



Statement before the House Committee on Appropriations  
Subcommittee on Labor, Health and Human Services, Education, and Related Agencies  
On Reducing Child Poverty

# ***Reviewing A Roadmap to Reducing Child Poverty***

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Chairwoman DeLauro and members of the subcommittee, thank you for the invitation to testify on the important issue of reducing child poverty. My name is Matt Weidinger, and I am the Rowe Fellow in poverty studies at the American Enterprise Institute. Previously, I spent over two decades on the staff of the House Ways and Means Committee, mostly as staff director of the subcommittee that oversees key programs designed to reduce poverty, especially among families with children.

Let me start by recognizing the roles of Reps. Barbara Lee (D-CA) and Lucille Roybal-Allard (D-CA), who helped initiate the National Academies of Sciences, Engineering, and Medicine committee and ultimately the 2019 *A Roadmap to Reducing Child Poverty* report that is the topic of this hearing. The Roadmap is a serious effort to calculate the effectiveness of current antipoverty programs and benefits and to direct policymakers toward additional tools that could reduce child poverty in the years ahead.

I will focus my testimony on important lessons from past efforts to reduce the level of child poverty, which offer important context for the *Roadmap's* recommendations and can help guide policymakers considering the best path forward.

**Reducing poverty, including child poverty, is an important goal and one that taxpayers have contributed growing resources toward addressing.**

To reduce poverty and improve family well-being, the 20th century saw the creation and expansion of scores of federal programs offering assistance to low-income families with children. Major programs included Aid to Dependent Children (created in 1935, later known as AFDC and now Temporary Assistance for Needy Families or TANF), the Social Security survivor insurance program (1939), Food Stamps (1964, now known as the Supplemental Nutrition Assistance Program or SNAP), Medicaid (1965), rental assistance (1965), Supplemental Security Income (1972), the earned income tax credit (1975), the child tax credit (1997), and the Children's Health Insurance Program (1997). These and dozens of other programs provide an array of cash, food, housing, health, and other benefits designed to assist families, including those with children, with material and other needs.<sup>1</sup>

Drawing on data from the Urban Institute, the *Roadmap* displays annual federal expenditures on children between 1960 and 2017, in inflation-adjusted terms.<sup>2</sup> Figure 4-5 in the *Roadmap* shows that spending grew from \$60.5 billion in 1960 to \$516.4 billion in 2010, before moderating to \$481.5 billion by 2017 "largely due to the decrease in transfers during the economic recovery that followed the Great Recession." The *Roadmap* finds that "the eight-fold growth in real spending between 1960 and 2010 is striking, and it is many times larger than the 15-percent increase in the number of children in the population."<sup>3</sup> State spending adds to that federal spending on children.

As the *Roadmap* notes, poverty is most common among single-parent households and those in which parents do not work or work less than full time. Figure 2-5 shows children living with a single parent were over twice as likely as those living with two biological parents to be poor or

in deep poverty in 2015.<sup>4</sup> Further, the poverty rate for children in single-parent families “is roughly five times the rate for children in married couple families.”<sup>5</sup> Figure 2-6 shows 62 percent of children living in a household in which no one worked were poor in 2015, compared to 28 percent in households with at least one part-time or part-year worker and 7 percent with at least one full-time, full-year worker. Less than 1 percent of children in households with at least one full-time, full-year worker were in deep poverty.<sup>6</sup>

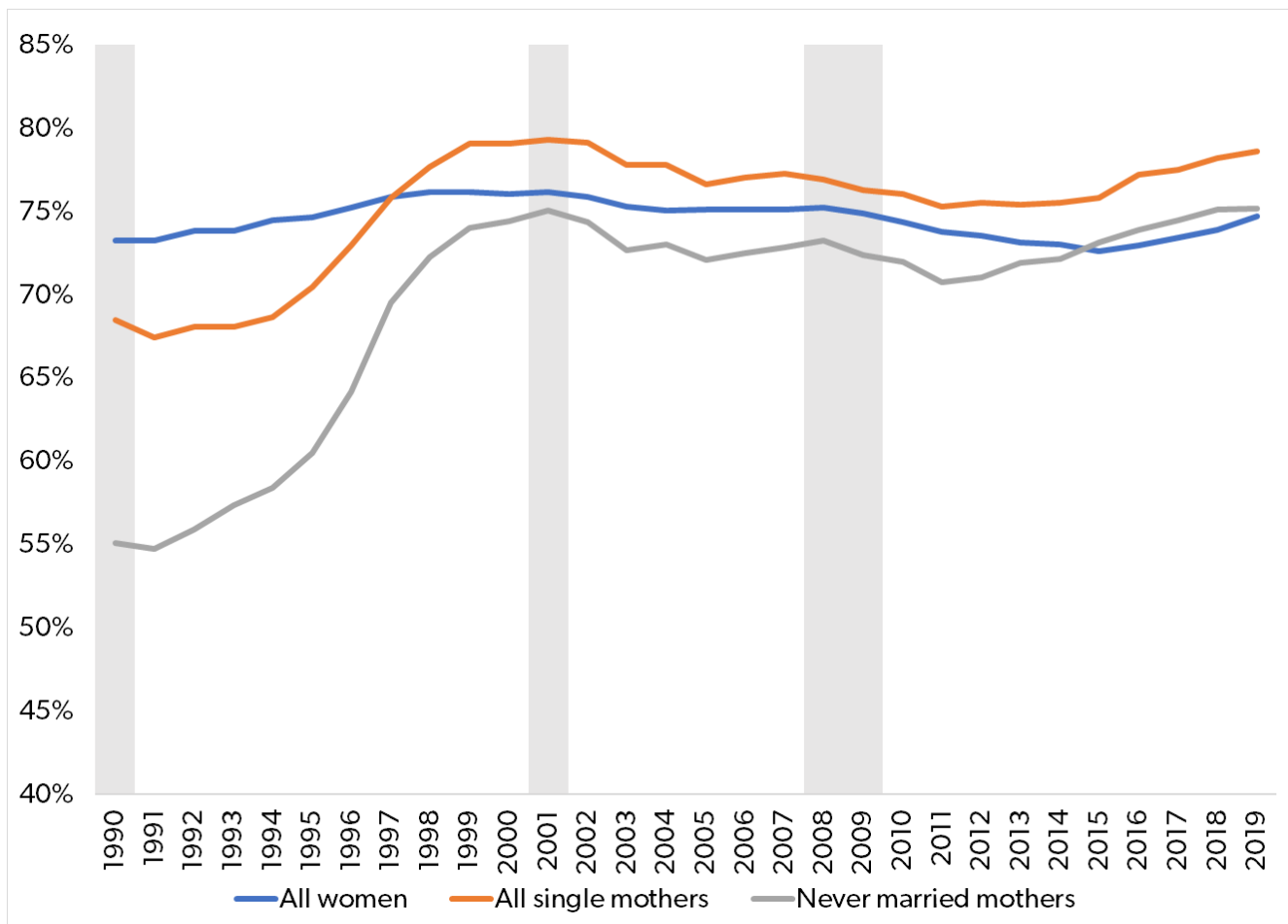
**Recent efforts to reduce child poverty have focused on promoting work and earnings and have resulted in sharp reductions in child poverty.**

In recent decades, US policy shifted toward promoting work and earnings by low-income adults, instead of the provision of government transfers alone, to help them and their children avoid poverty. As Ron Haskins and Isabel Sawhill of the Brookings Institution explained in 2003, the prior strategy of “giving people more money” as a means of combating poverty had been “remarkably unsuccessful.”<sup>7</sup>

The shift away from “welfare” toward “work supports” generally has been bipartisan and included a number of policies designed to promote and support work and “make work pay” for needy families. For example, the earned income tax credit (EITC) was created and significantly expanded several times. The 1996 welfare reform law (which was supported by majorities in each party in Congress and signed into law by President Bill Clinton) generally conditioned receipt of cash welfare benefits on low-income parents’ working or preparing for work. That legislation also increased childcare funding and extended eligibility for Medicaid for parents leaving welfare for work. The child tax credit was created in 1997 and expanded several times.

Those and other reforms contributed to large increases in work and earnings in the late 1990s among single mothers and especially never-married mothers, the group previously least likely to work and most likely to depend on welfare and related benefits, often for extended durations. Those gains continued in the years since, despite intervening recessions (Figure 1).

**Figure 1. Labor Force Participation Rate for Select Groups of Women, Age 18–54, 1990–2019**

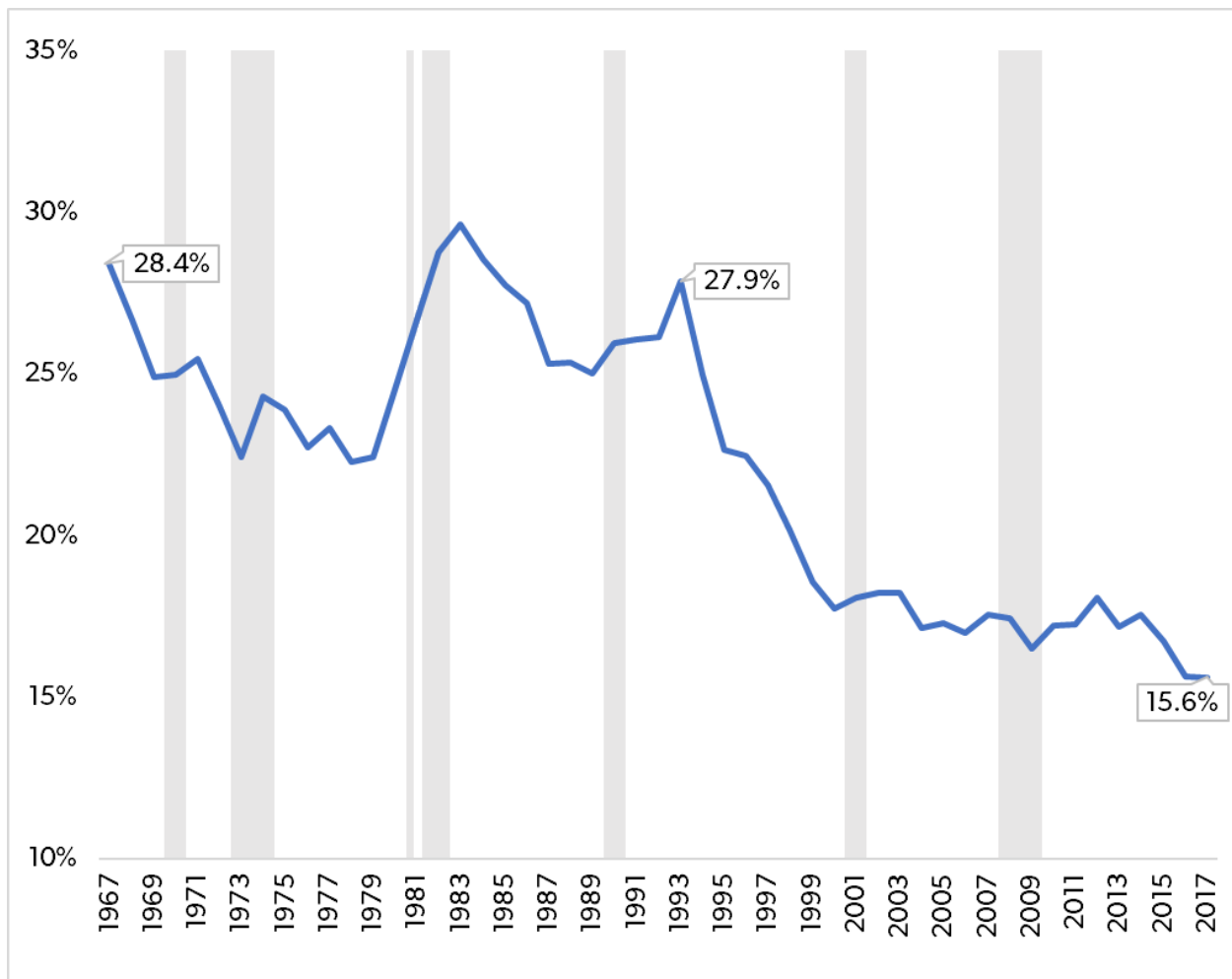


Note: Shaded areas represent recessionary period.

Source: IPUMS CPS, "Current Population Survey Data for Social, Economic and Health Research," <https://cps.ipums.org/cps/index.shtml>.

As the *Roadmap* notes, rising earnings and increases in work support benefits ("mainly the Earned Income Tax Credit") combined to reduce child poverty in the years since 1993: "Between 1993 and 2016, SPM [Supplemental Poverty Measure] poverty fell by 12.3 percentage points, dropping from 27.9 to 15.6 percent."<sup>8</sup> That reflects a 44 percent decline in child poverty, as measured by the *Roadmap*, over the period (Figure 2).

**Figure 2. Anchored SPM Child Poverty Rate (2012), with Taxes and Transfers**



Note: Shaded areas represent recessionary period.

Source: Center on Poverty and Social Policy at Columbia University, "Historical SPM Data,"

<https://www.povertycenter.columbia.edu/historical-spm-data-reg>.

More recently, the doubling to \$2,000 and expanded refundability of the child tax credit, along with expanded funding for childcare, have provided families with children additional resources that should help SPM poverty continue to fall.

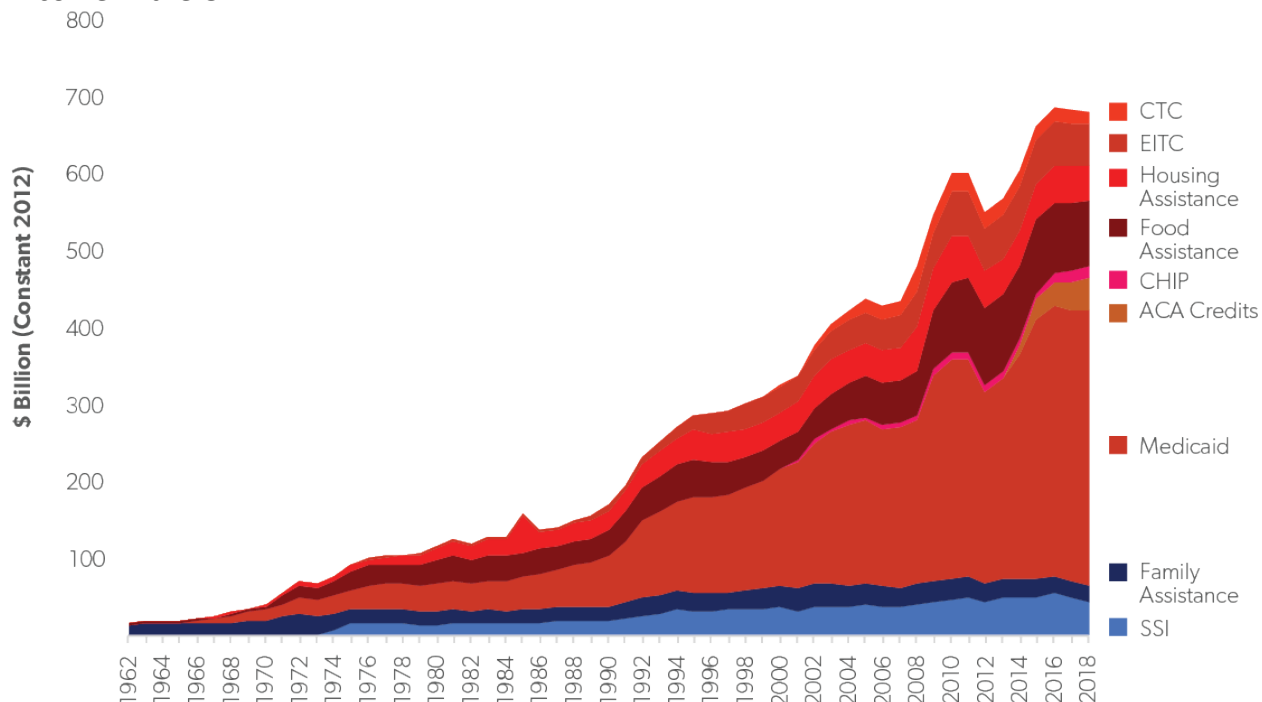
**How poverty is measured matters a lot. The *Roadmap* uses a better poverty measure than the "official poverty measure," but it is not without concerns.**

The current official poverty measure (OPM) has long been recognized as including flaws that compromise its utility as both a measure of the number of Americans in poverty and a yardstick for judging policies designed to reduce poverty. For example, the National Center for Children in Poverty (NCCP) in 2009 reported that the OPM "is now widely acknowledged to be flawed."<sup>9</sup> Among its flaws, the OPM ignores a growing share of antipoverty spending, including, as the NCCP noted, the EITC and "food stamps, Medicaid, and housing and child care assistance."<sup>10</sup>

Figure 3 displays how federal antipoverty spending (including on households with and without

children) that is not counted under the OPM has grown rapidly, while antipoverty spending that is counted under the OPM has remained more flat. Since just 1999, spending on benefits not counted under the OPM has grown 16 times as fast as spending on benefits counted under the OPM.

**Figure 3. Federal Spending on Assistance Programs Counted (Blue) and Not Counted (Red) as Income in the OPM**



Note: All figures adjusted to 2012 constant dollars according to source methodology. “Housing Assistance” includes discretionary and mandatory federal funding. “Family Assistance” includes the federal share of TANF and other family support programs, some of which include in-kind benefits that are not included in the OPM. “Food Assistance” includes federal SNAP spending and other nutritional assistance programs such as the Child Nutrition and Special Milk programs and supplemental feeding programs (such as Women, Infants, and Children and Commodity Supplemental Food Program). The child tax credit includes spending where the value of the credit exceeds a filer’s tax liability.

Source: Office of Management and Budget, “Historical Tables,” Table 8.6 and Table 8.8, <https://www.whitehouse.gov/omb/historical-tables/>.

The *Roadmap* admits these flaws in the OPM by instead using a “corrected” version of the SPM, which considers the impact of tax credits and in-kind benefits, among other factors. The *Roadmap* notes that adopting this revised poverty measure significantly reduces the child poverty rate, dropping it from 19.7 percent under the OPM to 13.0 percent in 2015.<sup>11</sup> The report finds that 9.6 million children were poor in 2015 using this revised measure, or almost five million fewer than the 14.5 million children recorded as poor under the OPM that year.<sup>12</sup> Compared to the OPM, the revised measure better accounts for current antipoverty spending on children and permits the *Roadmap’s* authors to account for how proposed expansions in benefits such as the EITC, SNAP, housing, and related programs might reduce child poverty in the future.

While better than the OPM, the SPM the *Roadmap* uses is not without concerns. One is that its proposed poverty threshold provides for a relative, instead of absolute, measurement of poverty, which is more akin to an assessment of income inequality.<sup>13</sup> This dynamic led the 2014 Economic Report of the President to state that “eliminating poverty defined with a relative measure may be nearly impossible, as the threshold rises apace with incomes.”<sup>14</sup> Research by AEI Visiting Scholar Bruce Meyer and Notre Dame’s James Sullivan finds that using a “consumption poverty” measure shows recent policies have contributed to even greater reductions in child poverty than using the SPM does.<sup>15</sup>

**The most costly *Roadmap* proposals would reduce work and earnings.**

The *Roadmap* includes four separate packages of proposals that seek to reduce child poverty by 50 percent in the next decade; some are projected to achieve that goal, while others are not. These packages include policies such as “work-oriented” benefits, “means-tested supports,” and “universal supports.”

In principle, “work-oriented” proposals such as expanding the EITC and adjusting the child and dependent care tax credit (CDCTC) are more consistent with recent efforts to promote work and make work pay. The “work-oriented package” (which also includes increasing the minimum wage and providing more job training) is estimated to cost about \$9 billion per year and increase employment by one million—significantly more than other packages. As noted in Table 6-3 of the *Roadmap*, this package is also expected to increase earnings among low-income families by \$18 billion. The “work-oriented” package is the only one projected to increase earnings more than spending on benefits.

In contrast, “means-tested support” and “universal support” proposals would expand SNAP and housing benefits and eligibility, create a new “child allowance” payable regardless of parental work, create a new “child support assurance” program, and eliminate eligibility restrictions for means-tested benefits for certain noncitizens. These policies contrast with the work support direction the country has pursued in recent decades, and the packages that include them are significantly more expensive than the “work-based package.” Table 6-3 of the *Roadmap* displays how these individual policies also are projected to reduce employment and earnings (Table 1).

**Table 1. Spending and Employment Changes Associated with Selected Package Proposals**

Policy	Total Change in Government Spending per Year	Net Change in Earnings	Net Change in Jobs
Begin \$2,000 Child Allowance	\$32.5 Billion	-\$1.1 Billion	-60,000
Begin \$2,700 Child Allowance	\$85.5 Billion	-\$2.3 Billion	-98,000
Expand Housing Voucher Program	\$34.7 Billion	-\$5.9 Billion	-93,181
Expand SNAP Benefits by 35 Percent	\$43.0 Billion	-\$3.8 Billion	-161,332



Begin Child Support Assurance	\$5.6 Billion	-\$0.2 Billion	-10,145
Eliminate 1996 Immigration Eligibility Restrictions	\$4.8 Billion	-\$0.5 Billion	-13,183

Source: National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, (Washington, DC: National Academies Press, 2019), Table 6-3, <https://doi.org/10.17226/25246>.

**Policymakers should not limit their pursuit of reforms to the proposals in the *Roadmap* packages.**

Each of the *Roadmap's* benefit proposals would expand or create new benefit programs. It does not offer suggestions for how to pay for that increased spending, even though the “packages” would cost as much as \$109 billion per year.<sup>16</sup>

It is discouraging that, in attempting to identify policies with the potential to reduce child poverty, the *Roadmap* does not identify current benefits and programs that cannot display evidence of effectiveness and thus merit consideration as possible offsets for the new spending it proposes.

Some policymakers also will be disappointed that the *Roadmap* does not support expanding mandatory work requirements, such as those in the TANF program, to additional programs. In reviewing the 1996 welfare reform law that created the TANF program, the *Roadmap* finds that “the most consistent evidence indicates that the legislation reduced welfare receipt and increased employment.”<sup>17</sup> The authors also suggest it is difficult to draw conclusions about mandatory work requirements as impacts on families were generated by “multiple features of the legislation, including mandatory work requirements as well as time limits, block grants, and in some cases earnings disregards.”<sup>18</sup>

Among the *Roadmap's* concluding recommendations is for federal agencies to grant waivers to state and local governments to rigorously test work-related programs. That has merit and resembles opportunity and economic mobility demonstrations proposed in the president’s budget. Those demonstrations would allow states to redesign the delivery of safety-net services “to streamline funding from multiple safety net programs to provide a connected service array with the intention to grow the capacity of those served beyond their need for those services.”<sup>19</sup> As the president’s budget notes, “All projects must require work capable individuals to be engaged in work activities,” which include work, training, and other productive activities.<sup>20</sup>

The *Roadmap* concludes that “the decline in two-parent family structure is the single biggest factor associated with the increase in child (official) poverty between the mid-1970s and the early 1990s.”<sup>21</sup> While it suggests that healthy marriage promotion efforts started in the 2000s “failed to boost marriage rates,” other research suggests that conclusion is premature.<sup>22</sup> Meanwhile, the promise of the “success sequence” reflects on the continued importance of identifying programs and policies that can help more two-parent families form and thrive as a key to preventing child poverty in the future.<sup>23</sup> That effort should include further review of marriage penalties embedded in benefit programs as well.

## **The *Roadmap* proposals compete with other current and proposed spending priorities.**

As with all policy proposals, the packages in the *Roadmap* do not exist in a vacuum. The Congressional Budget Office recently reported that trillion-dollar deficits are expected into the foreseeable future, when growing spending on entitlement programs—especially on the rising number of seniors—will continue its sharp rise.<sup>24</sup> As the Peter G. Peterson Foundation has noted, “Total federal spending is projected to increase by \$1.5 trillion over the next decade, but only 3 cents of every additional dollar would go towards children’s programs; 67 cents of every additional dollar would go towards Social Security, Medicare, and Medicaid and 28 cents would go towards interest on the debt.”<sup>25</sup>

A number of proposals like those in the *Roadmap* have been made but not enacted before, including as part of prior strategies to “cut poverty in half.”<sup>26</sup> The rapidly rising claims of senior entitlements, along with large competing new spending plans such as Medicare for All and the Green New Deal, pose even greater challenges than before to those seeking large increases in spending like those proposed in several of the more costly *Roadmap* packages.

Thank you for the opportunity to testify.

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<sup>1</sup> For a stylized depiction of the American safety net, see Jason Russel, “America’s Welfare System Is a Mess, in One Chart,” *Washington Examiner*, November 6, 2015, <https://www.washingtonexaminer.com/americas-welfare-system-is-a-mess-in-one-chart>.

<sup>2</sup> Julia Isaacs et al., “Kid’s Share 2018: Report on Federal Expenditures on Children Through 2017 and Future Projections,” Urban Institute, July 2018, [https://www.urban.org/sites/default/files/publication/98725/kids\\_share\\_2018\\_0.pdf](https://www.urban.org/sites/default/files/publication/98725/kids_share_2018_0.pdf).

<sup>3</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty* (Washington, DC: National Academies Press, 2019), 106, <https://doi.org/10.17226/25246>.

<sup>4</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, Figure 2-5.

<sup>5</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, 200.

<sup>6</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, Figure 2-6.

<sup>7</sup> Ron Haskins and Isabel Sawhill, “Work and Marriage: The Way to End Poverty and Welfare,” Brookings Institution, September 2003, <https://www.brookings.edu/wp-content/uploads/2016/06/pb28.pdf>.

<sup>8</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, 109.

On the importance of maternal earnings, the Roadmap (conclusion 4-2) notes, “Child poverty has fallen since the early 1990s, despite continuing increases in single parenthood. This more recent decline in child poverty is most strongly associated with increases in maternal employment.”

<sup>9</sup> Sarah Fass, “Measuring Poverty in the United States,” National Center for Children in Poverty, April 2009, [http://www.nccp.org/publications/pub\\_876.html](http://www.nccp.org/publications/pub_876.html).

More recently, in 2016 the Center on Budget and Policy Priorities (CBPP) cautioned Americans to “be wary of . . . official poverty figures” when assessing long-term poverty trends “because the official rates fails to consider the benefits from non-cash benefits such as SNAP (formerly known as food stamps) and refundable tax credits.” As CBPP noted, “These non-cash benefits and tax credits provide far more assistance than they did when the official poverty rate was established in the 1960s, and have led to a substantial reduction in economic hardship.” Danilo Trisi and Arloc Sherman, “Be Wary of Using Next Week’s Official Poverty Figures to Assess Long-Term Poverty Trends,” Center on Budget and Policy Priorities, September 9, 2016, <https://www.cbpp.org/research/poverty-and-inequality/be-wary-of-using-next-weeks-official-poverty-figures-to-assess-long>.

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- <sup>10</sup> National Center for Children in Poverty, “Measuring Poverty in the United States,” April 2009, [http://www.nccp.org/publications/pub\\_876.html](http://www.nccp.org/publications/pub_876.html).
- <sup>11</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, Figure 2-1.
- <sup>12</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*; and Bernadette D. Proctor, Jessica L. Semega, and Melissa A. Kollar, “Income and Poverty in the United States: 2015,” US Census Bureau, September 2016, <https://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-256.pdf>.
- <sup>13</sup> For a discussion of how relative poverty thresholds are constructed, see Joseph Dalaker, “The Supplemental Poverty Measure: Its Core Concepts, Development, and Use,” Congressional Research Service, November 28, 2017, <https://fas.org/sgp/crs/misc/R45031.pdf>.
- <sup>14</sup> Council of Economic Advisers, “Economic Report of the President,” March 2014, [https://obamawhitehouse.archives.gov/sites/default/files/docs/full\\_2014\\_economic\\_report\\_of\\_the\\_president.pdf](https://obamawhitehouse.archives.gov/sites/default/files/docs/full_2014_economic_report_of_the_president.pdf).
- <sup>15</sup> Bruce D. Meyer and James X. Sullivan, “Annual Report on US Consumption Poverty: 2018,” University of Notre Dame, October 18, 2019, <https://www.aei.org/research-products/report/annual-report-on-us-consumption-poverty-2018/>.
- <sup>16</sup> Some policies would replace current programs with new and larger spending programs, increasing net spending. For example, the child allowance proposals would eliminate the child tax credit and additional child tax credit and the dependent exemption for children while increasing total government spending by an estimated \$32.5 billion or \$85.5 billion per year. National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, Table 6-3.
- <sup>17</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, 209.
- <sup>18</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, 210.
- <sup>19</sup> Clarence Carter, “America’s Safety Net Needs a New Vision,” *Washington Examiner*, July 7, 2019, <https://www.washingtonexaminer.com/opinion/op-eds/americas-safety-net-needs-a-new-vision>.
- <sup>20</sup> Administration for Children and Families, Department of Health and Human Services, “Fiscal Year 2020 Justification of Estimates for Appropriations Committees,” March 19, 2019, 350, <https://www.acf.hhs.gov/otip/news/fy20cj>.
- <sup>21</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, 7-5 and conclusion 4-2.
- <sup>22</sup> National Academy of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty*, 6. For a thorough evaluation of the efficacy of federal relationship education programs, see Alan J. Hawkins, “Are Federally Supported Relationship Education Programs for Lower-Income Individuals and Couples Working? A Review of Evaluation Research,” American Enterprise Institute, September 3, 2019, <https://www.aei.org/research-products/report/are-federally-supported-relationship-education-programs-for-lower-income-individuals-and-couples-working-a-review-of-evaluation-research/>.
- <sup>23</sup> Defined as “getting at least a high school degree, working full-time, and marrying before having any children, in that order,” research by W. Bradford Wilcox finds that 97 percent of millennials who follow the “success sequence” are not poor by the time they reach their prime young adult years (age 28–34). W. Bradford Wilcox and Wendy Wang, “The Millennial Success Sequence: Marriage, Kids, and the ‘Success Sequence’ Among Young Adults,” American Enterprise Institute and Institute for Family Studies, June 14, 2017, <https://www.aei.org/research-products/working-paper/millennials-and-the-success-sequence-how-do-education-work-and-marriage-affect-poverty-and-financial-success-among-millennials/>.
- <sup>24</sup> Congressional Budget Office, “The Budget and Economic Outlook: 2020 to 2030,” January 2020, <https://www.cbo.gov/system/files/2020-01/56020-CBO-Outlook.pdf>.
- <sup>25</sup> Peter G. Peterson Foundation, “How Much Government Spending Goes to Children?,” September 18, 2019, <https://www.pgpf.org/blog/2019/09/how-much-government-spending-goes-to-children>.
- <sup>26</sup> Center for American Progress Task Force on Poverty, “From Poverty to Prosperity: A National Strategy to Cut Poverty in Half,” April 2007, [https://cdn.americanprogress.org/wp-content/uploads/issues/2007/04/pdf/poverty\\_report.pdf](https://cdn.americanprogress.org/wp-content/uploads/issues/2007/04/pdf/poverty_report.pdf).