

Policy Highlights from *Lessons from a Historic Decline in Child Poverty*

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This policy brief summarizes for federal, state, and local officials the key findings and policy recommendations from Child Trends' September 2022 report, [Lessons from a Historic Decline in Child Poverty](#).¹

Introduction

In [Lessons from a Historic Decline in Child Poverty](#), researchers found that the United States experienced a historic 59 percent decline in child poverty from 1993 to 2019. The rate of child poverty, as measured by the federal Supplemental Poverty Measure, fell from one in four children in the 1990s to one in 10 a quarter century later. Researchers explored a range of societal shifts to identify the factors contributing to the decrease in child poverty.

Major economic, demographic, and public policy changes occurred from 1993 through 2019. This 26-year period generally saw economic growth—specifically growth in gross domestic product per capita (GDP; adjusted for inflation), median household income, and state minimum wages. Additionally, unemployment decreased over this period, and single mothers' labor force participation grew. The nation saw increases in the proportion of adults with at least a high school diploma and a minimal increase in the number of children living in two-parent households. Teen birth rates declined dramatically, by 72 percent. Meanwhile, the U.S. population shifted to include a higher share of children from immigrant families. Shifts in U.S. public policy were equally dramatic, with [large increases in federal spending on social safety net programs](#), especially on [refundable tax credits](#) focused on working families with children. At the same time, federal policy shifted away from out-of-work cash assistance and introduced policies excluding immigrants from social safety net programs.

Why child poverty matters

Childhood poverty has consequences for families, communities, and society. It drastically impacts the well-being and future of all children, jeopardizing their [healthy growth and development, academic achievement, and later economic success](#). This represents not just a loss to the individual, but also to society, in both tangible and intangible benefits. Researchers estimated the [cost of childhood poverty](#) in the United States at approximately \$1 trillion in 2018, or 5 percent of GDP. These costs represent lost productivity, increased health costs, increased crime, and increased costs of supporting children in need.

Key Findings

Economic factors and the social safety net were the most powerful contributors to declines in child poverty.

- **Economic contributions:** Lower unemployment rates, increases in single mothers' labor force participation, and increases in state minimum wages explained about 33 percent of the overall decline in child poverty from 1993 to 2019.
- **Demographic contributions:** Overall, demographic shifts (e.g., teen birth rates; share of children in immigrant, Black, Asian, and Hispanic families; family structure) did not contribute to the decline in child poverty. However, teen birth rates were associated with more than half of the decline in deep child poverty. (Note: Previous research presents teen birth rates as both a [symptom of and contributor to](#) child poverty).
- **Social safety net contributions:** The safety net was responsible for much of the decline in child poverty from 1993 to 2019, cutting poverty by 9 percent in 1993 and 44 percent in 2019—tripling the number of children protected from poverty. While the role of the social safety net in reducing child poverty grew over the last quarter century,

¹ Available at <https://www.childtrends.org/publications/lessons-from-a-historic-decline-in-child-poverty>

the nation made little progress in strengthening programs for children in deep poverty. The social safety net reduced deep poverty among children by about two thirds in both 1993 and 2019.

Disparities by parental nativity, race, ethnicity, and family structure persisted.

- Poverty rates declined—at similar rates—for nearly all subgroups of children. However, this means that disparities by parental nativity, child race and ethnicity, and family structure persisted.
- The role of the social safety net in reducing child poverty grew for nearly every subgroup of children. However, the social safety net played a smaller role in reducing poverty for children in immigrant families, Hispanic children, Asian/Hawaiian/Pacific Islander children, and children without stably employed parents.

Social safety net programs varied in their contribution to child poverty declines.

- The federal Earned Income Tax Credit (EITC), Social Security, and the Supplemental Nutrition Assistance Program (SNAP) were the most powerful programs safeguarding children from poverty in 2019. The EITC reduced poverty by as much as 22 percent, while Social Security and SNAP reduced child poverty by 14 percent and 11 percent, respectively.
- Unemployment insurance played a modest role in buffering the impact of economic recession on child poverty, with its contribution rising and falling in sync with economic cycles.
- Housing assistance played a modest, but growing, role in protecting children from poverty—decreasing child poverty by 1 percent in 1993 and by 9 percent in 2019.
- Temporary Assistance for Needy Families' (TANF; formerly Aid to Families with Dependent Children) role in reducing child poverty—and particularly child deep poverty—was severely diminished. In 1993, AFDC reduced child deep poverty by 38 percent; in 2019, as TANF, the program reduced deep poverty by only 4 percent.
- A combination of social safety programs, rather than any single program, is often needed to lift children from deep poverty.

Policy Recommendations

Based on the above findings, we offer the following [recommendations](#) to public officials to maintain and accelerate reductions in child poverty:

- Base eligibility for social safety net programs on children's needs, not their parents' characteristics.
- Ease administrative barriers to accessing the social safety net for eligible families.
- Support stable parental employment and more robust female labor force participation with fair labor markets, higher minimum wages, and affordable, accessible child care.
- Maintain low teen birth rates via teen pregnancy prevention and access to safe abortion.
- Promote the economic, social, and caregiving benefits of families and reform policies that undermine the role of parents in children's lives.

Study Methods & Limitations. Researchers assessed economic and demographic influences on child poverty and the contribution of social safety net programs. For economic and demographic factors, researchers used state and year fixed effects regression models to estimate the associations between changes in each economic and demographic factor and changes in child poverty. For social safety net programs, researchers compared child poverty rates, based on the Supplemental Poverty Measure ([anchored to 2012 poverty thresholds](#)), to estimates of what child poverty would be without the resources provided by social safety net programs. These methods are not directly comparable, do not establish a causal relationship between the factors studied and child poverty, and do not account for interactions between factors. At the same time, the study provides a useful approximation of the factors contributing to declines in child poverty. Additional information about the report's methods and limitations can be found [here](#).