

Can policy changes reduce child poverty?

PAC, J., GARFINKEL, I., KAUSHAL, N., NAM, J., NOLAN, L., WALDFOGEL, J., & WIMER, C. (2020). REDUCING POVERTY AMONG CHILDREN: EVIDENCE FROM STATE POLICY SIMULATIONS. *CHILDREN AND YOUTH SERVICES REVIEW*, 115.

What can we learn from this study?

States vary considerably in their approach to child poverty. This research study simulates the potential reduction in child poverty if all states were to adopt a generous and inclusive application of four key policies: Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), state Earned Income Tax Credits (EITC), and state Child Tax Credits (CTC).

Study details:

- **Data source:** Current Population Survey's Annual Social and Economic Supplement (CPS ASEC); Urban Institute's Transfer Income Model 3.0 (TRIM3); Supplemental Poverty Measure (SPM)
- **Methodology:** Simulations of child poverty rates based on applying the most generous states' allotment of TANF, SNAP, EITC, and CTC to all states
- **Dates:** 2010-2012

What are the critical findings?

Though not all states stand to benefit from changes to all four policies, **5.5 million children would be lifted out of poverty** if all states were to adopt the most generous and inclusive state's approach for each. More specifically:

- Adopting the most generous and inclusive approach in all four policy areas has the **potential to reduce child poverty from 17.2% to 14.2% in high poverty states**, 11.3% to 9.5% in medium poverty states, and 8.6% to 7.1% in low poverty states.
- Among the four policies, the **EITC has the largest impact on child poverty rates**, reducing child poverty by an average of 1.5% in high poverty states, 0.9% in medium poverty states, and 0.6% in low poverty states. If all states adopted only the most generous and inclusive state's EITC policy, almost 2.7 million children would no longer be in poverty. (This compares to 1,340,499 children for the SNAP simulation, 985,776 for TANF, and 816,558 for CTC.)
- The **ability of states to make changes to their benefit policies varies** across the U.S., and often is contingent on voter preferences, overall revenue, tax revenue, and other priorities.

Why is this important for our work?

While child protection agencies are not tasked with or equipped to eradicate poverty, they can initiate and help drive community-based strategies, connections, and collaborations that offer concrete supports, including financial supports to families to prevent or mitigate poverty-related challenges that may increase the likelihood of child welfare involvement. Additional research is ongoing to specifically connect the impact of policy changes to rates of child maltreatment.

This summary synthesizes the findings from a single research study. To learn more about the economics of child maltreatment, please review the following resources: [Can providing material needs decrease the rate of child maltreatment?](#) and [Do states with refundable Earned Income Tax Credits have lower rates of children in foster care?](#)

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