Poverty is acknowledged as a risk factor for many problems experienced by children and youth. Evidence from various disciplines indicates that children growing up in low-income households experience social and health conditions that place them at risk for later academic, employment, and behavioral problems (Conley, 1999; Davis-Kean, 2005; Duncan & Brooks-Gunn, 1997; Guo & Harris, 2000; McLoyd, 1998; Sampson, Morenoff, & Gannon-Rowley, 2002; Williams Shanks, Kim, Loke, & Destin, 2010). Indeed, the detrimental influence of poverty is apparent in all of the substantive policy areas discussed in this book.

AUTHORS’ NOTE: The authors would like to thank Megan Gilster for her diligent research assistance in preparing this chapter.
Children are poor because they reside in households and/or communities that are poor. Thus, a principal goal of anti-poverty policies is to break the link between poor resources of parents or caregivers and adverse child outcomes. To achieve this goal, some anti-poverty policies and programs provide material support to parents. Other anti-poverty initiatives offer resources and opportunities directly to children. Evidence suggests that the specific targets of social policy should not be an “either-or” proposition or strategy. That is, studies show that it is important to both support low-income parents and promote child well-being (Waldfogel, 2006; Waters Boots, Macomber, & Danziger, 2008).

In this chapter, we examine risk and protective factors associated with childhood and adolescent poverty. Major income assistance and income maintenance policies for children and families are reviewed. Trends in anti-poverty policy are noted; particular emphasis is paid to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. We conclude with a brief discussion of how American social policies aimed at ameliorating childhood poverty compare to approaches in other industrialized countries. Finally, policy and program directives that may help improve the integration of services and promote positive outcomes for children and families are identified.

Prevalence and Trends in Poverty

The debate about the best way to measure poverty is long and ongoing (Blank, 2008; Couch & Pirog, 2010). To bring some unity to the study of poverty, the U.S. Census Bureau in the 1960s established income thresholds to determine whether a household is officially poor. These thresholds are updated annually. As shown in Figure 2.1, child poverty rates reached a low during the 1960s. Since the 1970s, child poverty rates have fluctuated with periodic increases and decreases in the last three decades. Nearly 23% of all children under the age of 18 lived in poverty in 1993. Poverty rates declined between 1993 and 2002 but have increased slightly in the past several years. About 19% of children lived in poverty in 2008.

However, the average poverty rate hides considerable variation by race and ethnicity. Black and Hispanic children are twice as likely to be poor compared with Asian and White children. As shown in Figure 2.2, children residing in female-headed households experience poverty at four times the rate of all other households.
Figure 2.1  Child Poverty Rates in the United States by Race and Ethnicity, 1960–2009

Figure 2.2  Child Poverty Rates by Household Type, 1960–2009
In spite of the widespread use of the Census Bureau definition, the measurement of poverty continues to be debated. Critics charge that the majority of surveys that measure income flows into a household miss an important aspect of a household’s financial situation because they fail to consider family assets. For example, a family with housing equity, savings, and investments is in a better situation and has more favorable long-term prospects than a family of equal income but no assets. Although there is no official means to assess assets, researchers have developed ways to calculate it by using household net worth (Brandolini, Magri, & Smeeding, 2010; Haveman & Wolff, 2004; Shapiro, Oliver, & Meschede, 2009).

Data reflecting household net worth reveal that racial and ethnic disparities in assets are even greater than disparities in income (Lui, Robles, Leondar-Wright, Brewer, & Adamson, 2006; Oliver & Shapiro, 1995; Shapiro, 2004). As shown in Figure 2.3, Black and Hispanic households own between an eighth and a tenth, respectively, of the median net worth of White households. Furthermore, as depicted in Figure 2.4, households with children are most likely to be asset poor. In fact, female-headed households with children had asset poverty rates as high as 70% in 2001.

Figure 2.3  Median Household Net Worth by Race and Ethnicity, 1983–2007
Poverty is also viewed commonly at the neighborhood or community level. Neighborhood poverty refers to the spatial concentration of poor households in neighborhoods, which are measured by census tracts. Generally, a poor neighborhood is one in which 20% to 40% of residents live below the poverty line. The concentration of the poor in metropolitan areas of the United States increased dramatically between 1970 and 1990. As shown in Figure 2.5, the number of people living in poor neighborhoods and the number of poor neighborhoods nearly doubled during this time (Jargowsky, 1997).

It appears that two main macroeconomic changes contributed to the shifting spatial distribution of poor families. First, a decline in manufacturing markets negatively impacted inner cities and resulted in an increase in urban poverty rates. Second, factors such as discrimination in the housing and lending markets and rapid suburban development increased racial and socioeconomic segregation such that inner-city neighborhoods
became predominantly Black and poor (Jargowsky, 1997; Massey & Denton, 1993). The 1990s were also characterized by an increase in the suburbanization of neighborhood poverty. That is, although poverty declined in all other areas, rates of suburban poverty experienced almost no change (Jargowsky, 2003; Kingsley & Pettit, 2007).

The decline in neighborhood poverty between 1990 and 2000 may be explained by neighborhood fluctuations in moderate, high, and extreme poverty rates (Kingsley & Pettit, 2007) and by decreases in overall poverty caused by the improving economy of the late 1990s (Jargowsky, 2003). Figure 2.5 also shows that the percentage of the population in high-poverty neighborhoods has declined in the past decade. However, the number of poor census tracts in 2000 still exceeds the number in 1980. Recent evidence suggests that the economic decline since 2000 has led to a new increase in poverty—both nationally and in isolated neighborhood settings. Suburban poverty has continued to grow, especially in western

**Figure 2.5** Number of Poor Census Tracts and Percent of Population Living in Poor Tracts
and Sun Belt states (Kneebone, 2009), and neighborhood poverty has also increased in midwestern cities and suburbs in recent years (Kneebone & Garr, 2010).

Neighborhood poverty is experienced at much higher rates among people of color; this disparity is most evident among children (Jargowsky, 2003; Sharkey, 2009). Only 1% of White children born between 1955 and 1970 lived in poor neighborhoods whereas 29% of Black children born during this time lived in poor neighborhoods at some point in their childhood. About 31% of Black children born between 1985 and 2000 experienced neighborhood poverty (Sharkey). Inequality and poverty in neighborhood contexts for children expose them to serious risks that often compromise normal and healthy development.

**Poverty, Risk, and Protection**

Poverty stems from interpersonal, social, and environmental factors that occur at all levels of a child’s life (Bronfenbrenner, 1979). In Figure 2.6, we depict the increasingly wide spheres of influence related to the onset, persistence, and consequences of poverty. Clearly, efforts to prevent or reduce poverty should include state and federal policies and programs that target each of these levels. We discuss interpersonal, social, and environmental risk and protective factors associated with poverty in the following section.

**Interpersonal and Social Risk Factors**

Material hardships such as food insufficiency, unstable housing, and lack of basic health care are consistently associated with poverty. Material hardship is particularly important because it adversely affects many aspects of child development. In 1999, findings from a national sample of children revealed that 23% of families below the federal poverty level had experienced food insecurity (they were unable to afford balanced meals, cut the size of meals, or had too little money for food) in the past year (Gershoff, 2003). A 2006 survey revealed that 25% of children in families with income below the poverty level had experienced food insecurity in the past year (Nord, 2009). Qualitative researchers have detailed the many stressors and negative outcomes experienced by children residing in low-income families that are trying to meet basic needs (Edin & Lein, 1998; Newman, 1999). Parenting practices and behaviors created as a result of economic strain and
material hardship also indirectly affect children. Conger and colleagues (1991) have proposed a family process model that considers the influence of a family’s economic problems and parental depression on child and youth development. In this model, a mother’s and father’s depression is hypothesized to increase marriage hostility and decrease nurturing and involved parenting (Conger et al., 1991; Conger et al., 2002). Studies have also found that material hardship and financial stress are related to low self-esteem, less sense of control over one’s life, and feelings of helplessness among parents, which in turn adversely affects their ability to use effective parenting skills (Bradley & Corwyn, 2002; Conger & Donnellan, 2007; Gershoff, Aber, Raver, & Lennon, 2007; McLoyd, 1990, 1998).

Parent and family investment in children’s education and development—including educational materials in the home, engagement with school, and
facilitation of extracurricular activities—is another way in which poverty influences child development. Mayer (1997) found that parental education, attitudes, and behaviors were more important in explaining child outcomes than income, once basic material needs are met (Mayer, 1997). Cognitive stimulation in the home both in terms of the availability of learning materials and parental teaching and conversations is correlated with household income and is predictive of positive educational outcomes and fewer behavior problems (Bradley & Corwyn, 2002, 2003; Guo & Harris, 2000; Shonkoff & Phillips, 2000). A positive home environment is especially important for children’s academic growth during the summer, when school resources are not available (Downey, von Hippel, & Broh, 2004; Entwisle & Alexander, 1992). Clearly, poor parents often lack the resources, skills, and opportunities to help their children succeed in school.

Recent findings from investigators interested in promoting asset-based policies suggest that a family’s assets offer protection for children, particularly those residing in low-income households (Williams Shanks et al., 2010). Assets appear to operate as an important protective factor in relation to standardized test scores, school performance, and certain types of antisocial conduct and behavior problems (Conley, 1999; Orr, 2003; Williams Shanks, 2007). Equally important, studies have found positive relationships between household assets and children’s academic outcomes across racial groups (Williams Shanks & Destin, 2009) and among female-headed households (Zhan, 2006; Zhan & Sherraden, 2003).

Environmental Risks

Wilson (1987, 2009) has suggested that concentrated neighborhood poverty isolates poor residents and limits their exposure to positive role models, employment networks, and community resources. A large body of research has examined the direct and indirect effects of neighborhood poverty on various child and adolescent outcomes (Harding, 2003; Hart, Atkins, & Matsuba, 2008; Kling, Ludwig, & Katz, 2005; Leventhal & Brooks-Gunn, 2000; Pachter, Auinger, Palmer, & Weitzman, 2006). Many investigators have emphasized the significant and adverse effect of limited local resources and opportunities on children’s development. Poor neighborhoods tend to lack quality institutions and social services (Leventhal & Brooks-Gunn, 2000; Sampson et al., 2002). Children growing up in poor neighborhoods witness frequent acts of violence and experience considerable chaos, disorder, and isolation.
In such communities, parents’ stress levels as they struggle to cope with limited resources may negatively affect developmental outcomes (Klebenov, Brooks-Gunn, & Duncan, 1994; Kohen, Leventhal, Dahinten, & McIntosh, 2008; Mcloyd, 1998).

In sum, children and families living in poor neighborhoods are doubly disadvantaged by frequent exposure to numerous interpersonal, social, and environmental risk factors. These factors interact in complex ways and lead to a number of adverse outcomes for children. Youth exposed to neighborhood and household poverty encounter negative influences and antisocial environments that place them at risk for a number of adverse individual and social outcomes. These risks are particularly influential during early childhood (Shonkoff & Phillips, 2000). Policies and programs such as asset building and income support, which target the upstream economic strain of poverty, along with initiatives to enhance parenting skills and home environments, which intervene in the downstream processes of social disadvantage, are necessary to set a course for children to escape poverty. While it is important that interventions take place during early childhood, it is also crucial to develop and sustain policies and programs aimed at reducing risk and fostering resilience across the life course.

**Anti-Poverty Policies and Programs**

The United States has never instituted a comprehensive federal response to child poverty. In fact, no federal role in cash aid to poor children and families existed prior to 1935; only assistance from state, local, and private charities was available. Even today, with an array of federal anti-poverty programs, no policy or program reaches everyone who is eligible.

The first federal welfare program, Aid to Dependent Children, was part of the 1935 Social Security Act. The name of the program changed at mid-century to Aid to Families with Dependent Children (AFDC). The text box in this chapter summarizes changes in this program over time (Danziger, 2010). Table 2.1 provides an overview of some of the other major federal programs that offer support for basic needs of low-income children; funding levels for major anti-poverty programs between 1960 and 2009 are shown in Figure 2.7. Although critically important to child well-being, we exclude health insurance, medical care, and educational programs because these topics are covered in other chapters.
Table 2.1  Characteristics of Current Federal Anti-Poverty Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>When Began</th>
<th>Participation (FY 2009)</th>
<th>Percentage of Eligible Served</th>
<th>Eligibility</th>
<th>Purpose (and site for further information)</th>
<th>Discretionary/ Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidized Housing</td>
<td>1937</td>
<td>2.34 million families</td>
<td>9%</td>
<td>Very low income families. Income limits vary from Housing Authority Area.</td>
<td>Subsidized housing units located in buildings that are publicly managed (i.e., public housing) or privately owned and managed under government contracts. <a href="http://portal.hud.gov/portal/page/portal/HUD/topics/rental_assistance/phprog">http://portal.hud.gov/portal/page/portal/HUD/topics/rental_assistance/phprog</a>]</td>
<td>Discretionary</td>
</tr>
<tr>
<td>Supplemental Nutrition Assistance Program (SNAP)</td>
<td>1964</td>
<td>33.70 million people</td>
<td>66%</td>
<td>Gross monthly income &lt; 130% Federal Poverty level (FPL). Net monthly income &lt; 100% FPL.</td>
<td>Provides poor families with assistance purchasing food they need. <a href="http://www.fns.usda.gov/snap">http://www.fns.usda.gov/snap</a></td>
<td>Entitlement</td>
</tr>
<tr>
<td>Women, Infants, and Children (WIC)</td>
<td>1972</td>
<td>9.10 million women and children</td>
<td>59%</td>
<td>States set income eligibility (between 185% and 100% FPL) and nutrition risk eligibility.</td>
<td>Provides food, health care referrals, and nutrition education for low-income pregnant and postpartum women and to infants and children up to age five. <a href="http://www.fns.usda.gov/wic">http://www.fns.usda.gov/wic</a></td>
<td>Discretionary</td>
</tr>
<tr>
<td>Program</td>
<td>Discretionary/Entitlement</td>
<td>Percentage of Eligible Served</td>
<td>Participation (FY 2009)</td>
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<tr>
<td>Supplemental Security Income (SSI)</td>
<td>Entitlement</td>
<td>68%</td>
<td>7.52 million people (in 2008)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary/Entitlement</td>
<td>Entitlement</td>
<td>15%</td>
<td>1.97 million families</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Supplemental Security Income (SSI)
- **Purpose (and site for further information)**
  - Income assistance for aged, blind, and disabled people, who have little or no income.
  - [http://www.socialsecurity.gov/ssi](http://www.socialsecurity.gov/ssi)
- **Eligibility**
  - Age 65 or older, or blind, or disabled and limited income and resources (e.g., monthly income < $74 and resources < $2,000 for a single person).
- **When Began**
  - 1974
- **Entitlement**
  - Household income up to 80% of the area median.
- **Discretionary**
  - Entitlement program that allows participants to rent privately owned residences from participating owners.
  - Renters pay 30% of family income toward housing costs.
  - [http://portal.hud.gov/portal/page/portal/HUD/topics/rental_assistance](http://portal.hud.gov/portal/page/portal/HUD/topics/rental_assistance)
  - [http://portal.hud.gov/portal/page/portal/HUD/topics/housing_choice_voucher_program_section_8](http://portal.hud.gov/portal/page/portal/HUD/topics/housing_choice_voucher_program_section_8)

### Section 8
- **Purpose (and site for further information)**
  - A housing vouchers program that allows participants to rent privately owned residences from participating owners.
  - Renters pay 30% of family income toward housing costs.
  - [http://portal.hud.gov/portal/page/portal/HUD/topics/rental_assistance](http://portal.hud.gov/portal/page/portal/HUD/topics/rental_assistance)
  - [http://portal.hud.gov/portal/page/portal/HUD/topics/housing_choice_voucher_program_section_8](http://portal.hud.gov/portal/page/portal/HUD/topics/housing_choice_voucher_program_section_8)
- **Eligibility**
  - Household income up to 80% of the area median.
- **When Began**
  - 1974
- **Entitlement**
  - Entitlement program that allows participants to rent privately owned residences from participating owners.
  - Renters pay 30% of family income toward housing costs.
  - [http://portal.hud.gov/portal/page/portal/HUD/topics/rental_assistance](http://portal.hud.gov/portal/page/portal/HUD/topics/rental_assistance)
  - [http://portal.hud.gov/portal/page/portal/HUD/topics/housing_choice_voucher_program_section_8](http://portal.hud.gov/portal/page/portal/HUD/topics/housing_choice_voucher_program_section_8)
<table>
<thead>
<tr>
<th>Program</th>
<th>When Began</th>
<th>Participation (FY 2009)</th>
<th>Percentage of Eligible Served</th>
<th>Eligibility</th>
<th>Purpose (and site for further information)</th>
<th>Discretionary/Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hope VI</td>
<td>1993</td>
<td>See subsidized housing.</td>
<td>See subsidized housing.</td>
<td>Current residents of public housing are affected/new housing is open to those residents, other low income, and moderate income families.</td>
<td>Redevelopment of large-scale public housing sites to create mixed income housing in order to de-concentrate poverty. <a href="http://www.hud.gov/hopevi">http://www.hud.gov/hopevi</a></td>
<td>Discretionary</td>
</tr>
<tr>
<td>Child Care and Development Block Grant (CCDBG)</td>
<td>1996</td>
<td>1.71 million children in 99 million families (in 2007)</td>
<td>20%&lt;sup&gt;a&lt;/sup&gt;</td>
<td>States determine income and work status eligibility.</td>
<td>Child care vouchers provided to families who choose the type of care (including formal centers, family care homes, relative care, and care by nonrelatives).</td>
<td>Discretionary</td>
</tr>
<tr>
<td>Program</td>
<td>When Began</td>
<td>Participation (FY 2009)</td>
<td>Percentage of Eligible Served(^a)</td>
<td>Eligibility</td>
<td>Purpose (and site for further information)</td>
<td>Discretionary/Entitlement</td>
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<tr>
<td>Temporary Assistance to Needy Families (TANF)</td>
<td>1996</td>
<td>4.03 million people</td>
<td>40%</td>
<td>States determine eligibility of families with children.</td>
<td>Cash assistance with a work requirement. Five-year limited term of lifetime federal assistance.</td>
<td>Discretionary</td>
</tr>
<tr>
<td>Workforce Investment (WIA)</td>
<td>1998</td>
<td>1.23 million exiters (in 2008)(^c)</td>
<td>Not Available</td>
<td>Adults, dislocated workers, and youth aged 14 to 21 who face employment challenges and are primarily low income.</td>
<td>Job search and placement assistance and labor market information (&quot;core&quot; services) then career counseling and assessment (&quot;intensive&quot; services) before job training or education. <a href="http://www.doleta.gov/programs/">website</a></td>
<td>Discretionary</td>
</tr>
</tbody>
</table>

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\(^{a}\) Source for participation rates if not otherwise noted: Waters Boots (2010).


\(^{c}\) National Association of Child Care Resource and Referral Agencies (2010).


\(^{e}\) Turner and Kingsley (2008).
The food stamp program became the Supplemental Nutrition Assistance Program (SNAP) program in 2008 (H.R. 2419, the Food, Conservation, and Energy Act of 2008). SNAP provides food assistance in the form of electronic benefit transfer (EBT) cards, which function like debit cards at retail grocery stores. SNAP program participation increased to an estimated 11% of U.S. households in 2009 (U.S. Department of Agriculture, 2010a). The rise in program participation is associated with the deep recession and rise in unemployment and poverty. A federal entitlement program, SNAP is open to anyone who is income eligible and helps ease the family budget by covering food costs. The average household benefit in 2008 was $222 (Food and Nutrition Service, 2009). The maximum benefit for a family of four in 2010 is $668. As shown in Figure 2.7, participation rates for SNAP are quite high. However, only 37.9% of low-income (<185% poverty level) children experiencing food insecurity receive SNAP. Similarly, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a federal food support program for low-income pregnant and postpartum women and their young children (U.S. Department of Agriculture, 2010b). However, states administer WIC and set the eligibility requirements, and its funding is through the mechanism of a limited block grant to states rather than an open-ended entitlement.

An increasingly important addition to anti-poverty efforts is the Earned Income Tax Credit (EITC), a refundable tax credit to low-income workers and their families. In 2008, more than 24 million families received income support through the federal EITC for a total of $50 billion in aid. It is estimated that the program lifts 2.5 million children with working parents out of poverty each year (U.S. Department of the Treasury, 2010). For most individuals filing without children, the maximum benefit in 2009 is $457, but for a single person with two dependent children, the maximum benefit is $5,028. The maximum allowable income to receive any benefit is just above $48,000 (married filing jointly with three or more children), which is more than 200% of the federal poverty line. Some states and localities also have tax credits for working low-income families that supplement this program (Purmort, 2010). As Figure 2.7 shows, the number of households that receive the EITC began to exceed Temporary Assistance for Needy Families (TANF) participation in the early 1990s when EITC federal policy expanded. EITC has now outstripped TANF as a source of income support.

The 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) expanded and consolidated federal funding for child care
for employed parents into the Child Care and Development Block Grant (CCDBG). Under this act, states are provided flexibility in determining income and work eligibility, structuring the voucher program, and determining which types and standards of care will be reimbursed at what rates. There is consistent evidence that subsidies facilitate employment of low-income and welfare recipient families (Blau & Tekin, 2007; Danziger, Ananat, & Browning, 2004; Bainbridge, Meyers, & Waldfogel, 2003; Meyers, Heintze, & Wolf, 2002; Press, Fagan, & Laughlin, 2006). Between 1997 and 2006, public funding more than doubled from $3.7 billion to $9 billion (U.S. House of Representatives, 2008). The American Recovery and
Reinvestment Act of 2009 also expanded funds for child care subsidies and for quality improvements in child care services. Although the majority of low-income families rely on child care that is developmentally inadequate or minimally adequate (Levine Coley, Li-Grining, & Chase-Lansdale, 2006), it is unclear whether subsidy receipt leads to higher quality care (Antle et al., 2008). Subsidies could be structured to promote use of higher quality of care, but a high priority issue is access—only 20% of those eligible receive assistance with child care.

The 1996 Welfare Reform: AFDC Becomes TANF

Several welfare policy changes in the 1980s paved the way for welfare reform in 1996 (Danziger & Danziger, 2009). The 1981 Omnibus Reconciliation Act signed into law by President Ronald Reagan represented the first reduction in cash welfare in decades. The welfare rolls fell by about 14%, and work incentive provisions were eliminated. The Family Support Act of 1988 increased work requirements for welfare recipients but also initiated transitional assistance for child care and Medicaid for families leaving welfare for work. Throughout the 1980s and early 1990s, the federal government granted many waivers, which allowed the states to experiment with welfare-to-work programs. This led to increased state control over program administration (Heclo, 2001).

The PRWORA (Public Law No. 104–93) signed by President Bill Clinton in August 1996 ended AFDC’s 60-year history and resulted in major changes in the structure of the program and its diminished role as a resource for the poor. Compared to Aid to Families with Dependent Children (AFDC), the Temporary Assistance for Needy Families (TANF) plays a smaller role as a resource for families.

Several rules reduced participation in TANF. A federal lifetime time limit for benefit receipt was imposed. States were required to institute mandatory work rules and to achieve specified rates of participation in work requirements. States were also required to impose sanctions in the form of benefit reduction or case closure to families that did not comply with the new requirements. States could implement diversion programs to deter or deflect applicants from entering the program (e.g., providing a one-time lump sum payment to families who agreed not to seek cash benefits for a set period of time). Furthermore, the federal legislation made eligibility for benefits contingent on a number of conditions and allowed states to add further contingencies. TANF disallowed (Continued)
parents who had a drug felony conviction. Teen parents under the age of 18 were required to live with an adult and attend school as a condition of receiving benefits. New legal immigrants were not allowed to receive means-tested public benefits, including TANF, for the first 5 years after entry (Fix, 2006).

The wide discretion allowed in the federal legislation has led some analysts to suggest that welfare is now more of a state than a federal policy and that there are now 50 different welfare programs. Rowe and Giannarelli (2006) have observed that “virtually any statement about welfare is no longer universally true across the country” (p. 1). For example, as of 2003, southern states paid a maximum benefit of less than $300 per month to a family of three whereas six states paid more than $600 to such families with no other income. Many states had no diversion policies but 19 states permitted a diversion payment of more than $1,000 to a family of three. While 35 states imposed the federal time limit of 60 months, 8 states had shorter time limits, from 21 to 48 months, and 6 states had set no time limits to cash welfare (these states use state funds to pay benefits after 60 months; Rowe & Giannarelli, 2006).

The clearest result of welfare reform is the dramatic nationwide decline in reliance on cash assistance, while participation in other anti-poverty programs has grown, shown in Figure 2.7 (Danziger, 2010). Welfare caseloads have fallen precipitously since the mid-1990s and did not increase during the “great recession” that began in December 2007. The failure of the welfare system to respond to increased poverty during the recession raises concern for how single mothers and their children will fare in the coming years.

The Effects of the 1996 Welfare Reform on Child Outcomes

Neither the critics’ dire predictions of increased child poverty, nor the proponents’ rosy forecasts that children would directly benefit from seeing their mothers take jobs, came true. Millions of destitute children were not put out on the streets in the first decade following welfare reform. On the other hand, child and family troubles did not melt away when mothers entered the workforce. Studies are not finding that welfare leavers’ stress levels and mental health status have improved as they exit the rolls, which suggests that children’s lives are also not improving as a result of welfare reform.
Supplemental Security Income (SSI) is a program of the Social Security Administration. Unlike retirement income from social security, which is funded by social security taxes, SSI is funded by general federal tax revenues. Families with children who have a disability are eligible to receive SSI support; 15.7% of recipients were under 18 in 2010 (Social Security Administration, 2010). Eligibility requirements were made more stringent
with the passing of PRWORA in 1996. The average monthly benefit for a child (recipient under age 18) is $597 in 2010 (Social Security Administration). Although a relatively high rate of those who qualify are served, many people who are unemployed for long periods due to illness or disability experience long delays in the application and review process (U.S. General Accounting Office, 2009).

The federal government also supports the employment of youth and adults through training and education programs designed to ensure that participants are job-ready. Although job-training programs were originally designed to assist dislocated workers, they became a part of federal anti-poverty strategies by the 1960s (LaLonde, 1995). Just as PRWORA shifted the focus of welfare toward “work first,” the approach of job-training programs has also shifted toward employment. The Workforce Investment Act of 1998 (WIA) was enacted to replace the Job Training Partnership Act (JTPA), with an emphasis on job placement before training or education (Holzer, 2008). With the changes from JTPA to WIA, substantially fewer low-income youth and adults received training. About 95% of program leavers reported receiving training in JTPA, compared with 68.4% of exiters from WIA in 2003 (Frank & Minoff, 2005).

Federal housing assistance is funded through the U.S. Department of Housing and Urban Development (HUD) and administered by local housing authorities. It takes two main forms: Section 8 housing vouchers for private units and subsidized public housing units. Both programs serve a small fraction of low-income renters and have long waiting lists of families that apply for assistance. Only half of those served, 2.6 million, are families with children. Moreover, 5.6 million eligible households with children experience serious housing needs (Turner & Kingsley, 2008). The character of public housing in the United States has been changing in the last 20 years due to efforts like Moving to Opportunity (MTO) and Hope VI. These initiatives attempt to disperse concentrated neighborhood poverty. Although the goal of the program was to improve outcomes for individuals, the development of new mixed income housing units decreased the amount of housing generally available to poor residents (Sharkey, 2009). Once again, access has been a key concern, with few eligible households receiving needed assistance.

Another way to think about the degree to which social policy assists children and families is to compare child poverty in the United States to other industrialized countries. The U.S. child poverty rate is more than
4 times higher than rates in such European countries as Sweden, Norway, Finland, and Denmark (Lindsey, 2004; Rainwater & Smeeding, 2003a, 2003b). The low child poverty rates in these nations are realized not because earnings are higher but because a large proportion of children are being lifted from poverty through government intervention (Rainwater & Smeeding, 2003a). The child poverty reduction from governmental programs and income transfers in the United States is less than 25% compared with more than 75% in Sweden and Norway (Lindsey, 2004; Rainwater & Smeeding, 2003a, 2003b).

In sum, a variety of anti-poverty programs provide assistance through cash, food support, tax credits, child care, workforce development, and housing. Yet, with all these programs, few focus on low-income households with children. In some cases, mothers with work requirements may be able to increase earnings through employment but subsequently risk losing eligibility for other forms of assistance, and this may provide little aggregate benefit in terms of poverty status (Currie, 2006). And, when parents are required to work outside the home, parental psychosocial well-being may not improve, and children may actually receive less attention. Indeed, there could be an increase in the number of unsupervised, latchkey children and little reduction in family poverty. There are many gaps in the existing safety net, particularly when viewed from the broader goal of improving outcomes for children and youth.

Using Knowledge of Risk, Protection, and Resilience to Achieve Service Integration

In recent years, investigators and policy officials have begun to promote positive social development as a means to ameliorate childhood poverty. Such a focus represents an alternative to emphasizing the relationship between poverty and adverse child outcomes in policies and programs. Sen (1993, 1999) suggests that a person’s functional capabilities and the freedom to attain what is valued for one’s own welfare should form the basis of anti-poverty policies and programs. In a similar vein, Sherraden (1991) argues that income support policies provide an important safety net but are insufficient for long-term growth and development. He suggests that helping low-income households build tangible financial assets can lead to positive changes in self-efficacy and civic participation and to improvements in child well-being (Sherraden, 2005). Sherraden’s work
indicates that accumulated resources in the form of saving accounts promote investment for long-term security either by increasing human capital or by anticipating future circumstances (e.g., expanding a business or planning for retirement).

Integrated and systems-level approaches represent another important approach to preventing and ameliorating childhood poverty. Systems-level approaches focus on better coordination across service sectors. Thus, rather than creating public policies composed of separate streams of money to address particular needs or problems, a systems approach argues for a comprehensive community change strategy that addresses the full array of problems facing families. One cross-system policy and program example that has received considerable attention recently is the Harlem Children’s Zone (HCZ) in New York City (Tough, 2008). In the HCZ, Geoffrey Canada and colleagues have developed an array of community programs and educational innovations (including two charter schools) in a 97-block area of Harlem. Services are designed to support children and families in a metaphorical “conveyor belt” from birth to college (Tough). Specific interventions include parenting classes in Baby College, pre-kindergarten instruction in Harlem Gems, and an array of afterschool, health, college preparatory, employment training, and substance abuse programs and services. Initial evidence shows that children in the HCZ schools have better attendance, more time in classroom instruction, and better achievement scores in math and English than those who are not enrolled (Dobbie & Fryer, 2009; Tough). Although it is hard to disentangle school and community effects, HCZ intentionally bundled a high-quality school experience with complementary wrap-around services to improve achievement and reduce gaps that have traditionally existed between low-income minority children and their better-off peers (Dobbie & Fryer).

Others have created and supported similar comprehensive community-building strategies. For example, the Annie E. Casey Foundation has funded a series of neighborhood change initiatives aimed at childhood poverty, including the Rebuilding Communities and Making Connections programs (Annie E. Casey Foundation, 2010). The Skillman Foundation has launched comprehensive community-building initiatives in six local neighborhoods in Detroit through its Good Neighborhoods initiative (Skillman Foundation, 2010). Efforts to assess and evaluate these long-term comprehensive change projects face major research challenges (Kubisch et al., 2002; Stone, 1996). Although much has been learned, no
clear blueprint for how to successfully make low-income communities safe and healthy places for children has emerged.

Another promising approach to promoting positive development among low-income youth uses an asset-building strategy to establish a child development account (CDA) system (Goldberg, 2005; Williams Shanks et al., 2010). The vision is that every child from birth gets a subsidized account in her or his own name with an initial deposit that also matches additional savings. The deposit is intended to provide a foundation for family financial literacy and tangible resources that can be invested in a child’s future. A primary use of the account is to save for college or postsecondary education. However, money can also be used for other purposes in early adulthood. The purpose of this strategy is provide young people with resources to support whatever choices they think will help them build personal capabilities and get started in life, regardless of their parents’ financial situation. An example of this approach, the Saving for Education, Entrepreneurship, and Downpayment (SEED) initiative, is currently being tested in the United States (Center for Social Development, 2010).

The concept of children’s development accounts has already been established as policy internationally. In the United Kingdom, the Child Trust Fund (CTF) provides a certificate for at least £250 to the parents of every baby born in the country, with additional funds offered to the parents of low-income children (Child Trust Fund, 2010). Parents use these certificates to open an account on their child’s behalf, which can grow tax-exempt until the child reaches age 18. The UK government imposes no restrictions on use once a child reaches 18 but plans to offer financial information and counseling within schools as part of its national education curriculum. When the program launched in 2005, it opened 3 million CTFs. In 2007, about one quarter of these accounts received additional contributions beyond the initial government deposit (Bennett, Chávez Quezada, Lawton, & Perun, 2008).

Singapore has introduced child development accounts that can be used for preschool and other education- or health-related expenses from birth to age 6 (Loke & Sherraden, 2007). The government has also created the Post-Secondary Education Account (PSEA) to cover approved education-related expenses between the ages of 7 and 20. Unused balances from the child accounts can roll over to a child’s PSEA, and unused balances from PSEAs can be rolled over to the adult child’s Central Provident Fund. Thus, Singapore essentially has a lifelong system of accounts to help its
citizens build assets and meet personal and financial goals (Loke & Cramer, 2009). These examples may provide important lessons to policymakers in the United States.

Summary

This chapter has provided evidence that income poverty, asset poverty, and neighborhood poverty, alone and in combination, are associated with profound disadvantages for children and families. From our review, it is also apparent that existing anti-poverty policies and programs in the United States, although providing crucial supports to many, are not sufficient to lift large numbers of children out of poverty or greatly shift developmental outcomes for poor children. However, if the will and resources to make systemic change could be found, a variety of programs, including comprehensive community change strategies and asset building, are showing promise.

To realize long-term success in breaking the link between household poverty and child well-being, a few observations can be made. A “family security approach”—like that called for by Waters Boots, Macomber, and Danziger (2008)—is crucial, in that multiple generations and multiple levels of influence must be targeted concurrently. No single program is likely to be enough. And although the most concrete issue for a family may be insufficient income, “fixing” income support policies alone might not take us far enough along in a risk and protection framework. Families with children, especially those headed by young single women, could undoubtedly use better-designed cash and financial help with housing, child care, food, and job training to make ends meet. However, to prevent a lifetime of poverty and dead-end jobs, a host of other resources—education, parenting support, services to provide their children a nurturing home environment, and high-quality early child care—are needed. Given that families often experience spells in and out of poverty throughout the life course, it would be strategic to assist parents of young children to increase their educational attainment and plan a better life for themselves and for their children. Work-related participation requirements might be part of a broader goal to improve long-term outcomes for entire families.

Finally, American anti-poverty policies and programs have failed to reduce racial and ethnic inequities in income, wealth, and neighborhood poverty. Income and, indeed, health disparities by race and ethnicity have not narrowed over time (see Chapter 6). This warrants targeted supports and interventions for diverse communities at highest risk, particularly
Hispanic-origin and Black families. Benchmarks for a successful policy approach would be both improved outcomes for poor children and decline in racial or ethnic disparities.

**QUESTIONS FOR DISCUSSION**

1. What risk and protective factors are associated with poverty?

2. Some experts point to income inequality itself as a cause of poor child developmental outcomes. What are the relative advantages and potential disadvantages of focusing policy attention on reducing poverty (i.e., income inequality) versus assisting children and families in need?

3. How do current public assistance programs target supports for low-income families with children? What are their limitations from a risk and resilience framework?

4. What new system-level approaches have been developed to prevent or reduce poverty? How do these approaches aim to break the link between poverty and child well-being?

5. How much can government and community-based partners do for families in need? What is the role of personal, parental, and community responsibility in anti-poverty policies and programs?

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### Additional Reading


### Web-Based Resources


National Poverty Center, Gerald R. Ford School of Public Policy, University of Michigan, http://www.npc.umich.edu/