

Reducing Intergenerational Poverty

The Impact of Housing 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.

WHERE CHILDREN GROW UP IS FOUNDATIONAL

Housing, residential mobility, and neighborhood conditions are the foundation for children’s health, education, and development. Both the homes and the broader neighborhoods where children live, learn, and grow can provide stability, safety, and opportunity to enable children to thrive. Furthermore, homes and neighborhoods affect access to a number of factors that

facilitate mobility out of poverty, including good schools, parks, safety, doctors and health care, and businesses. Where children live is strongly correlated with whether they experience poverty later in life.

THE IMPACT OF HOUSING CONDITIONS ON INTERGENERATIONAL POVERTY

While the evidence on the effects of housing on intergenerational poverty is nearly all correlational, there are consistent findings about the potential importance of housing and neighborhoods on children’s long-term economic, educational, and health outcomes.

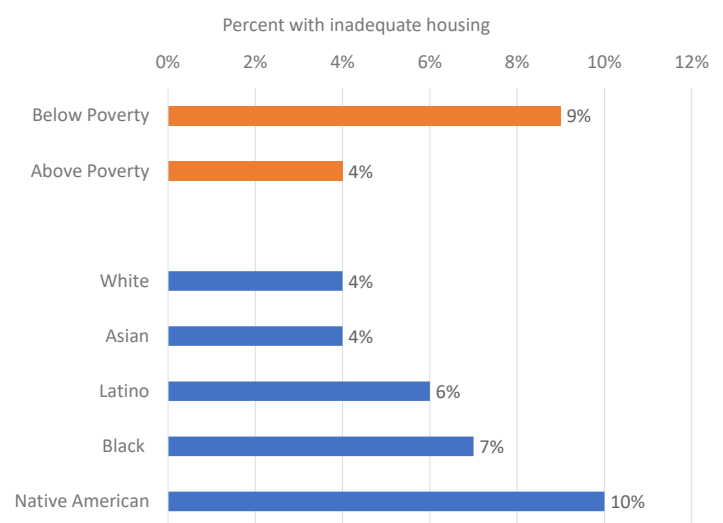


FIGURE 1 Inadequate housing by poverty status and race/ethnicity.
SOURCES: Data from Kids Count Data Center (2023), with original source using data from the U.S. Census Bureau, 2006–2010 to 2017–2021.

Housing quality is the factor most closely linked with children’s health, social, and cognitive development. Households living below the official poverty line are more than twice as likely as non-poor households to experience inadequate housing. Low-quality housing can mean higher exposure to lead, pollutants, allergens, and pests, which harm children’s development. There are also stark racial disparities in access to high-quality housing.

Household crowding, or multiple people per room, increases household stress and interrupts children’s learning, sleep, and play. Studies have found correlations between household crowding and both educational attainment and youth criminal convictions. Living with extended family and non-family adults during childhood is also associated with lower high school graduation and college attendance rates.

Housing stability is associated with improvements in children’s long-term outcomes. Frequent moves are correlated with negative impacts on children’s educational attainment, health, and increased delinquency. Families experiencing eviction earn and consume less while facing increased odds of health care access disruptions. Evictions are also associated with higher rates of preterm birth and low birthweight among infants, which is connected to lower earnings later in life.

Housing affordability affects families’ ability to pay for children’s developmental needs, including health, nutrition, and education. More than 70% of households earning less than \$30,000 per year pay more than 30% of their income toward rent or mortgages. Roughly half of households in this income range pay more than 50% of their income. Very low-cost and high-cost housing relative to income is associated with poor educational performance. Black and Latino families are disproportionately impacted by the lack of affordable housing.

Homelessness is the most severe form of housing deprivation. Childhood homelessness is correlated with negative effects on children’s education and health, high school graduation, adult employment, and the likelihood of being stably housed as an adult.

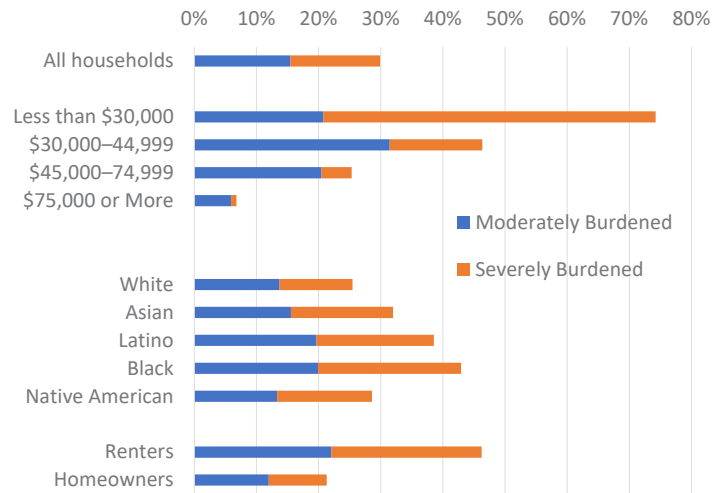


FIGURE 2 Housing cost burden by tenure, income, and race/ethnicity, 2020. SOURCES: Data from Joint Center for Housing Studies of Harvard University (2022), with the original source using data from the U.S. Census Bureau, 2019 and 2020 Experimental American Community Survey 1-Year Estimates.

THE IMPACT OF NEIGHBORHOOD CONDITIONS ON INTERGENERATIONAL POVERTY

Housing is nestled within neighborhoods. Neighborhood environments are an important predictor of intergenerational economic mobility. Children who grow up in high-poverty neighborhoods have worse adult outcomes than children living in low-poverty neighborhoods. Conversely, when families move to less disadvantaged neighborhoods, children’s long-term economic, educational, and health outcomes often improve.

Lead Exposure: Children living in poor neighborhoods are disproportionately exposed to lead, which is associated with a host of worse outcomes later in life.

Public Safety: Concentrated poverty increases young people’s exposure to violence, which is negatively correlated with children’s educational, labor market, and delinquency outcomes.

Racial Disparities: Because of residential segregation by both race and class, poverty is disproportionately concentrated in the neighborhoods in which Native, Black, and Latino families live. Black and Native American children are more than seven times as likely and Latino children more than four times as likely as White children to live in neighborhoods with poverty rates of 30% or more.

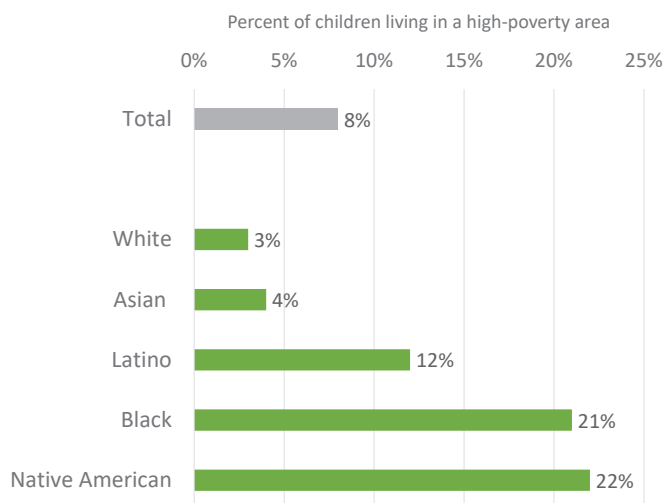


FIGURE 3 Children living in high-poverty areas by race and ethnicity in the United States, 2017–2021.

SOURCES: Data from Kids Count Data Center (2023), with the original source using data from the U.S. Census Bureau, 2006–2010 to 2017–2021.

PROMISING POLICY INTERVENTIONS

The main public policies that address housing problems and neighborhood characteristics involve housing assistance. Housing assistance can come in many forms, such as subsidies for the construction and maintenance of housing units, which result in lower rents for low-income households or vouchers issued directly to low-income households.

Option 1: Expand and enhance the Housing Choice

Voucher Program’s rental assistance to an additional 500,000 families with young children (at an estimated cost of \$5 billion) and couple it with customized counseling and case management services to facilitate low-income families’ access to higher-opportunity neighborhoods.

Policy Example: The Family Stability and Opportunity Vouchers Act

- Supported by evidence of direct effects on *long-term* outcomes.

Option 2: Expand the Housing Choice Voucher Program

alone to serve all eligible families with children (at an estimated cost of \$24.6 billion)

- Supported by evidence of *short-term* effects on improving children’s outcomes.

NOTE: While these policy interventions are supported by the strongest evidence, several others, such as increased housing production, neighborhood improvement, and targeted initiatives for Native American families, show promising potential. More research is needed to identify direct evidence of their efficacy in reducing intergenerational poverty.

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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