

Expanded Safety Net Drives Sharp Drop in Child Poverty

By Jason DeParle and Maddie McGarvey | September 11, 2022 3:00PM ET

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(New York Times) -- WASHINGTON — For a generation or more, America's high levels of child poverty set it apart from other rich nations, leaving millions of young people lacking support as basic as food and shelter amid mounting evidence that early hardship leaves children poorer, sicker and less educated as adults.

But with little public notice and accelerating speed, America's children have become much less poor.

[A comprehensive new analysis](#) shows that child poverty has fallen 59 percent since 1993, with need receding on nearly every front. Child poverty has [fallen in every state](#), and it has fallen by about the same degree among children who are white, Black, Hispanic and Asian, living with one parent or two, and in native or immigrant households. Deep poverty, a form of especially severe deprivation, has fallen nearly as much.

In 1993, nearly 28 percent of children were poor, meaning their households lacked the income the government deemed necessary to meet basic needs. By 2019, before temporary pandemic aid drove it even lower, child poverty had fallen to about 11 percent.

More than eight million children remained in poverty, and despite shared progress, Black and Latino children are about three times as likely as white children to be poor. With [the poverty line low](#) (about \$29,000 for a family of four in a place with typical living costs), many families who escape poverty in the statistical sense still experience hardship.

Still, the sharp retreat of child poverty represents major progress and has drawn surprisingly little notice, even among policy experts.

It has coincided with profound changes to the safety net, which at once became more stringent and more generous. Starting in the 1990s, tough welfare laws shrank cash aid to parents without jobs. But other subsidies grew, especially for working families, and total federal [spending on low-income children roughly doubled](#).

To examine the drop in child poverty, The New York Times collaborated with [Child Trends](#), a nonpartisan research group with an expertise in statistical analysis. The joint project relied on the data the Census Bureau uses to calculate poverty rates but examined it over more years and in greater demographic detail.

The analysis found that multiple forces reduced child poverty, including lower unemployment, increased labor force participation among single mothers and the growth of state-level minimum wages. But a dominant factor was the expansion of government aid.

In 1993, safety net programs cut child poverty by 9 percent from what it would have been absent the aid. By 2019, those programs had cut child poverty by 44 percent, and the number of children they removed from poverty more than tripled to 6.5 million.

“This is an astounding decline in child poverty,” said Dana Thomson, a co-author of the Child Trends study. “Its magnitude is unequaled in the history of poverty measurement, and the single largest explanation is the growth of the safety net.”

Renee Ryberg, another co-author, said the poverty reduction offered millions of children greater prospects of success. “A childhood free of poverty predicts better adult outcomes in just about every area you can imagine, including education, earnings and health,” she said.

The analysis excluded 2020, the most recent year for which data is available, because pandemic aid made it unrepresentative. Including it makes the decline since 1993 even greater, at 69 percent.

The plunge in child poverty is the opposite of what most liberal experts predicted a quarter-century ago when President Bill Clinton signed a law from a Republican Congress to “end welfare as we know it.”

Conservatives say the landmark law pushed more parents to work and call it the main reason child poverty declined. Progressives say many working families would still be poor without the expanded safety net, which grew in part to compensate for stagnant wages amid decades of rising inequality.

A patchwork of programs shaped by a century of political conflict and compromise, the safety net bears the imprint of both parties and commands the satisfaction of neither. Most Republicans want less spending, more local control and more rules requiring beneficiaries to work. Most Democrats want higher benefits for more people, as seen in their unsuccessful push this year to permanently turn [the child tax credit](#), a workers’ subsidy, into a broader income guarantee.

Critics of all sorts, including those getting aid, complain of red tape.

Yet whatever its flaws, the safety net depicted in the Child Trends data lifts a record share of children from poverty. “The federal government declared war on poverty, and poverty won,” [President Ronald Reagan said a generation ago](#). With child poverty at a record low, that narrative of defeat appears obsolete.

“This decline in child poverty is very significant. I cannot say it enough,” said Dolores Acevedo-Garcia, a poverty expert at Brandeis University who reviewed the data. “If we still had the rates as we had in the 1990s, there would be 12 million more children in poverty.”

To see how the safety net protects children, consider the experience of Stacy Tallman, a mother of three in Marlinton, W.Va., who was working as a waitress last year when her teenage son, Jakob, suffered serious injuries in a car accident. Both Ms. Tallman and her partner, who has a maintenance job, missed work to care for him, and their income fell by about a quarter to \$36,000.

After payroll taxes and other expenses the government takes into account when measuring poverty, their income was just below the poverty line. But the safety net delivered more than \$16,000, not counting pandemic assistance. That included \$8,000 in refundable tax credits and \$6,500 from the Supplemental Nutrition Assistance Program, or food stamps.

Instead of falling into poverty, the family survived the crisis about 50 percent above the poverty threshold.

“I don’t know where I’d be right now if I didn’t have that help,” Ms. Tallman said.

Medicaid paid for Jakob's care and saved the family from bankrupting medical bills. SNAP, the food subsidy, eased Ms. Tallman's anxiety about the children going hungry, as did free school meals. Tax credits helped her complete a longstanding plan to buy the family's first house.

A year after the accident, Jakob became the first in the family to earn a high school degree.

More Work Rules, More Aid

In measuring poverty, the analysis used the Census Bureau's [Supplemental Poverty Measure](#), the yardstick that best accounts for government aid. Unlike the outdated Official Poverty Measure, the supplemental measure counts billions in tax credits, SNAP and other benefits, and adjusts for local living costs, providing a more accurate tally of household resources. While 2009 is the earliest year for which the Census Bureau produced the supplemental measure, [researchers at Columbia University calculated it](#) for earlier decades, and Child Trends drew on their data.

While the official measure shows child poverty falling 37 percent from a 1993 peak, the supplemental measure shows a 59 percent decline.

Most of the decline occurred in two periods of strong labor demand — the late 1990s and late 2010s — with poverty largely flat in between, even though that period includes the Great Recession.

In the two years before the pandemic, child poverty fell more than a quarter, a record pace.

The analysis examined multiple factors beyond the safety net that collectively explain about a fifth of the poverty decline. They included lower unemployment and a 23 percent increase in the average minimum wage, driven by state-level growth. (Adjusted for inflation, the federal minimum wage eroded.)

At the same time, the growing proportion of children who are part of Hispanic families and immigrant families appeared to slow the poverty decline, perhaps because those families face job discrimination or barriers to aid.

The decline of child poverty coincides with progress on another measure of children's well-being. The [share who lack health insurance fell by about two-thirds](#), mostly because of expansions of Medicaid and other government insurance. While those programs often improve children's health, they do not directly reduce poverty because the government does not count insurance as income.

In comparing 1993 and 2019, the study examined different points in the business cycle — unemployment in the latter year was about half the earlier rate. That highlights the economy's role in reducing poverty, but the analysis still found the aid expansion more important.

Arguing that the welfare law reduced child poverty, conservatives note the subsequent [surge of employment among single mothers](#), the group most affected by restrictions on cash aid. The share of single mothers in the work force leaped to 79 percent, from 69 percent in the early '90s.

"The system sent a message: You can't live on welfare anymore," said Robert Rector, a poverty researcher at the Heritage Foundation.

Most researchers think multiple forces explained rising work levels, including a strong economy and expanded tax credits, which made work more rewarding. Still many parents moved into jobs that

paid poverty-level wages absent government help. The analysis found that increased labor force participation alone explained about 9 percent of the decline in child poverty.

While Mr. Rector agreed that tax credits magnified the poverty reduction, he argued that the era's success shows that aid should be linked to work. "The lesson isn't that 'aid works' — it's that some aid is very harmful and some aid is helpful," he said.

Whatever role the employment of single mothers played, it peaked by about 2000, while child poverty fell by another third. "Other factors had to be responsible," Ms. Ryberg said, pointing to the continued safety net expansion.

An Effective Patchwork

Almost every program that Child Trends examined does more to reduce child poverty than it did a quarter-century ago, either because it raised benefits, expanded eligibility or made it easier to enroll.

But each program expanded in its own way — some by congressional intent (tax credits) and others by demographic change (Social Security) or [court order](#) (Supplemental Security Income, which provides disability aid). A [primary goal was to help low-wage workers](#), but there were also major expansions of programs with few if any work rules (SNAP and school meals).

The story of the safety net, in other words, is a story of safety nets — multiple programs with multiple aims, sometimes evolving in uncoordinated or accidental ways.

"The safety net is often criticized for being a patchwork of programs, but that's also a strength," Ms. Thomson said. "It reaches a variety of people in a variety of circumstances."

The aid is often large. The average family lifted out of poverty received nearly \$18,000 in benefits — more than 40 percent of its after-tax income.

Nothing better shows the aid expansion than the growth of two wage subsidies: the earned-income tax credit, which expanded greatly in the 1990s, and the child tax credit, which only recently extended significant help to low-income families.

Mishala Southwick of Okmulgee, Okla., considers the tax credits essential to her children's futures. A receptionist at an auto body shop, she expects to earn about \$30,000 this year while her husband cares for their 2-year-old twin daughters. Absent aid, their net income would leave them poor. With \$9,000 in tax credits, they are not.

Ms. Southwick, 22, a member of the Muscogee Nation, uses much of the money to repair the dilapidated house on the reservation that she rents from her father and hopes to buy. "I have a 10-year plan for the house, and it all depends on the tax income," she said. She installed central heating because she feared her daughters would start a fire playing with the space heaters. "It feels a lot more safe," she said.

She also provided them savings accounts, hoping they find the upward mobility that so far has eluded her. After scoring high on a college-entrance exam, Ms. Southwick wanted to be a math professor, but early pregnancy and lack of money derailed her college plans. The accounts remind her of her faded aspirations.

"I just want them to have a better chance," she said of her children.

Another program with growing impact is SNAP, which cut child poverty by 11 percent in 2019, compared with 5 percent a generation ago. While benefits changed little, eligibility grew, and enrollment swelled after bipartisan efforts in the early 2000s to make the program easier to use. An expanded school lunch program, which allows more schools to provide all students free meals, has also become a growing anti-poverty force.

Among the programs that most affected children is one aimed at retirees. Social Security cut child poverty by 14 percent, more than twice as much as it did a quarter-century ago, both because benefits grew and because more children now live with elderly parents or grandparents.

Cash aid — now called Temporary Assistance for Needy Families — is the rare program whose anti-poverty effect seemingly declined. Benefits withered and enrollment plunged, as work rules made aid harder to get. But the analysis counts only the money the program provided, not whether it led more families to work and escape poverty on their own.

“It’s not just about the amount of dollars that flow into households from the program itself,” said Robert Doar, the president of the conservative American Enterprise Institute. “It’s about sending a message that going to work is the path out of poverty. That message got through.”

Mr. Doar said the welfare law, by encouraging work, made policymakers more inclined to support other aid expansions.

“If you work, we will help you — Americans like that message,” he said.

While critics feared welfare limits would hurt the poor during recessions, the safety net performed better than in the past downturns — an unexpected finding. Even during the Great Recession, the worst economic crisis in 80 years, child poverty rose by just 4 percent (in part because Congress approved temporary help).

Likewise, despite fears of a rise in deep poverty (living on less than half the poverty line) has fallen by 56 percent.

While the Census Bureau’s methods tend to underestimate aid from some programs (SNAP) and overestimate others (tax credits), Robert Greenstein, a researcher at the Brookings Institution, said technical adjustments would not undercut the findings.

“The decline in child poverty is very, very impressive, and it is overwhelmingly due to the [increased effectiveness of government programs](#),” he said.

Racial and Ethnic Gaps Remain

It may seem obvious that poverty hurts children. But researchers have long debated whether poverty itself harms children or if conditions that harm children, like parental addiction or depression, cause poverty. [A panel of scholars, reviewing the evidence in 2019](#), forged a consensus: “poverty itself causes negative child outcomes,” and safety net programs “improve child well-being.” Aid helps children, they found, both by increasing what families can buy and by reducing severe levels of parental stress.

Ruth Raudales, a single mother in Houston, appreciates aid for both its material and psychological rewards. Ms. Raudales, 23, works part time and attends college while living with her mother, brother,

and 4-year-old son. After taxes and expenses, household earnings of \$32,000 would leave them poor, but with tax credits and other help they are not.

A legal immigrant from Honduras, Ms. Raudales arrived too recently to qualify for SNAP and hesitated to apply for her American-born son for fear it would harm her citizenship application. But she changed her mind after unexpected expenses left her worried about running out of food.

Asked what difference SNAP made, Ms. Raudales recited the bonanza of fruit she buys, then resorted to a Honduran idiom — literally, “we’re breathing” — that translates colloquially as “we’re able to get by.”

“Before I had the SNAP, I was always afraid,” she said. “Now it’s like if something happens, we’ll be OK.”

In 1993, 49 percent of Black children and 52 percent of Hispanic children were poor — figures that now look like misprints. While poverty among both groups has plunged, gaps with white children remain.

“The decline in child poverty deserves to be lauded, but these disparities diminish the sense of progress,” said Starsky Wilson, the president of the Children’s Defense Fund.

Likewise, poverty fell at equal rates among immigrant and nonimmigrant households, but the children of foreign-born parents were almost twice as likely to be poor. That is partly because they have less access to aid. Most programs deny aid to undocumented migrants, and some restrict certain legal immigrants, too.

Banning assistance to the undocumented is meant to discourage illegal immigration. But many undocumented parents have American-born children affected by the limits on aid. Ms. Acevedo-Garcia, the Brandeis professor, found that 21 percent of poor children have an undocumented parent, and most of those children are citizens.

“They are here to stay,” she said.

Despite its progress, the United States still has more child poverty than many peer nations, though its rank depends on how poverty is defined.

The Organization for Economic Cooperation and Development, an intergovernmental group, [ranks the United States 36th out of 41 countries](#), defining poor children as those with less than half their country’s median income. But since the United States is unusually wealthy, its poor children may have higher incomes than some nonpoor children abroad.

The United States looks better in comparisons that use the American poverty line as a common standard. Yet even with that definition, the National Academies of Sciences, Engineering, and Medicine in 2019 found the United States [ranked fourth among five rich](#) English-speaking countries, trailing Australia, Canada and Ireland.

“We could do a lot better,” said Hilary Hoynes, an economist at the University of California, Berkeley, though she hailed the progress as evidence that solutions can be found.

“When we spend money, we make gains,” she said. “Providing more resources to low-income families changes children’s life trajectories.”