Reducing Intergenerational Poverty

Racial Disparities
This booklet is based on the Reducing Intergenerational Poverty report (available online at https://nap.nationalacademies.org/catalog/27058/reducing-intergenerational-poverty). The consensus study was prepared by the National Academies’ Board on Children, Youth, and Families and the Committee on National Statistics.

Reducing Intergenerational Poverty was authored by the Committee on Policies and Programs to Reduce Intergenerational Poverty.

GREG J. DUNCAN, University of California, Irvine, Chair
FENABA R. ADDO, University of North Carolina, Chapel Hill
ANNA AIZER, Brown University
MARGARET R. BURCHINAL, University of Virginia
RAJ CHETTY, Harvard University
STEPHANIE FRYBERG, University of Michigan
HARRY J. HOLZER, Georgetown University
VONNIE C. MCLOYD, University of Michigan
KIMBERLY G. MONTEZ, Wake Forest School of Medicine
AISHA D. NYANDORO, Springboard to Opportunities
MARY E. PATTILLO, Northwestern University
JESSE ROTHSTEIN, University of California, Berkeley
MICHAEL R. STRAIN, American Enterprise Institute
STEPHEN J. TREJO, University of Texas at Austin
RITA HAMAD (Consultant), James C. Puffer American Board of Family Medicine / National Academy of Medicine Fellow, Harvard School of Public Health

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About This Publication

This publication focuses on the significant role of racial disparities in intergenerational poverty captured in a congressionally mandated consensus study report by the National Academies of Sciences, Engineering, and Medicine, Reducing Intergenerational Poverty, released in September 2023. The consensus study report examines the drivers of long-term, intergenerational poverty and identifies potential policies and programs to reduce it. It can be accessed for free download at https://doi.org/10.17226/27058.
Introduction

Over the past decade, an average of about 10 million U.S. children, or 14% of all U.S. children, lived in families with incomes below the poverty line. Children living in households in poverty are more likely than their peers to struggle in school and to suffer from poor health and other problems. Also, children living in economic poverty for most of their childhood are more likely to remain poor as they become adults and have children of their own.

Though the costs of perpetuating this cycle of economic disadvantage fall on society as a whole, the cycle of poverty is not spread equally throughout society. Intergenerational poverty disproportionately impacts Black and Native American families, who experience much less upward mobility than White children growing up in the same circumstances.

The consensus study report states that among U.S. children born around 1980 who grew up in households with incomes below or near the poverty line, 34% were still living in low-income households when they were in their 30s. In other words, one-third of children living in low-income households also had low household incomes in adulthood, which is twice the rate found among adults in their 30s who did not grow up in low-income households.

Black and Native American families are disproportionately impacted by intergenerational poverty. Black and Native
American children experience much less upward mobility than White children growing up in the same circumstances. Only 17% of Asian children living in households with incomes below or near the poverty line were poor in adulthood, compared with 29% of poor White children and 25% of Latino children. However, close to half (46%) of Native American children and more than one-third (37%) of Black children who grew up in low-income families had low incomes in adulthood (see Figure 1). As these data indicate, broadly speaking, rates of intergenerational poverty are relatively similar for White and Latino children, lower for Asian children, and much higher for native-born Black and, especially, Native American children.

Relative to White children and their families, Black and Native American children and families encounter more persistent and larger gaps in access to health care and to well-funded, quality schools; have greater exposure to crime, violence, and harm from the criminal justice system; experience more housing insecurity and exposure to toxins; and have lower family incomes, wealth, and neighborhood resources. The size and consistency of these gaps underscore the importance of understanding the causes of racial and ethnic disparities, as well as developing and implementing large-scale, effective policies and programs to ameliorate intergenerational poverty. These systems and social drivers perpetuate racial disparities in intergenerational poverty today.

Poverty reduces overall economic output and places increased burdens on the educational, criminal justice, and health care systems.

**BOX 1**

**Close to Half (46%) of Native American Children and More Than One-Third (37%) of Black Children Who Grew up in Low-Income Families Had Low Incomes in Adulthood**

The challenges that Black and Native American families face in propelling their children into socioeconomic security result from contemporary and historical disparities, discrimination, and structural racism. These factors are crucial in shaping the relevant determinants of poverty over generations. Behaviors and choices can also have major causal impacts on intergenerational mobility. Many factors influence the behaviors and choices of Black and Native American people, including these experiences of historical violence, oppression, and marginalization. This history has shaped contemporary racial disparities in health, education, the labor market, housing, the criminal justice system, and child maltreatment.

**FIGURE 1** Intergenerational low-income persistence, by racial and ethnic group.

SOURCE: Data from Chetty et al. (2020), based on data from the Internal Revenue Service.
Understanding the causes of intergenerational poverty and implementing policies and programs to reduce it would yield a high payoff for children and for the entire nation.

Although the United States has made remarkable progress in reducing child poverty in recent decades, with the most comprehensive measure of child poverty showing dramatic declines through 2021 but then increasing sharply in 2022, these data do not speak directly to the issue of intergenerational poverty—the chances that children who grow up in low-income families are themselves in low-income households as adults.

In response to concerns about the threat to our nation posed by intergenerational poverty, Congress requested the National Academies to conduct a study that would

- Identify key drivers of long-term, intergenerational poverty;
- Evaluate the racial and ethnic disparities and structural factors that help perpetuate intergenerational poverty;
- Identify evidence-based policies and programs that have the potential to significantly reduce the effects of the key drivers of intergenerational poverty; and
- Identify key, high-priority gaps in the data and research needed to develop effective policies for reducing intergenerational poverty in the United States.

To meet this charge, the National Academies convened an ad hoc committee with expertise across economics, education, medicine, sociology, social psychology, public health, and developmental psychology. Committee members had subject-area expertise in structural racism, education, labor markets, health, intergenerational mobility, minority populations, immigration, policy development, and community-based empowerment work.

Importantly, the committee was tasked to “apply a racial/ethnic disparities lens” in assessing the evidence on the determinants of and solutions to intergenerational poverty and to “evaluate the racial disparities and structural factors that contribute to this cycle.”

The committee’s consensus study report, *Reducing Intergenerational Poverty*, addresses these issues in detail while this document specifically focuses on

- The basic patterns of intergenerational poverty persistence across groups defined by race and ethnicity;
- The histories, practices, and contexts that limit the intergenerational mobility of both Black and Native American children; and
- Policies and programs that have been shown to reduce intergenerational poverty persistence among Black, Latino, and Native American children.
Defining Disparity, Inequality, Discrimination, and Structural Racism

Racial Disparities

Racial disparities are group-based average differences in outcomes. These disparities are evident in the key life experiences that are relevant for upward mobility, such as exposure to environmental toxins, residence in high-poverty neighborhoods, and attendance at schools with college-preparatory curricula. The cumulative and intersecting nature of these disparate exposures over the life course partly explains higher rates of intergenerational poverty.

Racial Inequality

Racial inequality refers to group-based differential treatment or access to valued resources that are rooted in law and public policy as well as in individual behavior and institutional practices. Racial inequalities can result from multiple sources, including both historical and contemporary oppression, structural racism, and prejudice, whether intended or not.

Racial Discrimination

An important part of racial discrimination is differential treatment on the basis of race that disadvantages a racial group. Discrimination is relevant for intergenerational poverty because it excludes Black people and Native Americans from access to contexts that enhance opportunities or exposes them to situations that reduce opportunity.

Structural Racism

Structural racism refers to a system in which public policies, institutional practices, cultural representations, and other systems work in often reinforcing ways to maintain or compound racial inequalities. Thus, structural racism goes beyond mere patterns (disparities) or treatment (discrimination) to capture how rules, routines, and assumptions of U.S. law, institutions, norms, ideologies, policies, and technologies create disadvantages and advantages for people and groups based on how they are racialized in society. Structural racism can be historical or contemporary.
Native Americans and Black Americans stand out as groups subjected to centuries of structural racism rooted in beliefs about White supremacy. Among the most severe forms of historical structural racism that set Black and Native Americans on a course of socioeconomic disadvantage are

- Forced migration of Native Americans and land theft,
- Chattel slavery and labor exploitation, and
- Forced assimilation and legalized racial discrimination.

These mechanisms are discussed in detail in the sections that follow.
Forced Migration of Native Americans and Land Theft

A core practice of European colonialism along the Atlantic coast, and later throughout what would become the United States, was the removal of Native Americans in order to control the land and its riches. Indian wars, removal, and dispossession were the foundations of early policies of land acquisition as European colonizers and later settlers moved westward.

Indigenous tribes, whose presence on or possession of land and property lay in the path of White expansion, were often defined as savages or bandits by nature and as criminals by law or custom. Tactics for seizure of Native American lands included “threatening genocide, offering bounties for Indian scalps, and exacting massively disproportionate revenge for Indian atrocities” (Kiernan, 2007, p. 310).

The practice of impoverishing Native Americans continued through law and force. The Louisiana Purchase (1803), the Indian Removal Act (1830), the Homestead Act (1862), and the Dawes Act (or General Allotment Act, 1887), among many others, authorized through various measures the occupation and expropriation of Native territories. These acts played out on Native lands taken by conquest and coercive pacification, bringing few monetary rewards to Native people (Geisler, 2014).

The Indian Appropriations Act of 1851 created the U.S. reservation system, which increased the government’s control of Native American people and natural resources and expanded territories for White settlements. In the first of several appropriation acts, funds were allocated to move Native people living in the West onto reservations. Most Native lands today are trust lands, meaning the federal government holds the legal title to the land and that Native tribes or individual tribal members lack ownership and control over the land.

Through the Homestead Act, by 1934, some 270 million acres in 160 tracts, nearly 10% of all land in the United States, had been given away to more than 1.4 million claimants, virtually all of whom were White (approximately 3,500 Black people received land), for a trivial filing fee (Merritt, 2016). Claimants took legal possession of the land after 5 years, conditional on 5 years of continuous residence, building a home, and farming the land. As of 2000, an estimated 46 million to 93 million people were descendants of families who took up this “free land” (Shanks, 2005) and the wealth it has generated.
The General Allotment Act (or the Dawes Act) of 1887 aimed to allot federal lands to individual Native American families for private ownership. Its execution, however, resulted in the transfer of roughly 27 million acres of tribal land to non-Native owners (Royster, 1995), a checkerboard ownership pattern frustrating tribal governance and development, and a fractionated pattern of ownership between multiple heirs and the federal government. In a national study of allotted lands, Leonard et al. (2020) found that fractionation was associated with decreased per capita income among Native American peoples as recently as 2000.

More recently, in the 1950s and 1960s, Congress passed 12 “termination” bills, which ended federal responsibilities for tribes in several states and turned over governing power to the states. By 1957, 2.5 million acres had been removed from federal trust protection (Philp, 1983, p. 166). However, federal trust protection itself does not mitigate dubious practices of extraction (Fixico, 2011), as illustrated by a $3.4 billion settlement with the U.S. government in *Cobell v. Salazar* (2009), which found that the U.S. Department of the Interior and other agencies had breached their trust obligations with hundreds of thousands of Native American plaintiffs in the class. Overall, roughly 56 million acres are held in federal trust as Native reservations, a mere fraction of the 1.9 billion acres that make up the contemporary United States, once occupied by Native peoples.

Contemporary forms of discrimination and dispossession are illustrated in the withholding of loans to Native American (and Black) farmers and ranchers, resulting in disproportionate foreclosure and property loss (Carpenter, 2012) and in the higher prices of mortgage loans to Native American home buyers (Cattaneo & Feir, 2021).

In all, Native Americans experienced a 98.9% reduction in their access to land from the period of European arrival to the present. The remaining lands are more susceptible to climate risks and less abundant in mineral resources than the territory on which they historically resided (Farrell et al., 2021). These collective experiences of dispossession remain salient.

**Chattel Slavery, Labor Exploitation, and Property Theft**

The story for Black Americans begins not with land dispossession but with theft of labor and personhood. The first enslaved Africans arrived to what would become the United States in the early 1500s (Guasco, 2014; Johnson, 1923), prior to the 1619 English settlement at Jamestown, Virginia. Anglo-centered history records slavery as flourishing in the United States for 244 years until the Emancipation Proclamation of 1863, though the timeline is likely much longer given
bondage on U.S. shores decades before 1619 and for 2 years after 1863.

Colonists established laws in the mid-1600s to hold Africans and their descendants in perpetual servitude. Statutes decreed slavery as a lifelong and hereditary condition and enslaved people as the legal property (i.e., chattel) of their “owners” to be bought, sold, traded, or willed as owners wished (Bridgewater, 2005; Franklin, 1969). This system made labor more profitable and readily renewable across generations. Laws ensured that any children born to an enslaved woman belonged not to the mother but to the White man who owned the mother. Enslavers’ biological children—often born of the rape of enslaved women—had no legal right to any of the father’s property, which was ordinarily granted via paternity (Bridgewater, 2005).

When the 13th Amendment was adopted as part of the U.S. Constitution in 1865, officially abolishing chattel slavery, the newly freed people had no land, capital, or equipment for farming. After leading the Union army to victory over the Confederate states, General Sherman ordered the redistribution of 400,000 acres of land along coastal areas of South Carolina and Georgia (40 acres and a mule per family) to help newly freed Black individuals gain economic independence. Shortly thereafter, President Lincoln’s successor, Andrew Johnson, rescinded the order, and the land remained in White possession (Darity & Mullen, 2020; Saito, 2020).

Labor exploitation and the stealing of property, land, and assets from Black Americans continued after the formal dissolution of slavery. Between 1865 and the beginning of World War II, Black Americans in the South experienced widespread labor theft and exploitation reminiscent of slavery that impoverished generations of Black families. With little to no capital of their own, they could not even afford the provisions to plant and were thus forced to buy farming supplies on credit from White landowners, with agreements to repay the costs upon harvest. Planters kept Black sharecroppers in perpetual debt through unfair contracts and accounting practices, backed by Jim Crow laws that accorded few to no rights to Black people and by White terrorist violence.

To replace the social controls of slavery removed by the Emancipation Proclamation, state legislatures in the South passed an array of interlocking laws referred to as “Black Codes” in 1865–1866 that barred Black citizens from voting, serving on juries, testifying against White people in court, and working in skilled jobs. These laws criminalized many aspects of Black daily life (e.g., unemployment, indigency, and disrespect of White people were made illegal) to provide pretexts for jail terms. Black people were often unable to pay even minor fines and, as a result, were sentenced to labor (Carper, 1976; Mancini, 1996).
In his book, *Slavery by Another Name*, Douglas Blackmon defines convict leasing as

> a system in which armies of free men, guilty of no crimes and entitled by law to freedom, were compelled to labor without compensation, were repeatedly bought and sold, and were forced to do the bidding of white masters through the regular application of extraordinary physical coercion. (2008, p. 4)

Supposed convicts were sold to work in mines, on railroads, on plantations, and in timber fields. Not only did disproportionate incapacitation stymie economically productive activities, but convict labor was essential to the South’s agricultural production and industrialization, and it enriched the jailers and their jurisdictions.

One example of historical violence and property loss affecting Black people was the Tulsa massacre of 1921, responsible for the deaths of nearly 300 Black people. White mobs—deputized and armed by the local police—destroyed roughly 35 acres of the Greenwood section of the city, called Black Wall Street for its concentration of thriving Black-owned businesses (Messer et al., 2018). The Oklahoma Commission to Study the Tulsa Race Riot of 1921 (2001) reported claims for property damage of $1.8 million, or nearly $30 million in today’s dollars. Messer et al. (2018) figure that if the same 1,256 homes were destroyed in Tulsa in 2018, the cost would be roughly $150 million. None of the property claims was ever repaid to Black families.

These historical events reverberate in present-day socioeconomic well-being. Albright et al. (2021) show that the Tulsa massacre lowered the occupational status of Black Tulsans into the 1940s and lowered their home ownership rates up to 2000, the last year of observations. Moreover, Black home ownership rates were also lower in Black areas across the country that received significant newspaper coverage of the Tulsa massacre. The Tulsa massacre “provided a warning [to Black people] of the danger of the accumulation of wealth through home ownership” (Albright et al., 2021, p. 31) that has persisted for decades.

Contemporary labor exploitation continues within prisons. Although there is some contracting of prisoner labor to private industry, the majority of this labor benefits federal, state, and local governments, lowering the costs of operating prisons and distorting the true costs of mass incarceration. The American Civil Liberties Union and the University of Chicago Law School Global Human Rights Clinic (2022) estimate that incarcerated people “produce more than $2 billion a year in goods and commodities and over $9 billion a year in services for the maintenance of the prisons where they are warehoused” (p. 6). Yet, they are paid nearly nothing. This unpaid labor represents resources that are not passed on to children of incarcerated people, most of whom are living in poverty.
Forced Assimilation and Legalized Racial Discrimination

The original U.S. Constitution directed that for purposes of representation and taxes, the population would be determined “excluding Indians not taxed, [and including] three fifths of all other Persons.” This separation and erasure of Native Americans and sub-humanization of Black people is built into the fabric of the United States and has clear contemporary manifestations, such as in the “willful blindness toward Native American victimization” by law enforcement (Perry, 2006, p. 412; also see Fryberg & Stephens, 2010), and the digital association of Black people with apes in facial recognition Internet searches (Noble, 2018, p. 6).

Anti-Indigeneity undergirded a variety of U.S. government policies that pressured Native Americans to assimilate. The Dawes Act of 1887, for example, authorized the division of tribal lands into individual plots to encourage Native families to farm and ranch like White homesteaders. Laws such as the Civilization Fund Act of 1819 funded schools and forced Native children to attend boarding schools where displays of Native culture and identity were forbidden. By 1925, some 60,000 Native children—about 80% of Native school-age children—had been forced to attend boarding schools. In keeping with the philosophy of assimilation, “Kill the Indian, Save the Man,” children in these schools were forbidden to speak their native language, wear traditional clothes (which were replaced by uniforms), or perform tribal practices (replaced by Christian practices).

Evidence of abuses of students in off-reservation boarding schools led to passage of the Indian Child Welfare Act in 1978, which gave Native parents the legal right to refuse their child’s placement in off-reservation
schools. Many large Native boarding schools closed in the 1980s and early 1990s. Some located on reservations were taken over by tribes. Still, as of 2021, 15 such boarding schools remain open (American Indian Relief Council, n.d.; Blakemore, 2021).

Compared with all other racial groups, Indigenous youth and adults have higher rates of suicide, substance use disorders, and mental health problems. Research has linked these disparities to both current and historical racial discrimination (Skewes & Blume, 2019) or “historical trauma,” conceptualized as “cumulative emotional and psychological wounding over the lifespan and across generations, emanating from massive group trauma experiences” (Yellow Horse Brave Heart, 2003, p. 7).

For Black Americans, slavery and Jim Crow laws throughout the United States continued to shape economic and social opportunity with lasting impacts into the present day. Baker (2022) found that a composite measure of Black people’s state-level exposure to slavery, sharecropping, disenfranchisement, and resistance to desegregation is significantly correlated with contemporary Black poverty and Black/White disparities in poverty.

Research by Althoff and Reichardt (2023) shows that Black people whose ancestors were enslaved up until the Civil War have lower education, income, and wealth today as compared with Black people whose ancestors were free before the Civil War. While the direct effects of enslavement on these families continued through 1940, the ongoing effects are due to the disproportionate exposure to Jim Crow laws among those families who were enslaved until the Civil War. Thus, state-specific factors perpetuated the socioeconomic disparities that slavery had created among Black families. The authors conclude “that systemic discrimination—the higher exposure to ongoing discrimination because of past discrimination (Bohren et al., 2022)—is at the core of the persisting legacy of racially oppressive institutions in the US” (Althoff and Reichardt, 2023, p. 5).
Contemporary Drivers of Racial Disparity in Intergenerational Poverty

Systems and social drivers—education, health, housing and neighborhood resources, child welfare, criminal justice, and income and employment—continue to perpetuate racial disparities in intergenerational poverty in the contemporary context. Each is described below.

**Education**

Although educational attainment and skills have dramatically improved over time among Black and Native American children, and although racial disparities have declined in magnitude in some areas, disparities in access to educational opportunity are still deep and
enduring characteristics of the American education system. Education can play a powerful role in undoing intergenerational poverty, because it promotes the development of the knowledge and skills that will allow children to be successful in the labor market, but the progress here remains far too slow.

When a Native American child enters kindergarten, compared with other American children, they are often behind in reading, mathematics, and fine motor skills (Snyder & Dillow, 2011). This result is largely due to the lack of early childhood education and the preponderance of economic and social struggles in the home. Disparities continue throughout the life course. Compared with other ethnic groups, Native American students between the ages of 3 and 17 are more likely to be identified as having a learning disability and as needing special education intervention services (U.S. Census Bureau, 2012). Native American students have the highest high-school dropout rates of any ethnic group in the United States. And in higher education, the 6-year graduation rate for Native American students from 4-year institutions is 39%, compared with 74% for Asian American students and 64% for White students (National Center for Education Statistics, 2019).

Similar disparities in treatment and outcomes are evident for Black children. Black students entering kindergarten are about half a year behind their White counterparts in early math achievement, with gaps apparent in kindergarten-entry literacy as well. These differences in learning continue throughout the educational process and through school completion (Kuhfeld et al., 2020; Paschall et al., 2018; Reardon, 2021). One explanation is that teachers’ expectations of their students differ based on students’ race and ethnicity. Lower expectations have harmful effects on actual achievement (Jussim & Harber, 2005), and White teachers have lower expectations of Black students than they do of White students (Gershenson et al., 2016; Papageorge et al., 2020).

Also meriting attention is access to high-quality, well-funded schools and the school environment itself. Most school districts reflect the demographic and socioeconomic compositions of their neighborhoods, and Black and Native American children are more likely than White children to live in high-poverty areas (National Academies of Sciences, Engineering, and Medicine, 2019).

Schools serving children from low-income families tend to have fewer material resources (e.g., books, libraries, classrooms), fewer course offerings, and fewer experienced teachers.
The educational opportunities available to students attending these schools are not of the same quality as those in schools in more affluent areas (Monarrez & Chien, 2021). These trends pose increasing challenges for school systems that serve large numbers of non-White students, which all too often are the same school systems that have fewer economic resources in the first place.

School discipline is relevant as well. Black and Native American students are disproportionately subjected to harsh in-school discipline, which threatens students’ well-being and learning (Beland & Kim, 2016; Gregory et al., 2017; Nowicki, 2018).

Exclusionary school discipline leads to lost learning days (Losen & Martinez, 2020). The U.S. Department of Education reports that students lost more than 11 million days of school owing to out-of-school suspensions in 2017–2018, with this burden falling disproportionately on Black and Native American students (and disproportionately on boys). Studies show that school discipline is negatively related to standardized test scores and to high school and college graduation and is positively correlated with involvement in the criminal justice system (Bacher-Hicks et al., 2019; Chu & Ready, 2018; Mittleman, 2018; Rose et al., 2022; Rosenbaum, 2020; Wolf & Kupchik, 2017).

**Health**

Lack of access to health care is detrimental to the health of Black and Native American people. Native American peoples experience very high uninsured rates; the Centers for Disease Control and Prevention report that 28.6% of Native Americans under age 65 are uninsured (Office of the Assistant Secretary for Planning and Evaluation, 2022). Black individuals under age 65 have an uninsurance rate (11.5%) that is higher than the uninsurance rate for White individuals (7.5%) (Artiga et al., 2020). A landmark study demonstrated that even after accounting for socioeconomic factors, race and ethnicity remained significant predictors in access to and the quality of health care received (Institute of Medicine, 2003).

Racism impacts health through environmental influences, including greater exposure to and experiences of trauma and chronic stress (Giscombé & Lobel, 2005; Nuru-Jeter et al., 2009), environmental toxins, and violence. Stress, for example, has been associated with poor health in multiple arenas, including mental health (Paradies et al., 2015), sleep (Slopen et al., 2016), obesity (Bernardo et al., 2017), hypertension (Dolezsar et al., 2014), and cardiovascular disease (Lewis et al., 2014). In addition to the

**Black and Native children continue to experience worse health than their White counterparts. Drivers of worse health among Black and Native children include those related to access to health care, environmental influences including pollution and community violence and those related to nutrition, as well as differential treatment by health care providers.**
actual experience of discrimination, just the threat of discrimination—and its associated hypervigilance—can harm a person’s health. Chronic exposure to racism and discrimination leads to dysregulation of stress hormones and to epigenetic modifications, in which environmental influences regulate gene expression without changing genetic sequences (Seeman & Crimmins, 2001; Seeman et al., 2014).

**Wages and Employment**

Black people’s relationship to the labor market can be divided into at least three distinct periods: (1) slavery to emancipation, (2) emancipation to the Civil Rights Act of 1964, and (3) post–Civil Rights Act to the present. In both the first and second periods, racist and discriminatory employment practices were legally sanctioned, protected, or ignored.

In the third (contemporary) period, explicit discrimination based on race and ethnicity is illegal. Yet, despite narrowing Black/White gaps in wages and employment, significant disparities remain (Bayer & Charles, 2018). Black workers receive lower average earnings, face less predictable work hours, experience less overall employment stability, and reside disproportionately in states where the relatively low federal minimum wage is binding (Hardy & Logan, 2020). They also tend to be concentrated in low-skilled or disappearing occupations (Meschede et al., 2019; Smith, 2002), resulting in their overrepresentation among low-income populations (National Academies of Sciences, Engineering, and Medicine, 2019).

One explanation of these disparate outcomes is racial discrimination in the labor market—affecting who gets an interview as well as who gets hired. Evidence from audit and correspondence studies indicates that White applicants are more likely than Black applicants with the same education and employment qualifications to receive employer call-backs (Bertrand and Mullainathan, 2004; Neumark, 2012; Pager, 2003) and job offers (Quillian et al., 2020). These employment patterns are present in entry-level positions (Agan & Starr, 2018; Pager & Shepherd, 2008), among the college educated (Gaddis, 2015), and among those with advanced degrees (Reeves, 2014).

Labor market segmentation may also explain racial disparities in employment. Black workers are more likely to be employed in less stable jobs, with less regular work, and with more precarious work hours. For instance, while Black people make up 12.1% of the labor force, they make up 25.9% of temporary workers, earning 40% less for the same jobs as permanent workers in the same position (Wilson, 2020). Racialized wage gaps also manifest along gender lines. In 2017, the median annual earnings for full-time Black women workers was 21% lower than for White women and 39% lower than for White men, reflecting the over-representation of Black
Racial disparities in employment and earnings can also be attributed in part to gaps in educational attainment, achievement, and skills between Black and White Americans. Such gaps are in part the result of unequal treatment and access in educational institutions. Improving education and skills for low-income Black and Native American children is likely to increase their adult wages and decrease their intergenerational poverty.

women in low-wage service and subminimum wage jobs (Banks, 2019).

Differences in labor force participation rates—particularly among men (Binder & Bound, 2019; Eberstadt, 2016; Thompson, 2021)—also contribute to racial disparities in earnings and household income. In 2021, according to data from the U.S. Bureau of Labor Statistics (2023) on adult men, Latino men (75.4%) were more likely to participate in the labor force than men of other races, and Black men (63.5%) were the least likely, with White men (67.9%) and Native American men (66.2%) between the two.

In contrast, among adult women, Black women (58.8%) were more likely to participate in the labor force than were Latina women (55.8%), White women (55.4%), and Native American women (55.0%).

Disparities in both employment and earnings remain between White people and Black and Native people. Given that persistently low family incomes and employment are important drivers of intergenerational poverty, policies that increase parental incomes and employment may increase intergenerational mobility.

**Housing and Neighborhood Environments**

Low-income households are more likely to experience “inadequate housing,” defined by the federal government as housing “with severe or moderate physical problems, including plumbing and heating deficiencies; rodent and cockroach infestations; and structural issues such as cracks and holes in walls and ceilings, water leaks, broken windows, and crumbling foundations” (Lew, 2016; U.S. Department of Housing and Urban Development, 2014). Figure 2 shows the distribution of those experiencing inadequate housing by poverty status and race/ethnicity. Households with cash incomes below the official poverty line are more than twice as likely as nonpoor households to experience inadequate housing, and Native American, Black, and Latino households are disadvantaged relative to White households.

Despite a reduction in Black-White residential segregation in recent decades (Logan & Stults, 2022), Black Americans have experienced systematic exclusion from places that promote upward mobility and have instead been concentrated in places with various forms of toxicity. Additionally, the rise in segregation by socioeconomic status (SES) (Reardon & Bischoff, 2011) means that Black and Native American families living below the poverty line suffer a double blow, which limits the upward mobility of their children over time.
The term redlining refers to the systematic denial of mortgage loans based on racial, ethnic, and anti-urban biases (Jackson, 1985; Rothstein, 2017). Research shows the long arm of redlining reaching into the present. Aaronson et al. (2021) compare areas along actual and potential Home Owners’ Loan Corporation (HOLC) boundaries and show that the HOLC appraisal ratings in the early 20th century impact the long-term socioeconomic outcomes of children born in the 1970s and 1980s. In particular, children in the lower-graded areas were in lower household income rankings at age 29 and were less likely than other children to move toward the top of the income distribution as adults. Today, historically redlined neighborhoods have lower home ownership rates and lower home values (Aaronson et al., 2021), higher poverty rates, lower life expectancy, higher rates of chronic disease (National Community Reinvestment Coalition, 2020), higher rates of preterm births (Krieger et al., 2020), less health-promoting tree cover and green space (Hoffman et al., 2020; Nardone et al., 2021; Schinasi et al., 2022), and higher incidence of emergency room visits for asthma (Nardone et al., 2020). Lane et al. (2022) found that historically redlined areas are disproportionately occupied by non-White residents today and have greater exposure to pollution.

While residential segregation between Black and White Americans has declined steadily since about 1970, it remains higher than for any other racial or ethnic group. Given current trends, Black–White residential segregation will not dip into what social scientists consider to be low levels until the year 2080 (Rugh & Massey, 2014, p. 213).

**FIGURE 2** Inadequate housing by poverty status and race/ethnicity.

Source: Data from U.S. Census Bureau, American Housing Survey, 2019. [https://www.census.gov/programs-surveys/ahs/data/interactive/ahstablecreator.html?r_areas=00000&s_year=2021&s_tablename=TABLE1&s_bygroup1=1&s_bygroup2=1&s_filtergroup1=1&s_filtergroup2=1](https://www.census.gov/programs-surveys/ahs/data/interactive/ahstablecreator.html?r_areas=00000&s_year=2021&s_tablename=TABLE1&s_bygroup1=1&s_bygroup2=1&s_filtergroup1=1&s_filtergroup2=1)

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Percent with inadequate housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Poverty</td>
<td>9%</td>
</tr>
<tr>
<td>Above Poverty</td>
<td>4%</td>
</tr>
<tr>
<td>White</td>
<td>4%</td>
</tr>
<tr>
<td>Asian</td>
<td>4%</td>
</tr>
<tr>
<td>Latino</td>
<td>6%</td>
</tr>
<tr>
<td>Black</td>
<td>7%</td>
</tr>
<tr>
<td>Native American</td>
<td>10%</td>
</tr>
</tbody>
</table>
Past and current racial residential discrimination and segregation are correlated with lower rates of intergenerational mobility (Andrews et al., 2017; Chetty et al., 2014; Christensen et al., 2021; Derenoncourt et al., 2022).

Patterns of racial residential segregation increase Black people’s exposure to high-poverty neighborhoods (Ananat, 2011; Christensen and Timmins, 2022; Massey & Denton, 1993; Quillian, 2012). Black and Native American children are more than seven times as likely and Latino children and more than four times as likely as White children to live in neighborhoods with poverty rates of 30% or higher (see Figure 3). Just as the intergenerational experience of poverty is higher among Black people, so is the intergenerational exposure to neighborhoods experiencing poverty (Sharkey, 2013). Growing up in high-poverty neighborhoods and in counties with greater concentrated poverty and racial segregation is correlated with lower intergenerational mobility (Chetty & Hendren, 2015, 2018).

**Crime, Victimization, and Criminal Justice**

There is substantial contemporary evidence of racial disparities not only in the commission of violent crime and victimization but also across the criminal justice system in arrests, charging, convictions, sentencing, incarceration, and community supervision (Alesina & La Ferrara, 2014; Alexander, 2010; Arnold et al., 2018; Feigenberg & Miller, 2021; Franklin, 2013; Stewart et al., 2022; Weaver et al., 2019; for reviews and compilations of this research, see Arya & Rolnick, 2008; Balko, 2020; Du, 2021; Hinton et al., 2018; Kurlychek & Johnson, 2019;

At the same time, community violence poses a significant risk to health and well-being for Black, Native American, and low-income communities. Black and Native American youth are more likely to be homicide victims than White youth, but rates of other kinds of violent victimization are more comparable (Hullenaar & Ruback, 2020). Black and Native youth also witness more community-level violence (Kravitz-Wirtz et al., 2022; Office of Juvenile Justice and Delinquency Prevention, 2016). Data from the Federal Bureau of Investigation Uniform Crime Reporting Program (Federal Bureau of Investigation, 2019) also show racial disparities in the commission of violent crime—particularly robberies and homicides. For instance, in 2019, Black people committed over half of reported homicides in which the race of the perpetrator was known, despite being just 13% of the U.S. population.

Although some analysts have been critical of these data and suggest racial bias (e.g., Hinton, 2017), the National Crime Victimization Survey shows similar over-representation of Black assailants (Carson, 2021). Reducing crime and exposure to violence are an important strategy for reducing intergenerational poverty.

A recent National Academies committee was charged with understanding these racial disparities in criminal involvement and criminal justice processing. The resulting report concludes that “Racially inscribed inequalities, especially disadvantage, explain most of the dramatic differences in crime across racialized areas. These same disadvantaged contexts also contribute to racial disparities in criminal justice contacts, further compounding inequality” (National Academies of Sciences, Engineering, and Medicine, 2022, p. 137). In other words, racial disparities in criminal offending and criminal justice system contact emerge within the broader histories of structural racism and racial inequality in the important domains of education, health, neighborhoods, and labor markets.

A wide range of evidence points to the negative effects of criminal conviction and incarceration, which disproportionately affect Black and Native Americans, on later employment and earnings. Field studies, for example, find that employment outcomes after incarceration are worse for Black youth and men compared with White youth and men (Sullivan, 1989; Western

Racial disparities in criminal offending and criminal justice system contact emerge within the broader histories of structural racism and racial inequality in the important domains of education, health, neighborhoods, and labor markets.
& Sirois, 2019). Consistent with these findings, Pager (2007; Pager et al., 2009) also found that the stigma of a criminal record in the labor market is larger for Black job seekers than for White ones.

Monetary sanctions and court-ordered fees resulting from contact with the criminal system can also impact socioeconomic outcomes. A randomized controlled trial in a misdemeanor court in Oklahoma showed that court fines and fees led to warrants for nonpayment, debts in collection, and state garnishment of tax refunds (Pager et al., 2022). Studies show that these sanctions are disproportionately imposed on Black defendants (Bing et al., 2022).

Finally, punishment in one generation reverberates in the next through worse child and young adult health, educational attainment and achievement, socioeconomic and psychological adjustment, and behavior (Finlay et al., 2022; Haskins et al., 2018; Heard-Garris et al., 2018; Shaw, 2019; Wakefield & Wildeman, 2013).

Involvement in the criminal justice system has long-term economic effects for young people and adults. People with a conviction experience a cumulative loss of roughly $100,000 in earnings, and people who have experienced incarceration experience nearly $500,000 in lost earnings over their lifetime (Craigie et al., 2020). Incarceration and conviction have similar negative effects on wealth (Maroto, 2015; Schneider & Turney, 2015; Sykes & Maroto, 2016). Given the racial disparities in criminal justice processing, the negative effects on employment and earnings exacerbate racial gaps in socioeconomic outcomes (Gordon et al., 2021; Lyons & Pettit, 2011; Pager 2007; Western & Sirois, 2019), and contribute to persistent poverty across generations.

**Child Welfare System**

Involvement with the child welfare system is also marked by pronounced racial inequalities (e.g., see Kim et al., 2017). The strong relationship between family poverty and race/ethnicity in the United States, especially among the child population (National Academies of Sciences, Engineering, and Medicine, 2019; Thiede et al., 2021), has implications for maltreatment and child welfare involvement. It may be challenging to differentiate child maltreatment and neglect from the common sequelae of poverty (e.g., food insecurity, lack of child care), and thus the child welfare system risks sweeping in families—particularly Black and Native American families—just for being low-income.

A strong evidentiary base exists on the overrepresentation of Black children in the child welfare system. Specifically, Black children are more likely than their White counterparts to be referred to the child welfare system regarding suspected maltreatment (Administration for Children and Families, 2022; Drake et al., 2011; Putnam-Hornstein et al., 2013) and to be substantiated for maltreatment (Administration for Children and Families, 2022; Drake et al., 2011; Putnam-Hornstein et al., 2013). According to the most recent federal data, Black children have the second highest maltreatment victimization rate, at 13.2 per 1,000 Black children (Administration for Children and Families, 2022). The limited rigorous data on
children from Native populations suggest that they have the highest rate of maltreatment at 15.5 per 1,000 American Indian/Alaska Native children (Administration for Children and Families, 2022; Wulczyn, 2020).

Researchers have attempted to disentangle the influences of race and poverty on child welfare system involvement. For example, in a population-based study, Putnam-Hornstein et al. (2013) documented that Black children were more than twice as likely as other children to experience child maltreatment referral and substantiation, as well as foster care placement prior to age 5. However, when the authors adjusted for the contribution of socioeconomic factors, they found that low SES Black children were less likely to be referred, substantiated, and enter foster care than White children from similar SES backgrounds.

Research also suggests that associations between maltreatment or child welfare involvement and later outcomes vary by race/ethnicity. For example, in a large study of children in Mississippi (n = 30,000), Yoon et al. (2021) documented that children who experienced maltreatment had worse educational outcomes than those who had not, specifically in grade retention and chronic absenteeism. Black male children who were maltreated had worse educational outcomes compared with similar White males or Black or White females. Furthermore, Mersky and Topitzes (2010) analyzed data from the Chicago Longitudinal Study, which included 1,539 children from economically disadvantaged backgrounds, 93% of whom were Black. They found that children with substantiated reports of maltreatment had an increased likelihood of adverse education and employment outcomes during early adulthood (18–24 years), such as lower high school graduation rates (54% versus 37%), less employment or college attendance (53% versus 41%), and increased history of arrest (36% versus 48%).

These disparities point to the need for policies and programs that can reduce child maltreatment and child welfare system involvement in order to address intergenerational poverty.
Policies and programs implemented in the past 50 years have succeeded in addressing some of the drivers of intergenerational poverty in health, education, and family income. At the same time, other policies and programs have hindered the mobility of some children, particularly Black and Native American children.

The committee identified the following evidence-based policies and programs for children in low-income families that could reduce the children’s chances of low income as adults. These include three types of policies: (1) those that target children directly, such as higher-quality or expanded education and health services; (2) those that target families, such as income support or residential mobility policies and programs; and (3) those that target neighborhoods, such as neighborhood policing.
programs. The following policies and programs showed evidence of addressing disparities for Black children or families. As none of the policies or programs below were assessed for addressing intergenerational disparities among Native American children, they could not be included as being effective for this population. Action taken to implement or scale up these interventions may lead to improvements in the lives of Black children living in poverty today.

<table>
<thead>
<tr>
<th>Driver</th>
<th>Policy or Program Example Supported by Direct Evidence</th>
</tr>
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<tbody>
<tr>
<td><strong>Education</strong></td>
<td></td>
</tr>
<tr>
<td>K–12 education</td>
<td>Increase K–12 school spending in the poorest districts</td>
</tr>
<tr>
<td></td>
<td>Recruit Black teachers</td>
</tr>
<tr>
<td></td>
<td>Reduce exclusionary school discipline</td>
</tr>
<tr>
<td>Post-secondary education</td>
<td>Expand effective financial aid and tutoring programs for low-income students</td>
</tr>
<tr>
<td>Career training</td>
<td>Expand high-quality career and technical education programs in high school and sectoral training programs for adults and youth</td>
</tr>
<tr>
<td><strong>Child and Maternal Health</strong></td>
<td></td>
</tr>
<tr>
<td>Health insurance</td>
<td>Expand access to Medicaid with continuous 12-month eligibility and 12-month post-partum coverage</td>
</tr>
<tr>
<td>Pollution reduction</td>
<td>Support the U.S. Environmental Protection Agency to work with local partners to adopt and expand efficient methods of monitoring outdoor and indoor air quality, especially in and near schools</td>
</tr>
<tr>
<td><strong>Family Income, Employment, and Wealth</strong></td>
<td></td>
</tr>
<tr>
<td>Work-based income support</td>
<td>Expand the Earned Income Tax Credit by increasing payments along some or all portions of the schedule</td>
</tr>
</tbody>
</table>
Based on its review, the committee found that many children growing up in low-income households experience some degree of upward mobility. At least two-thirds are not living in low-income households in adulthood and some enjoy standards of living well above any definition of poverty. However, one in three children have low incomes when they become adults, and the chance of having a low income in adulthood is much higher for a child raised in a low-income household than in a more affluent household.

Regardless of the data source or the definition of poverty, racial and ethnic disparities are an enduring feature of the intergenerational trajectories of children, with Black and Native American children experiencing much less upward mobility than White children growing up in the same economic circumstances. The size and consistency of these gaps underscore the importance of understanding the causes of racial and ethnic disparities, as well as developing and implementing effective policies and programs to ameliorate intergenerational poverty. The committee’s report brings these issues to light and identifies policies and programs that, if implemented and scaled up, have the potential to reduce intergenerational poverty.
REFERENCES


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