

New Findings in Poverty Research: How do material resources affect children's life chances?

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Sociologist Susan Mayer, 1997

What Money Can't Buy

- “We therefore have little reason to expect that policies to increase the income of poor families alone will substantially improve their children’s life chances.”
- Conclusion after studying income effects on children’s educational outcomes, test scores, high school graduation, teen childbearing

Research over past 15 years challenges this pessimistic conclusion

- Money, in-kind resources can have important effects on:
 - health, education, future earnings
 - adults, infants and children

Contrast Mayer's conclusion with recent findings

More generous EITC leads to:

- higher test scores in children (Dahl & Lochner, 2012)
- higher birthweight in infants (Hoynes, Miller, Simon 2012)
- increased consumption on many items, including work-related expenses (Patel 2012)

Recent findings (cont'd)

Food Stamps, and WIC lead to

- higher birth weight/reduced incidence of low birth weight (Almond, Hoynes, Schanzenbach 2011, Hoynes, Page, Stevens, 2011)

Recent findings (cont'd)

Job loss, and associated income losses and variability, lead to

- increased mortality in adults (Sullivan & Von Wachter, 2009)
- decreased adult earnings of affected children (Oreopoulos, Page, Stevens 2008)
- reduced birthweight (Lindo 2011)
- increased grade retention (Stevens & Schaller, 2011)

What has changed?

- Different programs (EITC vs. traditional cash welfare)
- Understanding that long-term income and variability in income may be critical
- Different (better) methods of studying effects
- Broader sets of outcomes over different parts of participants' lives
 - Test scores as kids; earnings as adults
- Looking beyond effects of income at the mean

Resources & Outcomes, 2012

- Money and other material resources can improve the health, education, and long-term outcomes of children
- Based on a variety of rigorous, peer-reviewed studies
- Benefits of assistance programs may be spread across variety of outcomes and points in a family's lifecycle
 - Value of ongoing research & translating research to policy-makers & practitioners
 - Feedback from these groups to researchers
 - Patience