Measuring child poverty in the United States

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TAKEAWAYS

The Supplemental Poverty Measure uses the best available approach to calculating the poverty rate by defining family resources to include not only cash income, but also near-cash government supports and tax benefits, all net of tax payments.

While child poverty rates fell by nearly half over the past 50 years, they remain high; an estimated 13 percent of children were poor in 2015, based on the adjusted Supplemental Poverty Measure.

The Census Bureau could create a more accurate poverty measure by using administrative data to adjust for underreporting of benefits and by including an estimate of the effect of health care coverage on poverty.

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Causal evidence finds that growing up poor has negative effects in both childhood and adulthood, especially when poverty occurs in early childhood or persists throughout much of childhood. Child poverty has negative effects on birthweight, brain development, and child physical and mental health, and leads to compromised education and employment outcomes in adulthood. In addition to the deleterious lifelong effects on children, child poverty has a societal cost as well. Estimates of the total cost of the reduction in adult productivity, increased costs of crime, and increased health expenditures associated with children growing up in poor families range from 4.0 to 5.4 percent of Gross Domestic Product—equivalent to approximately $800 million to $1.1 trillion annually based on the size of the U.S. economy in 2018. Unfortunately, while child poverty rates in the United States have fallen significantly in the past 50 years mostly because of increases in government benefits, there are still too many children growing up in poverty—9.6 million children were in families with incomes below the poverty line in 2015, 2.1 million of them were in deep poverty.[1] The negative effects and costs of child poverty therefore continue to occur.

The National Academies of Sciences, Engineering, and Medicine were tasked by Congress with conducting a comprehensive study of child poverty in the United States, and identifying evidence-based programs and policies for reducing the number of children living in poverty—including those living in deep poverty—by half within 10 years. The committee appointed by the National Academies to conduct this study produced a consensus report, *A Roadmap to Reducing Child Poverty*, from which the three articles in this issue are drawn.[2] In this article, we address issues associated with measuring child poverty.

Our research questions include:

- What is the best available approach to measuring poverty in the United States?

- What could be changed to improve how poverty is measured?

- Using the best available approach, how much child poverty is there in the United States, how has it trended over time, and who is most affected?

Measuring poverty

While "poverty" is generally understood to refer to a lack of economic resources, measuring it requires a determination of how much money a family needs to cover their basic costs (often referred to as a minimum threshold of resources) and a determination of which family resources to consider when estimating their available income. In the 1960s, the U.S. federal government developed the official poverty measure, which calculates a family's resources as their pre-tax cash income, and compares resources to poverty thresholds that are calculated as three times the cost of a nutritionally adequate diet in 1964, adjusted for family size. The threshold is adjusted upward each year for inflation. While this official poverty measure is still used

to determine social program eligibility and to track long-term trends in poverty rates, it has some important shortcomings: it is based on the now outdated assumption that families spend one-third of their income on food (today they spend less than half that share); it fails to adjust for geographic differences in living costs; and, more importantly, it counts neither in-kind benefits nor refundable tax credits as income. This means that the Earned Income Tax Credit (EITC), the Child Tax Credit, Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps) benefits, childcare assistance, subsidized housing, and many other tax or in-kind benefits are ignored in calculating a family's available resources. It also means that payroll taxes and work-related costs like childcare and transportation are ignored when calculating a family's available resources to spend on basic needs.

To address these shortcomings, in 2011 the Census Bureau introduced the Supplemental Poverty Measure to provide an alternative view of poverty in the United States that better reflects life in the 21st century, including contemporary social and economic realities and government policy. For the Supplemental Poverty Measure, resources are measured as post-tax, post-transfer cash and near-cash income, counting tax credits and in-kind (near-cash) benefits.[3] Poverty thresholds for this measure are based on expenditures for basic needs and are adjusted to vary across states. See the "Measuring poverty" text box for a summary of these two measures.

Our understanding of poverty and the effectiveness of our antipoverty programs can change radically depending on which poverty measure is used. Historical trends in the official poverty measure suggest that virtually no progress has been made in reducing child poverty between the late 1960s and today. However, as we will demonstrate below, given the growth in near-cash benefits and tax credits over this period, child poverty rates based on the Supplemental Poverty Measure show that the child poverty rate actually has dropped by nearly half since 1967. The NAS committee was directed to use the Supplemental Poverty Measure to assess child poverty in the United States for this reason. But the committee also considered whether any improvements could be made to the Supplemental Poverty Measure, and deliberated on the merits of alternate measures.

Adjusting the Supplemental Poverty Measure

The Supplemental Poverty Measure is appropriate for the kinds of policy analyses the committee was asked to undertake, because it aims to fully account for available household resources and compares these to thresholds that reflect expenses for basic needs. However, the measure of resources is only as good as the data on which it is based. The data for the Supplemental Poverty Measure come from the Annual Social and Economic Supplement of the Current Population Survey, which relies on self-reports of income. Existing research that compares survey results to administrative data on the benefits paid has established

Measuring poverty

The U.S. Census Bureau uses two primary poverty measures—the official poverty measure and the Supplemental Poverty Measure. For each measure, analysts calculate the poverty rate by comparing family resources to the established poverty threshold.

Official poverty measure thresholds are calculated as three times the cost of a nutritionally adequate diet in 1964, adjusted for family size and inflation. Resources are calculated as pre-tax cash income.

Supplemental Poverty Measure thresholds are based on expenditures on food, clothing, shelter, and utilities, plus a small additional amount for other needs (such as personal care, transportation, and household supplies). The thresholds, which are based on the 33rd percentile of the distribution of necessary expenses, are adjusted for family size and composition, and for geographic differences in housing costs. Resources are measured as post-tax, post-transfer cash and near-cash income, counting tax credits and in-kind benefits such as the Supplemental Nutrition Assistance Program (SNAP) and housing assistance. Nondiscretionary expenditures such as medical out-of-pocket costs, childcare, work expenses, and child support paid to another household are subtracted.

This article primarily uses the Supplemental Poverty Measure, adjusted for underreporting of some types of income in the survey data. An anchored Supplemental Poverty Measure is used to examine historical trends in child poverty.

To learn more about the official and alternative poverty measures, see: https://www.irp.wisc.edu/resources/how-is-poverty-measured/.

Our understanding of poverty and the effectiveness of our antipoverty programs can change radically depending on which poverty measure is used.

that survey respondents underreport receipt of social programs and that underreporting has grown over time.[4] For example, household reports of food stamp income in the 1986 Current Population Survey accounted for 71 percent of administrative benefit totals, but in the 2006 Current Population Survey they accounted for only 54 percent of administrative benefit totals. To address this underreporting, the committee was directed to rely on the Urban Institute TRIM3 microsimulation model that adjusts benefits for the underreporting of major assistance programs—specifically SNAP, Supplemental Security Income (SSI), and Temporary Assistance to Needy Families (TANF).[5] This adjustment increases the estimated incomes of many low-income households, and in some cases it raises them above their poverty threshold. As a result, the child poverty rates presented here using the adjusted Supplemental Poverty Measure are almost always lower than the rates reported in Census Bureau publications that are based on the unadjusted Supplemental Poverty Measure. For example, the 2015 child poverty rate using the Supplemental Poverty Measure is 16.3 percent. Adjusting for underreporting of income brings this rate down to 13.0 percent. This large effect led the committee to one of its research recommendations: that relevant federal departments and agencies, together with the Office of Management and Budget, should work with the Census Bureau to obtain and use administrative records in conjunction with household surveys to improve the quality of the official income, poverty, and program participation estimates for all income support programs that are needed by the public, policymakers, program analysts, and researchers.[6] The use of administrative records for individuals and households would allow for a more accurate assessment of income than we can achieve with the TRIM3 microsimulation model. Additionally, the estimates produced by the committee adjust only for the underreporting of receipt and amounts of major assistance programs; the Census Bureau could also use administrative records to more accurately measure other income types such as child support, social insurance, pensions, interest, and dividends.

While the Supplemental Poverty Measure provides a much more comprehensive accounting of household resources and expenses than the official poverty measure, it does not account for the benefits of health insurance.

Accounting for health insurance when measuring poverty

While the Supplemental Poverty Measure provides a much more comprehensive accounting of household resources and expenses than the official poverty measure, it does not account for the benefits of health insurance. The United States has always relied on a patchwork health insurance system, one that does not cover everyone and can substantially add to families' expenses with premiums, copayments, deductibles, and the costs of needed but uncovered care. At the same time, the federal government and the states have made substantial efforts to improve the health of poor children by providing access to medical care through Medicaid and the Children's Health Insurance Program (CHIP).

Abundant evidence suggests that Medicaid and CHIP, which have both grown in size over the years, have had a major positive impact on child health and well-being.[7] In terms of expenditures, Medicaid is by far the largest benefit program for low-income families with children, accounting for expenditures of $180 billion annually.[8] The CHIP program spends an additional $15 billion per year.[9] Yet despite their proven benefits, health insurance programs such as Medicaid and CHIP are not directly reflected in the official

poverty or Supplemental Poverty measures. While the Supplemental Poverty Measure does take into account medical out-of-pocket expenses such as premiums and copayments, its thresholds do not include an allowance for medical care needs, and its measurement of family resources does not directly capture the benefits of Medicaid or other health insurance coverage. Thus, another of the committee's recommendations was to urge the agencies that produce the Supplemental Poverty Measure—namely, the Bureau of Labor Statistics, which produces the thresholds, and the Census Bureau, which measures family resources and produces poverty estimates—to work with the Office of Management and Budget and the Department of Health and Human Services on a plan to evaluate and move toward implementation of a health-inclusive poverty measure.[10] The committee's two recommendations for improving measures of income and poverty are summarized in the text box.

Income compared to consumption measures

Both the official poverty measure and the Supplemental Poverty Measure are "income" measures of poverty, because they compare a measure of available family resources (income) to a poverty threshold. An alternate way to measure poverty is to use a "consumption" measure, which uses family expenditures rather than income to indicate whether a family is meeting its basic needs. One criticism of income poverty measures is that income can fluctuate, but if families have savings or can borrow funds to make up for a temporary setback, expenditure levels may not vary as much as income (see text box for more discussion of income and consumption poverty measures). Another criticism is that income is underreported on surveys, as noted previously. However, while a consumption measure may theoretically provide a better picture than an income measure of how families are faring, such a measure also has challenges, including the need to estimate consumption using data on expenditures and assets, adjust for underreporting of consumption in consumption surveys, and adjust the small sample sizes of the main household survey for measuring consumption—the Consumer Expenditure Survey. Additionally, a consumption-based poverty measure is ill-suited for simulating alternative tax and benefit policies. The committee judged that the Supplemental Poverty Measure is preferable to currently available consumption-based poverty measures, and thus concluded that the adjusted Supplemental Poverty Measure is the best way to assess child poverty.

Committee recommendations for improving measures of income and poverty:

Using administrative records to adjust for underreporting of benefits: Relevant federal departments and agencies, together with the Office of Management and Budget, should work with the Census Bureau to obtain and use administrative records in conjunction with household surveys to improve the quality of the official income, poverty, and program participation estimates for all income support programs that are needed by the public, policymakers, program analysts, and researchers.

Estimating the effect of health care coverage on poverty: The agencies that produce the Supplemental Poverty Measure—the Bureau of Labor Statistics, which produces the thresholds, and the Census Bureau, which measures family resources and produces poverty estimates—should work with the Office of Management and Budget and the Department of Health and Human Services on a plan to evaluate and move toward implementation of a health-inclusive poverty measure.

Income poverty compared to consumption poverty

This article measures poverty based on the income a family has and compares it to thresholds that represent the cost of basic needs for different families in different geographic areas of the United States.

An alternative approach is to measure poverty based on what a family purchases or consumes rather than their available income to determine poverty status.

According to most economists, a family's well-being is best measured by consumption because a family's well-being is generated by the goods and services consumed by the family. Income, however, measures the capacity to consume. If, over the course of every month, a family consumes all of its monthly income, income and consumption are equal, which indicates the same level of well-being. But incomes can fluctuate from one month to the next. If a family is able to save a portion of income (or borrow funds), it should be able to "smooth" consumption against income fluctuations, which would produce more stable and consistent amounts of monthly consumption than would be indicated by monthly income. If smoothing is feasible for families, then consumption should provide a better measure of well-being.

In practice, however, low-income families have little in the way of assets and savings so it is unclear whether low-income families with children can do much, if any, smoothing. If families maintain their consumption by payday loans with high interest rates and unsecured credit, a consumption-based poverty measure may not provide as timely an indicator of when low-income families are under increasing financial stress as an income-based poverty measure, assuming good measurement of income. It is also difficult to identify the effects of current or more generous assistance programs (such as a more generous tax credit) on consumption, while it is straightforward to do so for income.
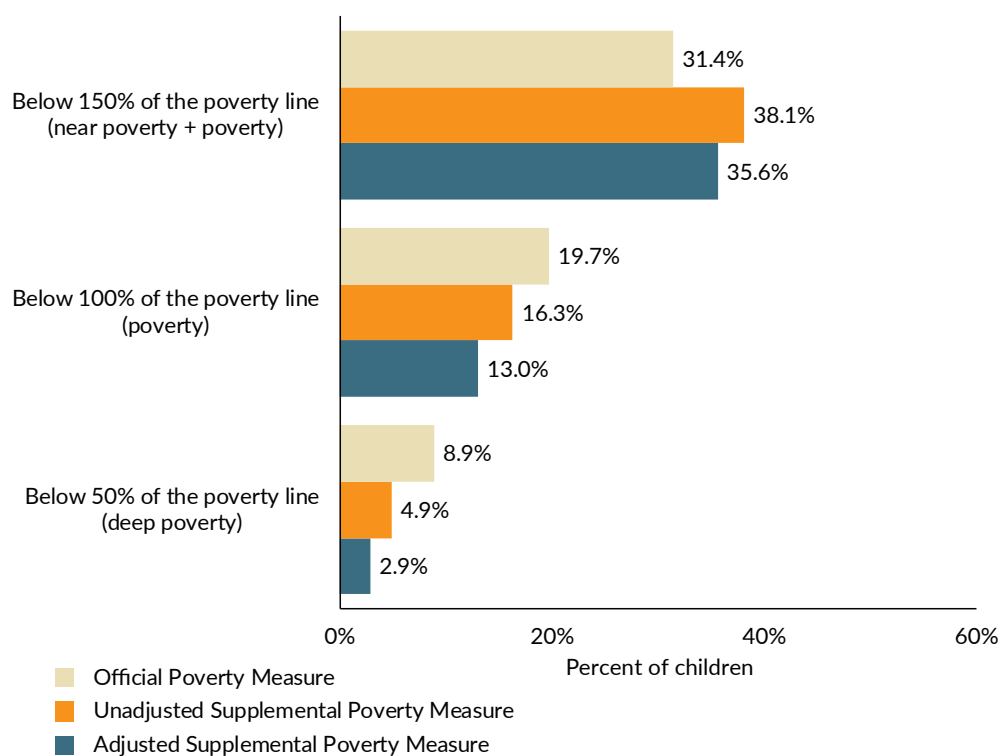
However, efforts are underway at the Bureau of Labor Statistics to develop a more accurate consumption-based measure. Further research on how to relate changes in government policies and programs to consumption would also be worthwhile.

Child poverty in the United States

We illustrate the importance of how poverty is measured in Figure 1, which compares the official poverty measure to the Supplemental Poverty Measure and our adjusted Supplemental Poverty Measure. Based on the definition used in the official poverty measure (pre-tax household income below 100 percent of the applicable poverty line, with no adjustment for underreporting of income), nearly a fifth of U.S. children—14.5 million children in all—were poor in 2015. The addition of tax credits, in-kind income, and other adjustments in the Supplemental Poverty Measure reduces the poverty rate to 16.3 percent, and the adjustments for underreporting of income reduce it further, to our final child poverty rate of 13.0 percent. Under this adjusted Supplemental Poverty Measure, we find that 9.6 million U.S. children—almost two and a half times the number of babies born in the United States in 2015—lived in households with inadequate economic resources.

Figure 1 also shows the rate of deep poverty—that is, children whose family resource levels are less than half the poverty line. The rate of deep poverty in 2015 according to the adjusted Supplemental Poverty Measure (which is particularly sensitive to the underreporting issues discussed in the previous section) was 2.9 percent, or 2.1 million children. This group is of particular interest because the committee was charged with identifying programs and policies that would reduce by half both the overall child poverty rate and the poverty rate of children living in deep poverty.

Figure 1. Using the adjusted Supplemental Poverty Measure, 3 percent of U.S. children were in deep poverty, 13 percent were in poverty, and 36 percent were in poverty or near poverty.


Below 150% of the poverty line (near poverty + poverty): Official Poverty Measure 31.4%, Unadjusted Supplemental Poverty Measure 38.1%, Adjusted Supplemental Poverty Measure 35.6%

Below 100% of the poverty line (poverty): Official Poverty Measure 19.7%, Unadjusted Supplemental Poverty Measure 16.3%, Adjusted Supplemental Poverty Measure 13.0%

Below 50% of the poverty line (deep poverty): Official Poverty Measure 8.9%, Unadjusted Supplemental Poverty Measure 4.9%, Adjusted Supplemental Poverty Measure 2.9%

Percent of children

- Official Poverty Measure
- Unadjusted Supplemental Poverty Measure
- Adjusted Supplemental Poverty Measure

Source: Estimates from the TRIM3 microsimulation model, which include adjustment for underreporting, commissioned by the committee.

The third set of bars in Figure 1 includes children who were "near poor," that is, in families with incomes up to 150 percent of the poverty line. In this case, the rate of children who were in or near poverty in 2015 according to the adjusted Supplemental Poverty Measure—35.6 percent—is actually higher than the rate as measured by the official poverty measure (31.4 percent). There are two primary reasons for this. First, the poverty line for the Supplemental Poverty Measure is higher than the official poverty line. For example, for a family of two adults and two children in 2015, the official poverty measure threshold was $24,036, and the Supplemental Poverty Measure threshold (for families renting a home) was $25,583. Second, many near-poor families pay more in income and payroll taxes than they receive in tax credits, and also incur additional work-related expenses, so their post-tax and transfer income as measured by the Supplemental Poverty Measure may be lower than their pre-tax income as measured by the official poverty measure.

Historical trends in child poverty, 1967–2015

How have the poverty rates in Figure 1 changed historically? As noted above, historical trends in the official poverty measure suggest that virtually no progress has been made in reducing child poverty between the late 1960s and today. However, given the growth in near-cash benefits over this period, child poverty rates based on an anchored Supplemental Poverty Measure, which counts most near-cash benefits as income, show different trends. By this measure, child poverty rates fell by nearly half between 1967 and 2016 due to the increases in government benefits (Figure 2).[11]

Figure 2. While poverty rates as measured by the official poverty measure changed very little between 1967 and 2016, they fell by nearly half over the same period based on the anchored Supplemental Poverty Measure.
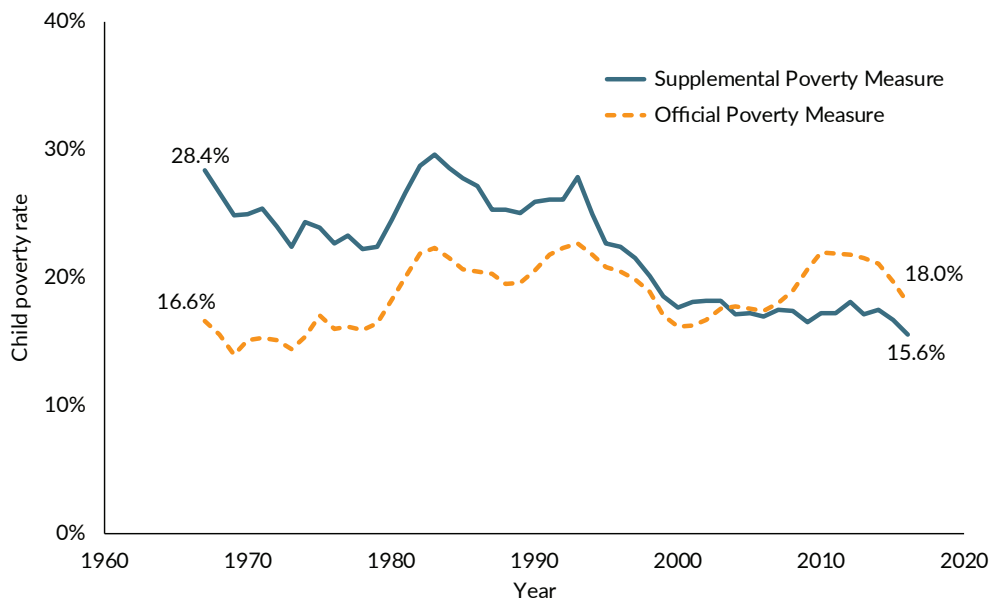
Source: Original analyses commissioned by the committee from Christopher Wimer, "Child Poverty in the United States: Long-Term Trends and the Role of Antipoverty Programs using the Anchored Supplemental Poverty Measure," The National Academy of Sciences, Engineering, and Medicine, October 2017.

Notes: The Supplemental Poverty Measure is anchored in 2012 living standards and adjusted back to 1967 and forward to 2016 using the Consumer Price Index. Income data are not adjusted for underreporting.

An important challenge in comparing the two poverty measures over time is deciding how to define Supplemental Poverty Measure-based poverty in a consistent way across the five-decade period. Whether to measure poverty in relative or absolute terms for the purposes of historical analysis is an unsettled question—see the text box for a discussion of relative and absolute poverty measures. The Supplemental Poverty Measure was designed as a relative measure, and uses poverty thresholds based on the 33rd percentile of the distribution of core living expenses. These thresholds, therefore, are tied to changes in the standard of living of this relatively low-income group. In contrast, the official poverty measure, an absolute measure, uses thresholds that are adjusted over time only by rates of inflation, not by changes in the standard of living. In Figure 2, we anchored the Supplemental Poverty Measure to make it an absolute measure. This allows us to look at changes over time that are not related to changes in living standards of low-income consumers. We anchor this measure in fairly recent living standards (2012) in order to make it as comparable as possible with the adjusted Supplemental Poverty Measure estimates presented above.[12]

In addition to showing that child poverty declined by half over the last 50 years (according to the Supplemental Poverty Measure), Figure 2 also shows that until the early 1990s, child poverty rates using the anchored Supplemental Poverty Measure rates were higher than the official poverty measure rates. This is primarily because of the higher Supplemental Poverty Measure thresholds, and to a lesser extent because prior to the early 1990s, the tax system took more income from poor families with children than those families received from the government as in-kind benefits. Much of the decline in Supplemental Poverty Measure-based child poverty over the past 50 years is a result of increasingly generous government benefits, especially expansions of the EITC in the mid- to late 1990s, the growth of the refundable portion of the Child Tax Credit, and the expansion of SNAP in the first decade of the 2000s. Child poverty rates based on the official poverty measure include only cash transfers like SSI and the cash portion of TANF, and thus fail to consider the largest portions of the social safety net today. Because the official poverty measure provides an incomplete picture, reviewing its trends is not useful for drawing conclusions regarding changes in the well-being of children in the United States nor the role that policy has played in the trends.

Figure 3 repeats the trend line for child poverty as measured by the anchored Supplemental Poverty Measure shown in Figure 2, and adds the trends for near poverty and deep poverty. Like overall child poverty, deep child poverty rates had fallen by 2016 to nearly half of their 1967 levels. The proportion of children in families with income at or below 150 percent of the poverty line fell by nearly 40 percent over the period. Strikingly, most of the declines for all three trend lines occurred prior to 2000. Although not shown in the figure, it is also notable that poverty rates declined for whites, blacks, and Hispanics.

Absolute compared to relative poverty measures

Absolute poverty measure: A measure that compares income to poverty thresholds that are updated for inflation, but not for changes in real living standards. Absolute measures are used to monitor trends in poverty over a time period on the basis of a fixed standard of need. The official poverty measure is an absolute measure because it is adjusted each year only for changes in prices.

Relative poverty measure: A measure that compares income to a standard reflecting the economic situation of the society as a whole, such as median income. Poverty is always relative to time and place—for example, poverty budgets developed in the United States in the 1930s were about 65 percent (in real terms) of the 1963 official poverty measure threshold. Relative measures, however, can make it harder to disentangle the effects of the business cycle and government programs from changes in living standards.

Anchored poverty measure: "Anchoring" a relative threshold at a point in time and keeping it constant in real terms with an inflation index makes that line absolute. It can be useful in determining the trends in real income for low-income families compared to any fixed poverty line. The Supplemental Poverty Measure was designed to be a relative measure. For our historical trend analysis (Figures 2 and 3), we anchor the Supplemental Poverty Measure in recent (2012) living standards and change it forward and backward by the same price index used for the official poverty measure.

Figure 3. Rates of deep and near child poverty (as measured by the anchored Supplemental Poverty Measure) also declined between 1967 and 2016.
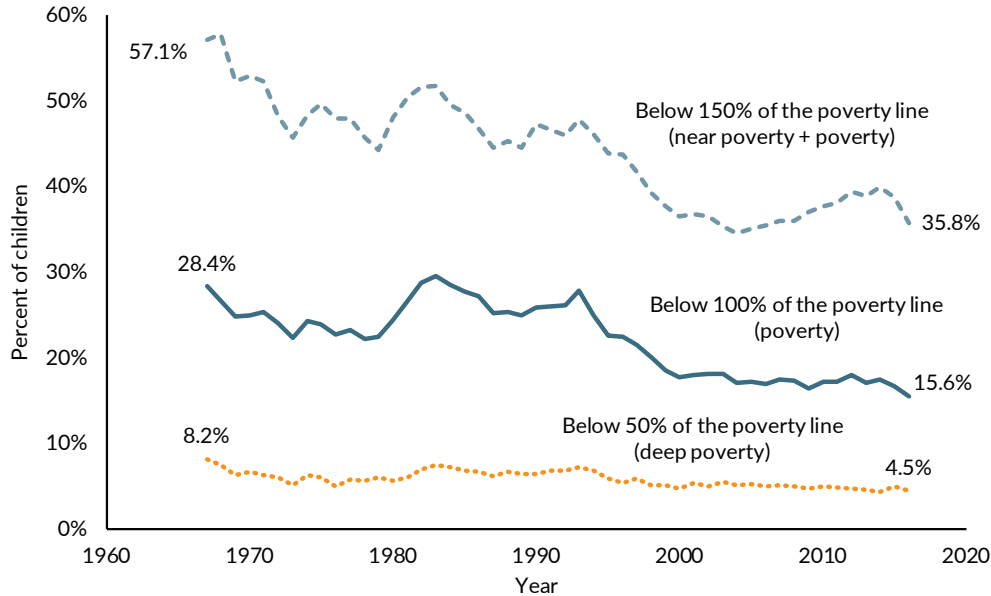
Source: Original analyses commissioned by the committee from Christopher Wimer, "Child Poverty in the United States: Long-Term Trends and the Role of Antipoverty Programs using the Anchored Supplemental Poverty Measure," The National Academy of Sciences, Engineering, and Medicine, October 2017.

Notes: The Supplemental Poverty Measure is anchored in 2012 living standards and adjusted back to 1967 using the Consumer Price Index. Income data are not adjusted for underreporting.

Poverty rates for different groups of children

In this section, we discuss how child poverty varies according to six demographic factors: race and ethnicity, parents' education level, family composition, number of workers in the household, immigration and citizenship status, and parents' age. All the poverty rates presented here use the adjusted Supplemental Poverty Measure.

Race and ethnicity

Concerns over varying rates of child poverty across racial and ethnic groups are long-standing.[13] We find that Hispanic children experience the highest rates of poverty and deep poverty. The poverty rates for African American (17.8 percent) and Hispanic (21.7 percent) children were more than double those of non-Hispanic white (7.9 percent) children. Poverty rates for American Indian children also appear to be much higher, but precise estimates are unavailable. Similar relative disparities are found for rates of deep poverty. If the line is drawn at 150 percent of the poverty threshold to include near poverty, more than half of all black (50.6 percent) and Hispanic (54.6 percent) children, but less than one in four (22.9 percent) non-Hispanic white children, are counted as poor or near poor.

Another way of describing poverty across racial and ethnic groups is by asking what share of a given poverty group is made up by children from specific racial or ethnic categories. We find that while non-Hispanic white children make up a little more than half of all children, they account for only about one-third of children in poverty or in deep poverty. The largest share of poor children are Hispanic.

Parents' education level

Adults' educational attainment is strongly related to their poverty status; more schooling is associated with higher rates of employment, higher earnings, better health, and a greater chance of having a spouse or partner, all of which are in turn associated with higher household income. We find that child poverty rates decrease as the parents' education level rises. One-third of children whose parents dropped out of high school are living below the poverty line and more than two-thirds of these children are within 150 percent of the poverty line.

Family composition

Even given the economic advantages of having two potential earners in the household, more than one in four children living with their two biological parents have family incomes below the 150 percent (near-poor) poverty line. Children living with a single parent or with neither biological parent (including foster children) have the highest rates of poverty and deep poverty.

Workers in the household

The poverty rates among children living with a part-time, as opposed to full-time, worker are correspondingly higher, although even full-time work is insufficient to lift one-quarter of children living with full-time workers above 150 percent of the poverty line. By far the highest child poverty rates are observed for the relatively small (just over 6 percent) group of children living in households with no workers: nearly a quarter of these children are in deep poverty, three-fifths are below the poverty line, and the vast majority are below the 150 percent near-poverty line.

Immigration status

Children in families with at least one foreign-born parent represent about a quarter of all children, and have a poverty rate twice as high as that of children in non-immigrant families. The majority of children in immigrant families are U.S. citizens: some 88 percent of all children in all types of immigrant households are citizens, and 79 percent of children living in households with members who are undocumented immigrants are citizens. Children living in households in which all members are citizens have a poverty rate of 10.2 percent, nearly three points below the overall child poverty rate. By contrast, living in households with noncitizens—particularly undocumented immigrants—is associated with higher poverty rates, even for children who are themselves U.S. citizens.

When the household includes recent or undocumented immigrants, the poverty rate among noncitizen children is even higher: 31.8 percent and 33.3 percent, respectively. Citizenship for the child appears to achieve very little in the way of poverty reduction if other household members are undocumented: 31.5 percent of citizen children whose households have at least one undocumented resident are poor, as are 24.7 percent of citizen children whose households have at least one recent immigrant. However, child citizenship is associated with a much lower rate of deep poverty: 6.4 percent versus 15.2 percent, respectively, for citizen versus noncitizen children, in both cases living with undocumented household members.

Parents' age

Children born to younger mothers are more likely to live in poverty. On average, first-time mothers' age has been increasing, and over the last three decades births to teen mothers have declined by almost two-thirds. Despite these trends, in 2015 more than one-quarter of children were born to mothers under age 25, and non-white and Hispanic children were

more likely than their white counterparts to be born to young mothers. Nearly one-quarter of children living with a young parent fall below the poverty line. Nearly three-fifths of children with a young parent live in families with incomes less than 150 percent of the poverty line.

Overall, we find that poverty rates for children vary greatly depending on other characteristics of parents and households. Higher poverty rates are associated with low levels of parental schooling and with living with a single parent, no parent, or a young parent. Poverty is more prevalent when both children and other family members are not citizens, although these poverty rates improve only a little when children are U.S. citizens but living in households with family members who are undocumented.

Geographic distribution of child poverty

Child poverty rates also vary across communities. The experience of child poverty in a community with good schools, resources for families, and opportunities for economic advancement is very different than the experience in a community that has suffered from persistent poverty for decades.

To examine the geographic distribution of both point-in-time and persistent poverty, we use county data based on the official poverty measure, because Supplemental Poverty Measure county-level estimates are not available. As shown in Figure 4,
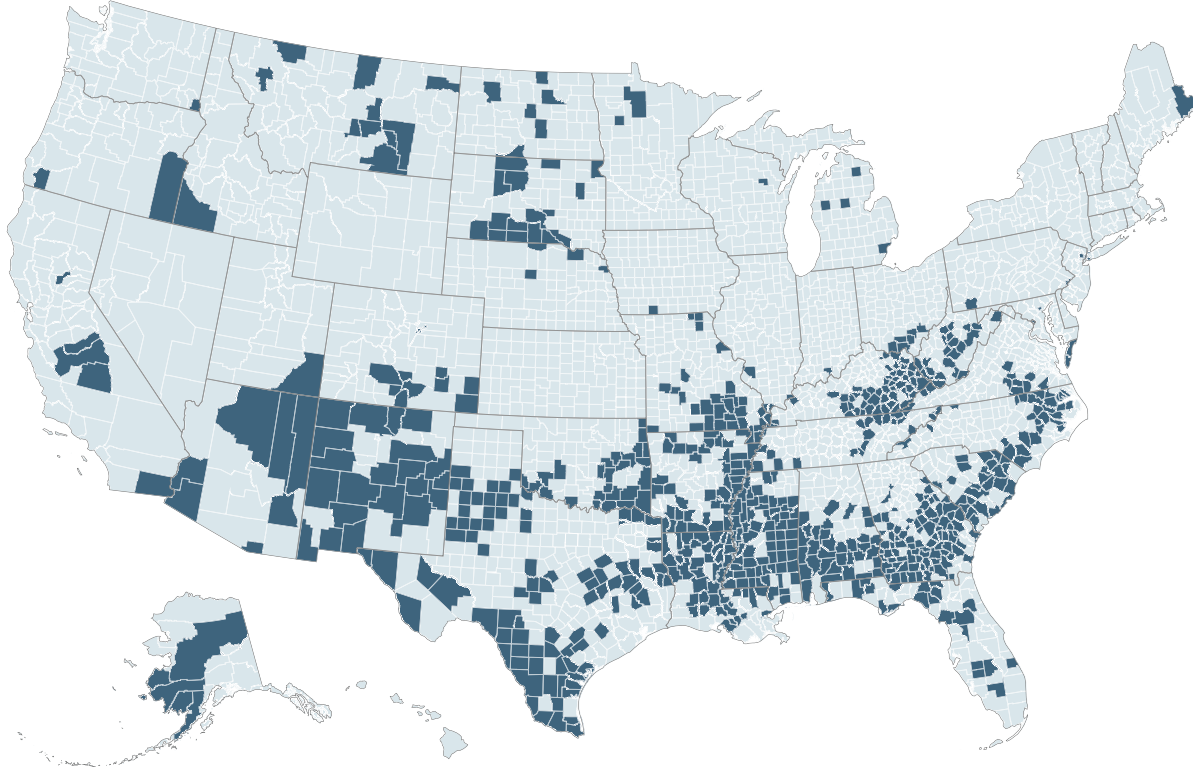
Figure 4. Nearly all counties in the South and Southwest and many counties in the West and the Appalachian region had child poverty rates of 20 percent or higher in 2015.
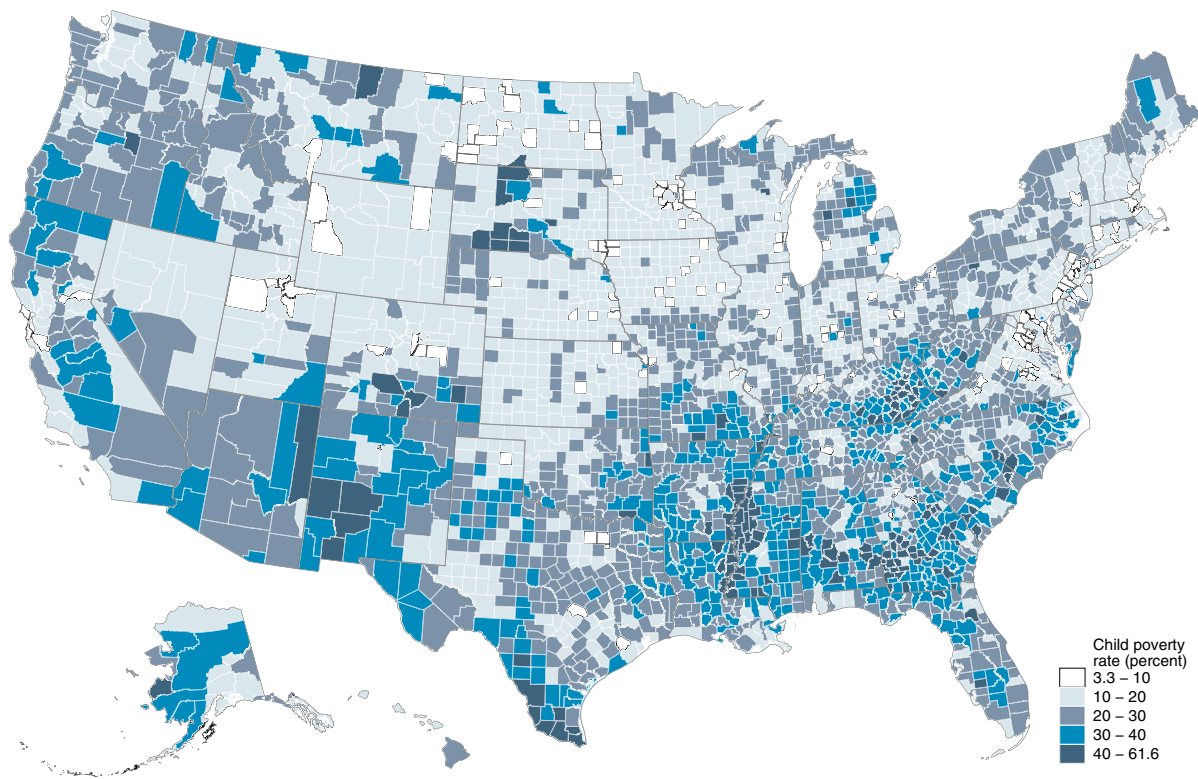
Source: Estimates by the committee from United States Population Estimates, 2016 Vintage, U.S. Census Bureau. Data as of July 1, 2015. 2015 county poverty rates from Census Small Area Income and Poverty Estimates program data.

Note: Map shows official poverty measure child poverty rates for 2015.

Figure 5. The South and Northeast regions have the highest proportion of children in persistently poor counties and account for the vast majority of children (81 percent) living in those counties.

Source: Estimates by the committee from United States Population Estimates, 2016 Vintage, U.S. Census Bureau. Data as of July 1, 2015. 2015 county poverty rates from Census Small Area Income and Poverty Estimates program data.

Note: Darker shading indicates counties with official poverty measure poverty rates of 20 percent or higher in 1980, 1990, 2000, and 2008–2012.

nearly all counties in the South and Southwest and many counties in the West and the Appalachian region had child poverty rates of 20 percent or higher in 2015. Relative to the total number of children of a given race or ethnicity, the risk of residing in a point-in-time poor county is highest among black children (70.8 percent), followed by American Indian and Alaskan Native (70.6 percent), Hispanic (65.0 percent), and non-Hispanic white children (46 percent).

We also examined the geographic distribution of *persistently* high child poverty. A county was classified as having persistently high child poverty if 20 percent or more of its children were classified as poor (according to the official poverty measure) over four decades. About one in seven children lives in counties with persistently high child poverty. The South and several large metropolitan areas in the Northeast regions have the highest proportions of children in counties with persistently high child poverty (Figure 5). Although not readily apparent in the figure due to their small land mass, the persistently poor counties in the Northeast, which include the cities of New York, Philadelphia, Newark, and Boston, account for 2.1 million children.

The starting point on the road to child poverty reduction

Our adjusted Supplemental Poverty Measure-based poverty rate of 13.0 percent represents 9.6 million U.S. children living in households with inadequate economic resources. The congressional charge to the committee was to identify programs that—either alone or in combination—would lift nearly 5 million of these 9.6 million children out of poverty within 10 years. The next article in this issue presents options for achieving this goal.■

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[1]2015 is the latest year for which we were able to generate estimates that took full account of benefits from federal tax credits and other safety net programs.

[2]National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty* (Washington, DC: The National Academies Press, 2019) https://doi.org/10.17226/25246. Adapted and reproduced with permission from the National Academy of Sciences, Courtesy of the National Academies Press.

[3]Except medical benefits, as discussed below.

[4]B. D. Meyer, W. K. C. Mok, and J. X. Sullivan, "The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences" NBER Working Paper No. 15181, National Bureau of Economic Research, 2009.

[5]The Transfer Income Model, version 3 (TRIM3) is a widely used microsimulation model that simulates the major U.S. social safety net programs, and can produce results at the individual, family, state, and national levels. More information about TRIM3 can be found at http://trim3.urban.org/T3Welcome.php.

[6]It is understood that research access to microdata for linked datasets would be governed by relevant laws and regulations for protecting data confidentiality and individual privacy.

[7]See, for example, J. Currie and J. Gruber, "Saving Babies: The Efficacy and Cost of Recent Changes in the Medicaid Eligibility of Pregnant Women," *Journal of Political Economy* 104, No. 6 (1996): 1263–1296; and J. Currie and J. Gruber, "Health Insurance Eligibility, Utilization of Medical Care, and Child Health," *Quarterly Journal of Economics* 111, No. 2: 431–466.

[8]J. B. Isaacs, C. Lou, A. Hong, C. Quakenbush, and C. E. Steuerle, *Kids' Share 2018: Report on Federal Expenditures on Children through 2017 and Future Projections*, Urban Institute, Washington, DC, 2018. Available at: https://www.urban.org/research/publication/kids-share-2018-report-federal-expenditures-children-through-2017-and-future-projections.

[9]Centers for Medicare and Medicaid Services, "HHS FY 2017 Budget in Brief – CMS – CHIP," 2017. Retrieved March 14, 2018, from https://www.hhs.gov/about/budget/fy2017/budget-in-brief/cms/chip/index.html.

[10]The committee commissioned a paper that provided a detailed proposal for how to implement a health-inclusive poverty measure: S. Korenman, D. K. Remler, and R. T. Hyson, "Accounting for the Impact of Medicaid on Child Poverty," NBER Working Paper No. 25973, National Bureau of Economic Research, 2019.

[11]Note that the Supplemental Poverty Measure rates shown in Figure 2 do not reflect an adjustment for underreporting, since the data needed to make that adjustment are not available for most of the years shown.

[12]See the full report (National Academies of Sciences, Engineering, and Medicine, *A Roadmap to Reducing Child Poverty* (Washington, DC: The National Academies Press, 2019) https://doi.org/10.17226/25246) for a depiction of a "historical Supplemental Poverty Measure" based on changes in living standards rather than inflation (Figure D2-15 in Appendix D, 2-10).

[13]See, for example, D. J. Eggebeen and D. T. Lichter, "Race, Family Structure, and Changing Poverty Among American Children," *American Sociological Review* 56, No. 6 (1991): 801–817.