

# Reducing Intergenerational Poverty

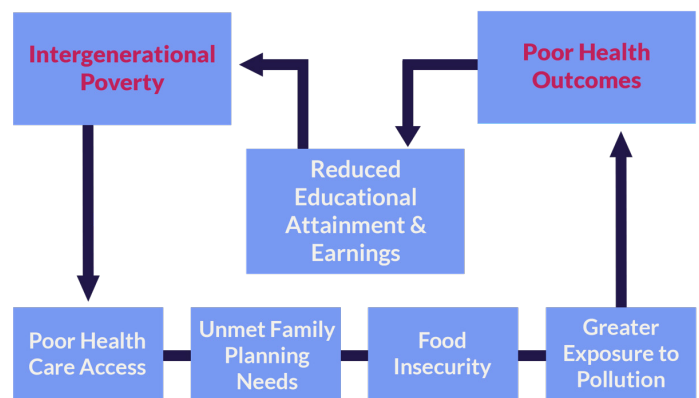
## The Critical Impact of Maternal and Child Health on Intergenerational Poverty

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

The National Academies of Sciences, Engineering, and Medicine released a comprehensive report on intergenerational poverty—a situation in which children who grow up in families with incomes below or near the poverty line experience low-income status in adulthood—in the United States. The report, *Reducing Intergenerational Poverty*, examines the drivers of long-term, intergenerational poverty identifies potential policies and programs to reduce it; and recommends actions to address gaps in data and research.

### THE POVERTY AND POOR HEALTH FEEDBACK LOOP

Research shows that poverty and poor health are inextricably linked. Families struggling financially are often the same families that have limited access to high-quality health care and are over-exposed to harmful environmental conditions like pollution and violence. This leads to poor health, which in turn limits economic prospects, ultimately creating a feedback loop.



### POVERTY AS THE CAUSE OF POOR HEALTH

The children of low-income families in the United States are in worse health than their peers from the day they are born. This disparity only worsens as they get older, reinforcing the link between childhood poverty and adult health.

Children living in poverty are:

- 30% more likely to have been born with low birthweight;
- Twice as likely as other children to be hospitalized;
- Twice as likely to live in a household that has experienced food insecurity;
- 3.5 times more likely to have high blood lead levels;

- 33% more likely to have a mental health condition; and
- Miss 22% more school because of sickness.

U.S. adults who spent their early childhoods in low-income families are:

- Nearly three times more likely than those from higher-income families to rate their adult health as “fair” or “poor”;
- Four times more likely to report health-related restrictions on their daily activities; and
- Report more psychological distress in adulthood.

Low-income families have higher rates of unintended pregnancies and the highest unmet need for family planning services. Those with unintended pregnancies have delayed access to prenatal care and higher rates of pre-term birth.

**POVERTY AS THE CONSEQUENCE OF POOR HEALTH**

A direct line can be drawn from child health to adult health, which in turn affects future earnings—a key driver of mobility out of poverty.

- Low birthweight is associated with worse adult labor market and health outcomes.
- Childhood mental health conditions are associated with a 28% decline in earnings at age 50.
- Childhood exposure to toxic chemicals is linked to long-term outcomes such as educational attainment and wages.

**RACIAL DISPARITIES IN POVERTY AND HEALTH**

Black and Native American families disproportionately experience intergenerational poverty. They also continue to experience worse health than their White counterparts. Taken together, this feedback loop does not just advance the cycle of poverty, it also amplifies existing racial inequalities.

*Health Outcomes:* Compared with White families, the rate of preterm and low birthweight births is 50% higher among Black families and 30% higher for Native American families. Black and Native American children have considerably higher mortality rates than all other groups.

*Environmental Conditions:* The evidence shows there are racial disparities in exposure to environmental toxins. Children living in more racially segregated cities are exposed to twice the pollution than those in less segregated cities. This difference increases as much as tenfold when one considers exposure to some toxic metals.

*Community Violence:* Studies have shown children’s exposure to community violence can (1) disrupt sleep patterns; (2) reduce attention and impulse control; (3) increase the likelihood of school dropout; and (4) reduce standardized test performance—ultimately limiting future educational attainment and earnings.

**POLICY INTERVENTIONS THAT WORK**

In assessing the effectiveness of certain policies and programs, the following recommendations are supported by a strong direct evidence standard, requiring both: (1) evidence of long-run outcomes into adulthood; and (2) evidence based on programs that had either been scaled up to serve large numbers of children or studies with results that have been independently replicated at two or more sites.

Many worthy policies are probably excluded from the recommendations because they lack strong, long-run evidence, even though they are promising. The following

policy interventions are thus those with the strongest likelihood of reducing intergenerational poverty, or are the “best bets” for reducing intergenerational poverty.

**Access to Family Planning Services:** Recently, low-income families’ access to family planning services has declined due to changes in Medicaid and the Title X Family Planning Program, two main sources of funding for family planning. Children born after Title X services began completed more schooling and were less likely to be poor when they became parents.

Policy Approaches:

- Increase funding for Title X family planning programs from its current level of \$286 million per year to at least \$500 million per year to account for inflation.
- Ensure that the requirement making Medicaid beneficiaries eligible for family planning services from any willing qualified provider is being met in all states.

**Health Insurance Coverage in Pregnancy and Childhood:**

Medicaid is a major source of coverage during pregnancy, covering more than 40% of all births in 2019. As of 2022, roughly 4 million children lacked health insurance, most of whom were eligible for Medicaid but not enrolled. Many children lack coverage because they have been disenrolled from Medicaid for procedural reasons. A large body of rigorous research links Medicaid expansions in pregnancy and childhood with better health throughout infancy and childhood. Expanding Medicaid also improves future labor market outcomes, reduces adult disability, and improves earnings in adulthood.

Policy Approaches:

- Expand access to Medicaid by making what is currently an optional, continuous 12-month eligibility and 12-month post-partum coverage a mandatory requirement.

- Require states to provide continuous child Medicaid/CHIP eligibility for a period of 12 months even if the family experiences a temporary change in income during the year.

**Food and Nutrition Programs:** Adequate nutrition during infancy and childhood is essential for children’s growth, health, and development, along with their ability to reach their fullest potential as adults. Researchers have found that Supplemental Nutrition Assistance Program (SNAP) availability led to improvements in newborn health, improved child outcomes, reductions in poverty, reductions in criminal activity, and improved economic and health outcomes in adulthood. Meanwhile, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the other major federal food program for children, is also associated with better nutrition, dietary intake, food security, and health, including birth outcomes. Despite the positive impact of federal nutrition programs on children, many pregnant women and children do not benefit from them. There are two main reasons: lack of take-up among the eligible (WIC), and reduced eligibility in the immigrant population (SNAP).

Policy Approaches:

- Remove the five-year waiting period of SNAP eligibility for legal permanent resident parents.
- Eliminate the proration of SNAP benefits for citizen children with undocumented parents.

**Pollution Reduction:** Federal regulation of pollution improves child health and, ultimately, adult income—while also reducing racial disparities in both categories. Federal regulation of pollution has been shown to improve child health and, ultimately, increases adult income. Moreover, research has shown that when pollution reduction efforts are targeted at the most polluted areas, they also reduce racial and ethnic disparities in pollution exposure.

## Policy Approach:

- Support the U.S. Environmental Protection Agency's work with local partners to adopt and expand efficient methods of monitoring outdoor and indoor air quality, especially in schools.

### FOR MORE INFORMATION

This Consensus Study Report Highlights was prepared by the National Academies' Board on Board on Children, Youth, and Families and Committee on National Statistics based on the report *Reducing Intergenerational Poverty* (2023).

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