build a road-map of steps that we might take, as a nation.

Scientific/Research Implications

The emerging science suggests several issues that deserve high priority attention from the broadly interdisciplinary child development research community. First, perhaps the most important and exciting area of research is in the search for the processes that mediate the impact of poverty on children’s health and development. As the history of scientific research on income effects shows, there were great scientific challenges to establishing the causal influences of poverty on children’s health and development. There are even greater challenges to demonstrating that a complex process like allostatic load is a causal link to low and unpredictable family incomes and poor health and development (Ganzel et al., 2010). But these challenges can be met by joining the power of basic scientific research with rigorous experimental evaluations of antipoverty programs and policies.

Merging prevention science and developmental science can help program developers and policymakers identify new ways to support optimal outcomes among families facing an increasing level of economic pressure, in increasingly tough times with expanding levels of inequality. As but one example, the recent research on neuroendocrine processes of poverty-related “wear and tear” and increased allostatic load in adults and children exposed to chronic deprivation suggests that much of what we will learn in the next 5 to 10 years will have high levels of significance for their health as well as educational outcomes. This means that increased attention to prevention programs to support positive outcomes among poor families may offer major benefits to not only increased human capital but lowered health care costs for our nation over time.

Finally, programs that offer greatest promise may be those that consider ways to remedy both the material and the psychosocial conditions faced by families in poverty. Building integrated platforms of service delivery that target poverty reduction and health and human capital promotion is not a small task. That said, such integrated models of family behavioral change and material support may yield benefits in unanticipated ways.

In sum, the prospects and problems for children in poverty are daunting. There is now an opportunity to deploy the tremendous empirical and policy tools at our disposal to make major improvements in the lives of poor children in the next decade. We can use these tools to accurately identify points of inflection in the life course and economic trajectories of families and children. It is our task as scientists and citizens to maximize the ways that children’s and families’ economic and developmental trajectories can be set on a positive course, in the years ahead.
References


The topic of poverty for children is quite timely. The country’s recent financial troubles have increased the number of children and families in poverty, and that number could get bigger with the looming possibility of precipitous drops in funding for the social programs needed to aid these families. This issue needs to be raised and put at the forefront of our nation’s budgetary planning. We need solutions that meet the needs of these families both immediately and in the longer term.

The focus of this commentary is the deleterious effects of poverty specifically on black children and the need for solutions. The proportion of black children who live in poverty in the United States is quite troubling, and has grown from 34 percent to 38 percent between 2008 and 2010 alone (Kids Count Data Center, 2011). More than three in four black children experience poverty at some point in their childhoods, with 37 percent of them being persistently poor (Ratcliffe & McKernan, 2010). Black children are 2.5 times more likely than white children to ever experience poverty, and 7 times more likely to live in persistent poverty, which is defined as living in poverty for at least nine years of childhood (Ratcliffe & McKernan, 2010). Poor black children are also the most likely of all racial groups to live in concentrated poverty, with 45 percent of them living in communities where greater than 30 percent of people are in poverty, as compared to only 12 percent of poor white children (The Annie E. Casey Foundation, 2012). Concentrated poverty presents significant risks for families, as children are more likely to experience harmful levels of stress and severe behavioral and emotional problems while parents are more likely to face food hardship and lack health insurance (The Annie E. Casey Foundation, 2012).

The larger numbers of black children in poverty can be explained by very high levels of black unemployment and underemployment. Over the last 50 years, blacks have consistently had an unemployment rate that is twice that of whites (Austin, 2012). Further, in times of economic recession, blacks tend to experience greater levels of job loss than whites and take far longer to recover. In the case of the Great Recession, for example, during many months while the national unemployment rate was declining and America was declaring the recession to be over, unemployment rates for blacks were continuing to climb.

One of the biggest differences between black and white children in poverty is the likelihood that they will live in poverty as adults. While white children born poor are more likely to lift themselves from poverty in early adulthood, 41 percent of black children who are poor at birth spend at least half of their early adult years living in poverty. In addition, black boys born in poverty are less likely to be employed as young adults than white boys born poor (Tsoi-A-Fatt, 2010). These trends are driven again, in part, by the types of communities in which poor black children live. As the authors discuss, there are documented physiological effects of poverty for children. This is compounded by the higher rates of chronic trauma that children experience in communities of concentrated poverty. Research clearly documents that exposure to chronic trauma impacts both neurodevelopment and psychosocial development of children (National Scientific Council on the Developing Child). These impacts are particularly harmful during early childhood, when brain architecture is being shaped. These repeated experiences of overwhelming stress cause children to abandon the notion that they can impact the course of their lives in a positive way. The result is a state of learned helplessness, which affects all areas of their lives such as school attainment, health, employment, and family formation.

The authors of this paper discuss anti-poverty programs that are currently in place such as Medicaid,
SNAP, and EITC, and highlight the funding increases to these programs that have helped to keep families out of poverty. While these programs are important, it is critical to acknowledge that there are other programs or policies that fall under a broader definition of anti-poverty efforts. These programs have been flat funded for many years, significantly cut, or even eliminated despite evidence of their effectiveness. Head Start, for example, provides comprehensive early education and support services for poor children, including high quality early education and medical, nutritional, and family support services, which have proven to be effective in improving the lives of poor children and their families. Yet, current funding supports fewer than half of eligible preschoolers and fewer than 4 percent of eligible infants and toddlers.

In addition, it is important to address the reductions over time in funding to communities of concentrated poverty that has negatively impacted children and their families, particularly black families. For example, federal funds for summer youth employment programs, which flowed directly to communities and gave young teens an opportunity to earn money and learn employment skills, were cut with the implementation of the Workforce Investment Act of 1998. Under the American Recovery and Reinvestment Act, communities received new funds for summer youth employment, but those temporary funds are no longer available. In addition, these communities are experiencing reductions in Community Development Block Grants, HOME Investment Partnerships grants, and Community Services Block Grants, which have been useful in sustaining poor families through emergency assistance, safe and affordable housing, as well as job training and employment placement.

The authors discuss in this paper examples of both economic poverty reduction models and human capital development models. Currently, economic poverty reduction models such as Earned Income Tax Credit and Child Tax Credit are somewhat limited in their effectiveness for black families because they are contingent upon employment, and the unemployment rates for black males and females are so much higher than the rest of population. As such, I agree with the authors’ assessment that solutions for reducing poverty must look simultaneously at human capital development in order to truly impact all populations. While positive outcomes on human capital development may take longer to emerge because they may require the learning of new skills and changes in behavior, they potentially are of greater benefit in the long-term.

The authors lift up the Conditional Cash Transfer model (CCT) as a potential solution, as it ties together both poverty reduction and human capital development. Preliminary research, however, on CCT programs in the United States is mixed (Riccio, 2010) In the evaluation of Opportunity NYC, MDRC found that while the program reduced poverty through payments to participating families, outcomes were less clear for the incentive behaviors that are complicated by challenges such as school quality, transportation and child care-- issues that particularly plague communities of concentrated poverty (Newcomer, 2010). The authors suggest improvements that should be made to the CCT model to strengthen its human capital development portion. I would further suggest that there be intentional planning for how adjustments should be made to assure success for the very poor, the least educated, and for particular minority subpopulations. In addition, in considering policymaking for CCT programs, funds for less conditional programs should not be shifted or reduced to implement more conditional programs.

I believe that community investment, the third approach mentioned in this paper for reducing poverty, is an area that must get greater attention in policymaking. The geography of poverty is, for black children, an extremely important element that must be addressed. To develop a truly comprehensive approach to this problem of child poverty, we need to include targeted, increased investments in communities of concentrated poverty in a multi-pronged strategy to reduce poverty and its effects for all children and their families. The access to resources, opportunities, and supports within these communities of concentrated poverty must be increased. As the authors indicate, a more synergistic approach among economic models, human capital development, and community improvement is the only way to make a solid impact on the problem of child poverty in the United States.

References
The present discussion of poverty and its effects remains important to all of us. Aptly reviewed by this *SRCD Social Policy Report*, after fifty years of complicated efforts to break the cycle of America’s poverty, the number of unfortunate Americans who live in and experience poverty is trending towards fifty million. One might be compelled to ask what has changed over the years.

Socio-economic and demographic landscape/realities have changed dramatically in the last 40 to 50 years. The composition of racial and ethnic groups in the U.S. is now much different from what it was forty to fifty years ago. Moreover, it is expected the U.S. will experience significant increases in racial and ethnic diversity over the next four decades, and these trends are expected to continue. Understanding and discussing these changes thoroughly is critical because of their potential role in developing effective strategies and policies which can improve the well-being of all citizens in the U.S.

According to the U.S. Census Bureau, the U.S. will experience “majority-minority” crossover between 2040 and 2050, and regardless of the net international migration, the size of the Latino population is expected to increase substantially in the coming decades (Ortman & Guarneri, 2009). Currently, Latinos account for a significant portion of the immigrant/minority population in the US. According to the most recent census data analysis reported by the Pew Hispanic Center, in the nation’s public schools, Latinos reached new milestones. For the first time, one-in-four (24.7%) public elementary school students were Latino. Similar trends for public kindergarten students (in 2007) and public nursery school students (in 2006) were observed. In 2011, a record 23.9% of pre-K through 12TH grade public...
school students were Latino (Fry & Lopez, 2012).

For Latinos, where immigration has been a significant factor in growth, it is evident that children in immigrant families experience a somewhat lower level of overall well-being than children with U.S.-born parents even though the children themselves are U.S. citizens. American children with immigrant parents account for one of every four children, and, during the coming decades, they will be one-fourth of the persons entering the labor market with the majority of these children English Language Learners (ELLs) (Hernandez & Napierala, 2012). According to a recent report by the Foundation for Child Development (FCD), which is based on its comprehensive Child Well-Being Index, about one in three children in immigrant families live below the federal poverty level, compared to around one in five children with U.S.-born parents.

Recent evidence indicates that social policies aimed at immigrants and ELLs have an important role in determining the context for young children’s development and learning. State and local policies that inhibit the utilization of effective instruction for the ELL population have been documented to have potentially important negative consequences on development and learning (Gandara & Hopkins, 2010). These studies link anti-immigration policies to disadvantageous developmental and learning outcomes for these children. Therefore, even though poverty is a clear factor in contributing to “risks” in development and learning for these children, it is not the only and may not even be the most important factor related to those “risks.” The majority of young children of immigrant parents represent a range in length of residency in their host country from recent immigrants to those who have been established in the host country for several generations. Being the child of an immigrant or native born parent and the extent to which the family is integrated in mainstream society also has been found to be associated with development and learning. Although there is almost no research examining developmental outcomes of children by their or their immigrant parents’ documented status (authorized vs. unauthorized), several reports have described the stresses associated with living in fear of deportation, experiencing an immigration raid, and being separated from their parents because of deportation (National Council of La Raza, 2009; Yoshikawa, 2012).

For young children of immigrants, who are themselves US citizens, understanding and using their first home language in various family and non-family domains allows access to a myriad of potentially rich language experiences (Wong-Fillmore, 1991). However, the integration of immigrant families into a predominantly English speaking society specifically leads to a shift from a non-English primary language to English over generations (National Task Force on the Early Education for Hispanics, 2007). Therefore, as English proceeds in becoming a part of the child’s discourse experiences, the issue of first language preservation becomes relevant for understanding development and learning. The formation of cultural identity is related to language use (Espinosa, 2010). Loss of the primary language may compromise the child’s understanding and learning venues which exclude the child’s heritage language. And in some cases, this loss of language has been associated with a sense of “shame” or “disregard” for the culture of the family, further minimizing developmental opportunities (Wong-Fillmore, 1991). In many cases, groups that are traditionally labeled ‘at-risk’ and in poverty, have been found to be characterized by a number of favorable outcomes. Children from immigrant families in low socioeconomic circumstances have lower infant mortality rates and fewer physical and mental health problems as compared to White children. Hispanic first generation immigrant children live in families with a strong work ethic and in homes where there are more adults (in addition to father and mother) who concern themselves with the care and well-being of the children. Further, although immigrant Hispanic/Latino parents, on average, do not have high levels of formal education attainment, they express interest in enrolling their children in early education programs and supporting them through post-secondary schooling. A recent survey found that over 90% of Hispanic/Latino parents felt that it is very important or somewhat important for children to attend preschool (Garcia & Garcia, 2012). This population is not “turned off” by formal learning opportunities and challenges, which may be related to making those opportunities accessible to their young children.

Within the educational context, understanding the true experiences of children and their families, whose backgrounds differ culturally, linguistically, and socio-economically from their mainstream peers, is often found to be complex by scholars, practitioners, and policymakers. These efforts require closer attention and rigorous, in-depth
examination, which will undoubtedly contribute to research on the effects of poverty in the U.S. and inform practice and policy implications. Consequently, understanding changes in the socio-economic and demographic landscape is essential to our efforts in overcoming the challenges posed by America’s unending negative effects of poverty.

References


The major causes of poverty are a decline in work, especially by males (and especially by black males); low and stagnant wages at the bottom of the income distribution; the rise of female-headed families; and inferior education (Haskins, 2011). If the Aber et al. paper can be taken as representative of the literature on poverty, this list of its major causes is not controversial.

But here, in the “Social Policy Report” of an organization committed to using developmental science to shape the nation’s social policy in general and the fight against poverty in particular, I want to emphasize the role of individual choice and personal responsibility in reducing poverty. Policy can play a role in influencing the life course of children, but in the end unless parents and children make decisions that increase a child’s social and economic opportunities, our policies will do little more than provide some relief from resource poverty. Low work rates, nonmarital births, divorce, school dropout, and other factors largely under the control of individuals and families are like little motors driving up poverty rates and foiling the nation’s programs for reducing poverty and increasing opportunity.

About a decade ago, my Brookings colleague Belle Sawhill conducted a series of simulations to determine how much poverty rates would change if each of several factors correlated with poverty could be changed. What if Americans worked more? What if marriage rates were higher? What if all family heads had at least a high school degree? Based on reasonable assumptions about each factor, the simulations found that higher work rates could reduce poverty by over 40 percent; higher marriage rates could reduce poverty by more than 25 percent; and ensuring that family heads had at least a high school education could reduce poverty by 15 percent. Simulations are not experimental studies, but there are large bodies of evidence, some of it experimental, showing that work, marriage, and education have major impacts on poverty rates (Haskins & Sawhill, 2003; Thomas & Sawhill, 2002).

Equally important, of the four major causes of poverty, family composition and education are substantially within the control of individuals. Individuals decide to have babies outside marriage and to divorce, two of the major factors that push poverty rates higher. Similarly, it is individual students who decide how much to study, whether to stay in high school, and whether to attend a post-secondary institution. Of course, developmental research shows that the actions of parents have impacts on children’s development, that far too many of our children are being reared in dangerous neighborhoods with poor quality schools, and that, as Kathy Edin has shown, poor women living in the inner city do not have lots of employed and mature males to choose from when they decide to start a family (Edin & Kefalas, 2005). There are serious obstacles to good decisions. But despite the obstacles, society expects able-bodied individuals to persevere and to learn to support themselves and their families. In addition, we spend billions on programs designed to help the poor, especially their children, have a better shot. But most important, what is the alternative? Should we have high expectations that adolescents and young adults will make responsible decisions, regardless of the obstacles, or should we simply abandon many of them to a life of poverty and dependency?

The nation has a large number of public programs that provide

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1 Immigration also contributes to poverty in the U.S. because we have so many immigrants with less than a high school education. If the past is any guide, however, in the second generation and beyond the poverty rate of immigrants, even those with inferior education, will decline.
help to struggling individuals and families, but it is almost impossible to escape poverty without having earnings or living with someone who has earnings. The maximum cash benefit averaged across states from Temporary Assistance for Needy Families for a family of three was $5,006 in 2010, an amount equal to a little more than 28 percent of the poverty level. The family could also receive $5,921 in food stamps, bringing “income” to $10,927 or about 62 percent of the poverty level. The family is probably eligible for other benefits, but it is a rare family that can put together a package of benefits that would allow its members to have income equal to the poverty level. Even if the family did reach the poverty level of about $17,568 for a family of three in 2010, their income from government programs would permit only a spartan existence and would depend on a low housing payment, probably in a neighborhood with high crime and ineffective schools (Ways and Means Committee, 2008)²

Many scholars appear to think the solution to this dismal picture is to raise welfare benefits. But this view must contend with two realities. The first is that cash welfare is not very popular with the American public. Here’s an astounding number: the inflation-adjusted value of cash welfare declined by about 45 percent in the median state between 1981 and 2006. Moreover, the percentage of poor single mothers who received cash welfare declined from over 60 percent in the late 1980s to less than 20 percent in recent years (Gabe, 2011). If the public strongly supported cash welfare, they would be greatly disturbed by these numbers and insist that policymakers do something about them. But the public has not responded in this way.

The second reality is that the raging federal deficit is putting enormous pressure on policymakers to cut spending. Despite the decline in the value of cash welfare and the number of people receiving it, federal and state spending across all programs for poor and low-income individuals and families has increased almost every year since the beginning of President Johnson’s War on Poverty in the mid-1960s. In 2011, federal and state spending on these programs reached over $1 trillion. We now spend more than $20,000 in means-tested programs on a per-person in poverty basis and that number, too, has increased almost every year since the 1960s. But we have made little progress against poverty in the last three-plus decades.

The deficit means that the days of this healthy growth in welfare spending are over. Indeed, there are already cuts in some programs. Last year’s debt ceiling deal is now leading to sequestration that seems certain to result in cuts to Head Start, subsidized housing, and several other means-tested programs. In addition, the House and the Senate are poised to reduce spending on SNAP (formerly food stamps) by as much as $15 billion. And if a conservative budget plan is enacted, there will be very large cuts in Medicaid and SNAP as well as other social programs.

All of which is to say that it is likely that poverty warriors will not be able to count on new spending for the next decade or more. Indeed, it will be difficult to avoid deep cuts in the major anti-poverty programs we now have. Two conclusions follow. First, we are going to have to do more with less. Second, self-sufficiency, always crucial, will be even more important than it is now. If the nation’s social policy cannot shift from an emphasis on more programs and more spending to an emphasis on using our resources on the most effective programs and on encouraging people to make better decisions about education, work, and marriage, we will not make progress against poverty in the years ahead.

References


²All figures except the poverty threshold for 2011 for a family of three with two children are taken from the 2008 Green Book released by the Ways and Means Committee.
About the Authors

**Lawrence Aber** is Distinguished Professor of Applied Psychology and Public Policy at the Steinhardt School of Culture, Education, and Human Development, New York University. He previously taught at Barnard College, Columbia University and at the Mailman School of Public Health at Columbia University, where he also directed the National Center for Children in Poverty. He is an internationally recognized expert in child development and social policy and has co-edited *Neighborhood Poverty: Context and Consequences for Children* (1997, Russell Sage Foundation), *Assessing the Impact of September 11th 2001 on Children Youth and Parents: Lessons for Applied Developmental Science* (2004, Erlbaum) and *Child Development and Social Policy: Knowledge for Action* (2007, APA Publications). His basic research examines the influence of poverty and violence, at the family and community levels, on the social, emotional, behavioral, cognitive and academic development of children and youth. Dr. Aber also designs and conducts rigorous evaluations of innovative programs and policies for children, youth and families, such as violence prevention, literacy development, welfare reform and comprehensive services initiatives. In 2006, Dr. Aber was appointed by the Mayor of New York City to the Commission for Economic Opportunity, an initiative to help reduce poverty and increase economic opportunity in New York City. Currently, he conducts research on the impact of poverty and HIV/AIDS on children’s development in South Africa (in collaboration with the Human Sciences Research Council), and on school- and community-based interventions in the Democratic Republic of Congo (in collaboration with the International Rescue Committee).

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Social Policy Report (ISSN 1075-7031) is published four times a year by the Society for Research in Child Development. Its purpose is twofold: (1) to provide policymakers with objective reviews of research findings on topics of current national interest, and (2) to inform the SRCD membership about current policy issues relating to children and about the state of relevant research.

Content

The Report provides a forum for scholarly reviews and discussions of developmental research and its implications for policies affecting children. The Society recognizes that few policy issues are noncontroversial, that authors may well have a “point of view,” but the Report is not intended to be a vehicle for authors to advocate particular positions on issues. Presentations should be balanced, accurate, and inclusive. The publication nonetheless includes the disclaimer that the views expressed do not necessarily reflect those of the Society or the editors.

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Reviews are typically obtained from academic or policy specialists with relevant expertise and different perspectives. Authors then make revisions based on these reviews and the editors’ queries, working closely with the editors to arrive at the final form for publication.

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