

The Dynamics of Childhood Poverty

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Abstract

Child poverty rates have remained high since the middle of the 1970s. While several trends, including declines in the number of children per family and increases in parental years of schooling, worked to reduce child poverty rates, several others, including slow economic growth, widening economic inequality, and increases in the proportion of children living in mother-only families, had the opposite effect, pushing more children into poverty.

Poverty is a common risk: One-third of all children will be poor for at least one year. For many, poverty lasts only a short while, but for a small percentage, poverty persists both throughout childhood and into the adult years.

Poverty is not shared equally across different demographic groups. African-American children, Latino children, and children in mother-only families are disproportionately poor. Long-term poverty is even more concentrated than single-year poverty. In 1992, almost 90% of long-term poor children were African-American as compared to all poor children (single-year and long-term poor), of whom 60% were white.

Both family structure and the labor market are implicated in long-term childhood poverty. Changes in employment of family members and changes in family composition are each strongly associated with transitions into and out of childhood poverty. Of these, changes in employment are the most important.

If all Americans below the poverty line could be captured in a photographic portrait, the current picture would be different from that of two decades ago. More people would be crowded into the picture as a result of the absolute growth in the American population combined with a relatively high national poverty rate that has grown from a post-World War II low of 11% in 1973 to 14% in 1995.^{1,2} But the most visible difference in the portrait would be in the group's composition: fewer elderly, sick, or infirm persons would pose for the picture, reflecting in part successful government economic security measures that helped reduce the elderly poverty rate from 35% in 1960 to 11% in 1995.² Replacing the elderly would be impoverished children.

The economic fortunes of children as a group have worsened over the past two and a half decades. Of the 38 million Americans living in poverty in

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1994, some 15 million (more than 40%) were under 18 years old, and 6 million were preschoolers, under the age of 6.^{1,3} The poverty rate for children under 18 increased from 14% in 1973 to 21% in 1995; and the poverty rate for children under 6 climbed from 16% to 24% during this same period.^{2,4-6}

The children in the picture would not reflect a random cross section of all children because poverty is unevenly shared. As discussed in the article by Betson and Michael in this journal issue, children from racial and ethnic minority groups, children living in single-parent families, children from large families, and children whose parents are high school dropouts are disproportionately poor. Differences in poverty by race, ethnicity, and number of parents are especially striking. In 1992, the poverty rates for African-American children (46%) and Latino children (40%) were two and one-half to three times the rate for white children (16%).² Children living in mother-only families were more than five times more likely to be poor than were those living in two-parent families: 38% compared with 7%.⁷

Looking beyond the faces, the news would be even more disturbing. Children raised in poor families not only have less access to material resources—food, shelter, health care—but also less access to community resources—good schools, safe neighborhoods, adequate governmental services—than do children raised in families with adequate economic resources.

Photographs capture only a moment in time, but the effects of poverty are most severe when childhood poverty is long-term.^{8,9} Long-term childhood poverty has lasting consequences for children's development: growing up poor is associated with sizable cognitive deficits in early childhood and with large earnings and income deficits in adulthood.^{8,9} Moreover, childhood poverty, particularly long-term poverty, is more common for minority children, thereby reinforcing racial inequalities across generations.

This article reviews current research on the incidence and duration of childhood poverty and intergenerational poverty. To use the photoportrait metaphor, it examines which children appear in the poverty photograph, how long they stay, and whether they will appear as adults in later photographs. The article begins by presenting trends in the incidence of childhood poverty, in the demographic characteristics of children, and in labor market conditions, and by summarizing research that relates changes in children's demographic characteristics and in the economy to trends in childhood poverty. Next it explores the extent to which poverty persists throughout the childhood years. Then it discusses the trends in and

correlates of long-term childhood poverty (race, family structure, parental schooling, neighborhood poverty). Finally, it estimates the extent to which poverty persists beyond childhood and then concludes with a summary of findings.

Trends in Childhood Poverty

The two generations of children who have grown up in the half-century since the end of World War II have experienced remarkably different trends in child poverty. The first generation, born in the first 25 years after the war, grew up in a period of unparalleled, robust economic growth and declining poverty, which started in the late 1940s and lasted through the early 1970s. As seen in Figure 1 in the article by Betson and Michael in this journal issue, according to the official measure of poverty, both the child poverty rate and the adult rate declined significantly from the late 1950s through the 1960s. The mid-1970s marked the end of ever-rising living standards and the end of falling poverty rates. The proportion of Americans with poverty-level living standards stopped declining and then rose. From 1973 to 1979, economic growth came to a halt, average family income stagnated, and poverty levels went through modest cyclical changes (the poverty rate remained between 11% and 12% through the 1970s).^{1,5}

From 1979 to the present, poverty has grown, rising strongly during economic recessions and declining modestly during periods of economic growth. In the new turbulent economy no large group has fared worse than families with children, with more of them becoming poor. From 1979 to 1983, the child poverty rate climbed from 16% to 22%, and the rate for children under 6 rose from 18% to 25%.^{1,6} Although average income increased by 16% from 1983 to 1989, poverty declined by less than three points to 20% for children under 18, and to 22% for those under 6.^{1,6} Following the recession of the early 1990s, average family income fell, and the child poverty rate rose to 21% for children under 18 and to 24% for children under 6 by 1995.^{1,2,6}

Demographic and Economic Trends

Dramatic changes in the family, society, and the economy have altered the lives of children.^{10,11} Children are now more ethnically and racially diverse, more likely to live with a

single parent, and more likely to have fewer siblings than in the past. Parental education keeps climbing, but the economy has grown harsher for the less educated. Wages and employment have declined for workers with low levels of schooling and experience, making it more difficult for parents, especially young parents, to earn enough to support a family above the poverty level. Each of these changes is discussed below and related to trends in children's poverty rates.

Immigration Trends

The two fastest-growing groups of U.S. children are Latino and immigrant children. Between 1970 and 1990, some 17 million immigrants entered the United States, with the vast majority coming from Mexico, Central and South America, and Asia.¹² Immigrants have high birthrates.¹³ In 1990, some 2.1 million children were foreign-born, and another 2.9 million children were born to immigrants.¹² Of the 13 million poor children in the United States in 1990, approximately 2 million were foreign-born or born to immigrants.¹⁴

From 1980 to 1990, the growth rate in the number of Latinos was 10 times that for non-Hispanic whites and 5 times that for African Americans.¹³ The high rates of immigration and high birthrates among immigrants are reshaping the overall racial and ethnic mix. Because Latino and immigrant children are disproportionately likely to be poor, these demographic shifts have led to increased childhood poverty.

Trends in Family Structure

The upsurge in mother-only families since 1960 and the corresponding changes in child poverty are striking. The portrait of the "typical" American family changed as the percentage of all children who were living in mother-only families grew from 8% to 20% between 1960 and 1990.¹¹ About half of the decline in two-parent families in the 1970s and 1980s was due to increases in families headed by never-married mothers, and about half was due to increases in families headed by divorced and separated

mothers.^{10,11,15} Since mother-only families are much more likely to be poor than are two-parent families—both because there is only one potential adult breadwinner and because women earn less than men—these large changes in family structure mean that child poverty is becoming increasingly feminized. Between 1959 and 1988, the percentage of all poor children who lived in mother-only families rose from 20% to 57%.¹⁰

Race differences in family structure are similarly huge: In 1992, some 59% of African-American children and 17% of white children lived in a female-headed family.

Trends in Family Size and Parental Schooling

Two other demographic shifts, declines in family size and increased parental schooling, have reduced childhood poverty. Between the 1960s and 1994, the average number of children per family dropped by more than one and the proportion of children whose mothers had fewer than 12 years of schooling was halved.^{10,11} Both shifts increased children's access to economic resources. Family poverty rates rise sharply with the number of children in the family,¹ and schooling is a powerful predictor of earnings.

Economic Trends

The dominant economic metaphor for poverty in the 1960s was a rising tide lifting all boats; but in the post-1973 economy, when the tide rises, many boats are grounded and families are submerged in poverty.¹⁶ The economy has grown slowly, economic inequalities have widened, and unemployment rates have been high during many of the years since the mid-1970s.^{1,5} As a result, child poverty rates remain high because it has become increasingly difficult for men and women, especially those with low levels of schooling, to obtain jobs that pay enough to keep their families out of poverty.^{1,5}

Table 1 reports the percentages of white, African-American, and Latino men between the ages of 25 and 54 years who were earnings-poor, defined as having annual earnings that fall below the poverty line for a family of four in 1969, 1979, and 1989.¹ Because annual earnings are the product of hourly wages and annual work hours, a man can be earnings-poor either because of low wages or because of low work hours. Three

patterns stand out in the table. First, earnings are powerfully related to schooling. In each year, the more schooling men had, the less likely they were to be earnings-poor.

Second, African-American and Latino men were more likely to be earnings-poor than were white men with the same completed schooling. Among male high school dropouts, 60% of African Americans, 51% of Latinos, and 38% of whites were earnings-poor in 1989.¹

Third, the percentage of men who were earnings-poor increased substantially between 1969 and 1989. In 1969, some 12% of white men, 32% of African-American men, and 26% of Latino men were earnings-poor.¹ By 1989, these percentages had grown to 20% for whites, 42% for African

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Americans, and 38% for Latinos.¹ Although this trend was most pronounced for the least educated, even highly educated men were not exempt. Eleven percent of white college graduates and 18% of African-American and Latino college graduates were earnings-poor in 1989.¹

A high school diploma is no longer a hedge against poverty. In 1969, a high school diploma enabled the vast majority of men between the ages of 25 and 54 to earn enough to keep a family out of poverty. By 1989, sizable minorities of white, African-American, and Latino male high school graduates did not earn enough to support a family of four at the poverty level.

Does this same gloomy picture hold for women: Did women's earning power also decline in recent decades? Here, the answer is mixed. In 1980s labor markets, African-American and Mexican women, women with less than a college education, and single mothers fared poorly, experiencing declining wages and decreased employment rates.¹⁷⁻¹⁹ On the other hand, employment increased sharply among married

Table 1

Men, Ages 25 to 54, Who Are Earnings-Poor^a by Educational Attainment, 1969 to 1989						
Race/Ethnic Group^b	Percentage of Earnings-Poor Men by Completed Years of Schooling					
	0 to 8	9 to 11	12	13 to 15	16+	All Men
White, Non-Hispanic						
1969	25	13	8	10	8	12
1979	36	24	15	15	11	16
1989	55	38	22	17	11	20
Black, Non-Hispanic						
1969	46	32	20	18	16	32
1979	56	46	33	29	19	37
1989	70	60	43	32	18	42
Latino						
1969	38	18	16	18	12	26
1979	44	33	25	22	19	31
1989	60	51	35	27	18	38

^a A man is classified as being earnings-poor if his earned income from wages, salaries, and self-employment is below the poverty line for a family of four: \$3,714, \$7,355, and \$12,674 in each of the three years, respectively.

^b The ethnic categories were constructed as follows: If a respondent self-identified as Hispanic, that respondent was assigned to the Latino category. If a non-Hispanic respondent reported that he or she was Caucasian, that respondent was assigned to the White, Non-Hispanic category. If a Non-Hispanic respondent reported that he or she was black, that respondent was assigned to the Black, Non-Hispanic category. Asians and Asian-Americans were excluded from analysis because of the small number of observations in the sample.

Source: Danziger, S., Danziger, S.K., and Stern, J. The causes and consequences of child poverty in the United States. In *Child poverty and deprivation in the industrialized countries, 1945-1995*. G.A. Cornia and S. Danziger, eds. Oxford: Clarendon Press, 1997.

women and among white and Puerto Rican women at every level of schooling.¹⁷⁻¹⁹

Causes of Increases in Childhood Poverty

Seven factors have affected trends in childhood poverty. Increases in families headed by females, increases in racial and ethnic diversity, stalled economic growth, and increases in economic inequality have increased childhood poverty. Decreases in family size, increases in parental schooling, and increases in the number of two-income families have reduced childhood poverty.

Analysts who have estimated the net effect of these economic and demographic changes on trends in childhood poverty rates find that these changes had large, offsetting effects on child poverty rates.^{5,20,21} If the increase in single-parent families was the only change in children's lives between 1968 and 1986, then the 1986 poverty rate would have increased by 13 percentage points for

African-American children and by 3 percentage points for white children.²⁰ But actual increases were lower because increased parental schooling, decreased family size, and increased numbers of two-income families tended to decrease child poverty. These poverty-reducing effects counteracted the poverty-increasing effects of increases in single-parent families.²⁰ In addition, the lack of robust economic growth and increasing income inequality caused children's poverty rates to rise.²⁰

Duration and Dynamics of Childhood Poverty

Statistics on the annual poverty rate, such as those reviewed thus far, conceal an important element of the story—that there are significant differences in children's experiences of poverty over their lifetimes. The duration of poverty varies substantially among individual children and identifiable groups of children and is an important

dimension of poverty for child outcomes. An analysis of poverty duration can help tell us if child poverty has remained high because a small percentage of children are chronically poor or if poverty is a more widespread but temporary experience faced by many children.

Since the early 1980s, social scientists have exploited longitudinal data sets to investigate poverty dynamics.^{15,22-29} Most researchers use the Panel Study of Income Dynamics (PSID), an ongoing survey that has followed a representative sample of more than 5,000 families and family members annually since 1968. The PSID has strengths and weaknesses for analyzing patterns of childhood poverty. The major strength is that it has now tracked children's economic fortunes for 28 years—over the entire period when children were growing up and into adulthood. The major weakness is that, because the PSID began in 1968, it misses many Latino children and children whose families have immigrated to the United States since 1968, and so cannot be used to explore long-term poverty among these children. Some analysts have used the National Longitudinal Survey of Youth (NLSY), a nationally representative sample survey that began in 1979, to explore the duration of adolescent poverty among Latino adolescents.²⁹ The NLSY collects information on school, fertility, and work patterns, as well as drug use, self-esteem, and verbal ability. However, the youngest children in this sample are 14 years old and so one can use it to track only adolescent poverty.

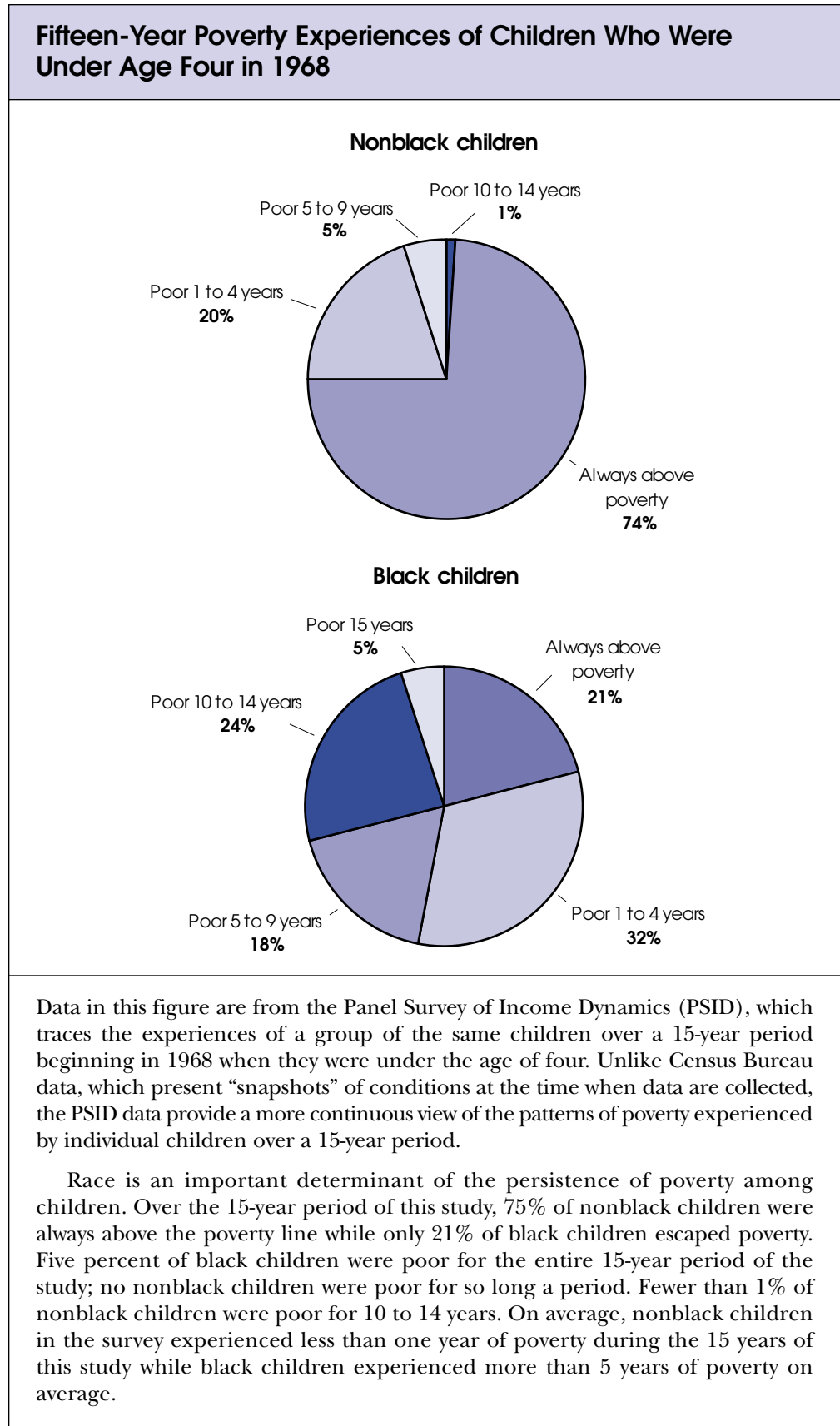
Persistence of Childhood Poverty

The first lessons from longitudinal research are that childhood poverty is a widespread risk and that the poverty experiences of children are diverse. One study tracked the economic circumstances of 1,000 children who were between the ages of one and four in 1968 for 15 years.²⁵ The years of poverty experienced by these children are shown in Figure 1. One in three children spent at least one year in poverty. Two-thirds of the children who ever experienced poverty spent fewer than 5 years in poverty as a child.²⁵ But for a small minority of children—5% of all children and 15% of children who ever became poor—childhood poverty lasted 10 years or more.²⁵

There were two primary routes to long-term childhood poverty. Children became long-term poor either because they experienced one continuous spell of poverty that lasted throughout most of their childhood or because they cycled in and out of poverty, remaining out of poverty only briefly.²⁷ Long-term poor children were not only poor for long periods but they also experienced severe poverty. The average family income of a long-term poor child was only about half the income needed to bring that child's family above the poverty threshold.²⁷

Differences between African-American and white children in long-term poverty were even bigger than those reported for annual poverty rates. Long-term childhood poverty was extremely rare among white children: less than 1% were poor for 10 or more years, and only 6% were poor for 5 or more years (see Figure 1).²⁵ Long-term poverty was common among African-American children: 29% were poor for 10

Figure 1



or more years, and almost half were poor for 5 or more years.²⁵ Although white children constituted 60% of all children who were poor in 1992, almost 90% of the long-term poor children were African American.²⁵

The duration of childhood poverty varies on other dimensions as well: Children who lived with a single parent throughout their childhood, who lived in the South and in rural areas, and whose parents were disabled all had longer-than-average poverty spells.²⁵ Parental education had a surprisingly modest effect on the duration of childhood poverty.²⁵ A more recent study also found that children's expected time in poverty was strongly associated with race and family structure but that parental schooling had a much smaller effect on the duration of childhood poverty.²⁸

Changes in Family Structure and Poverty During Childhood

The cross-sectional and longitudinal studies reviewed to this point demonstrate that family structure—in particular single-parenthood—is an important factor in both the frequency and duration of child poverty. Longitudinal data can also show how long children stay in one-parent families and how children's poverty status is related to changes in family structure and other family characteristics.

A study conducted in the 1980s tracked 707 children born between 1967 and 1969 as they moved among different family structures from birth to age 15 years²³ and found that the dynamics of children's living arrangements closely resemble the dynamics of childhood poverty. Living with a single parent was a common risk: more than one-third of all children (36%) had spent some time in a single-parent home. For most, stays in single-parent homes were short: More than half of children who ever lived in a single-parent home were in that situation five years or less. But 9% of children lived in a single-parent home for more than two-thirds of their childhood.²³

Race differences in living arrangements were large. The majority of African-American children (72%) lived in a single-parent home at some point as a child, and 38% lived in a single-parent home for more

than 10 years.²³ Less than one in three white children (30%) ever lived in a single-parent home, and only 4% lived in a single-parent home for more than 10 years.²³

How children entered a single-parent home affected how long they stayed. Children born to unmarried mothers had longer stays than did those who became part of a single-parent home when parents separated or divorced.^{23,30} African-American children were four times more likely than white children to be born into a single-parent home—43% versus 11%.²³

Race differences in family living arrangements resemble race differences in long-term poverty, but race differences in family living arrangements do *not* account for all race differences in long-term poverty.^{15,23,25} To see this, consider the following comparison. Duncan and Rodgers calculated that

Although white children constituted 60% of all children who were poor in 1992, almost 90% of the long-term poor children were African American.

African-American children who lived in a two-parent home during all of their childhood averaged three years in poverty,²⁵ whereas white children who always lived with two parents averaged only half a year.²⁵ Thus, even if black children lived in two-parent families during all of their childhood at the same rate as white children, black children would still experience poverty more frequently than white children.

Research also shows that children born into single-parent homes are worse off in terms of income than children who start off in two-parent families and end up in one-parent homes via separation or divorce. One recent study that tracked children's economic status as they moved between single-parent and two-parent homes found that, during the years children lived with two parents, their family incomes averaged \$43,600, and when these same children lived with one parent, their family incomes averaged \$25,300.¹⁵ This gap (\$18,300), while large, is much smaller than the gap (\$31,100) between the mean income of all two-parent

families (\$44,500) and one-parent families (\$13,400) in 1992.

The same study also asked, “What proportion of all years of childhood poverty are spent in single-parent versus two-parent homes?” By dividing children into groups by family structure, then measuring the years spent poor by each group of children,¹⁵ the study revealed that almost half of all years of

childhood poverty were experienced when children lived in two-parent families.¹⁵ This may seem surprising, but recall that historically the great majority of childhood years were spent in two-parent homes, most children never lived with a single parent, and most stays in single-parent homes were short.^{15,23}

One study found that 26% of children’s poverty spells began at birth, 12% began with the loss of a parent, and 42% began with reductions in the earnings of an adult household member.

childhood poverty (45.6%) were experienced when children lived in two-parent families.¹⁵ This may seem surprising, but recall that historically the great majority of childhood years were spent in two-parent homes, most children never lived with a single parent, and most stays in single-parent homes were short.^{15,23}

Other studies have examined the events associated with transitions into and out of poverty spells. Changes in the employment and wages of adults in a family were at least as important and often more important than were changes in family structure in accounting for transitions into and out of poverty for children.^{25,26,28} For instance, one recent study found that 26% of children’s poverty spells began at birth, 12% began with the loss of a parent, and 42% began with reductions in the earnings of an adult household member.²⁸ The vast majority of childhood poverty spells (75%) ended because of increased earnings of household members.²⁸

To summarize, single-parent families were much more likely to be poor than were two-parent families, but family structure was only one of several causes of childhood poverty, and race differences in family structure did not account for all of the race difference in long-term poverty. Almost half of all child-years of poverty were spent in two-parent homes, and employment changes were more important than were family struc-

Neighborhood Poverty, the Underclass, and Long-Term Poverty

Contemporary poverty discourse often portrays the poor as a permanent or semipermanent underclass trapped in concentrated poverty neighborhoods that are beset by a multitude of social pathologies, including high crime rates, poor schools, and lack of jobs. One question that arises is: “How many long-term poor children fit this underclass model?” Some researchers have approached this question by defining as underclass neighborhoods those census tracts in which more than 40% of residents are poor and examining the racial characteristics of the residents of those census tracts.^{31,32} This research showed that virtually no white children lived in such neighborhoods of concentrated poverty and that childhood poverty and neighborhood poverty were strongly associated for African Americans. Less than 4% of nonpoor African-American children lived in these very poor neighborhoods, whereas 27% of long-term poor African-American children lived in such neighborhoods. Because almost three-quarters of long-term poor African-American children do not reside in concentrated poverty neighborhoods, the underclass story, while potentially important, does not explain much of the long-term poverty among African-American children.

Trends in Long-Term Childhood Poverty

Despite the secular increase in the annual child poverty rate, long-term childhood poverty did not increase between the late 1960s and early 1980s.²⁴ The apparent stability in long-run poverty was due to several previously discussed offsetting trends. Increased economic inequality, increased numbers of single-parent families, and younger parents resulted in longer stays in poverty, but these effects were counteracted by reductions in stays in poverty due to declines in family size and increases in parental schooling.²⁴

Although the prevalence of long-term poverty did not increase between the late 1960s and the early 1980s, the sources of income for poor children changed significantly. The proportion that came from fathers' earnings dropped sharply, and the proportion from public assistance rose sharply.²⁴ This reflects both the decline in the earnings of low-skilled workers and the increase in the number of mother-only families.

Limitations of Research on Long-Term Poverty

The research summarized above has three shortcomings. First, Latino and immigrant children's poverty experiences are ignored. Second, most research is based on children born in the late sixties and early seventies. To the extent that some of the factors influencing long term poverty got worse in the late seventies, eighties, and early nineties, past research will mischaracterize the long-run poverty that children of today face. In particular, it appears that past research underestimates the extent to which family structure and long-term poverty are related for today's children. Third, the published research on trends in persistent poverty examines trends only until 1986.

Consider Latino and immigrant children. Their poverty rates are almost as high as those for African-American children, suggesting that childhood poverty is likely to be long term for many. One study used the NLSY to track the poverty experiences of adolescents from 1979 to 1981 and reported considerable persistence of poverty among Latino adolescents, especially Puerto Rican adolescents.²⁹ Almost one in four Puerto Rican adolescents (23%) was poor in all three of these years. This compares with 21% for non-Latino African Americans and with 2% for non-Latino whites.

Many Latino households have demographic characteristics that are associated with long-term poverty. More than 30% of Puerto Rican households are female-headed, and Puerto Rican female heads have extremely low employment rates and earnings.³³⁻³⁵ However, characteristics of one ethnic subgroup, such as Puerto Ricans, do not necessarily apply to other subgroups. For instance, while parents of Mexican children, especially recent immigrants, have very low levels of formal schooling, recent Mexican

immigrants also show very high rates of labor force participation, low nonmarital birthrates, low divorce rates, and low rates of reliance on public assistance, all of which portend well for their children's future.^{36,37} Low-income U.S.-born Latino immigrants of Mexican origin, on the other hand, do not show many of those characteristics, which may suggest a future of long-term poverty for many of their children.

By necessity, research on long-term childhood poverty and on links between long-term poverty and years spent in different family structures is based on children born 15 or more years ago. But the past two decades have seen big increases in the number of children who live in single-parent families, especially those headed by a never-married mother. Only 35% of the children born in the

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late sixties and early seventies ever lived in a single-parent family.¹⁵ Demographers estimate that from 50% to 70% of children born in the 1980s will live in such a family.^{10,11,30,38,39} Hofferth, for instance, estimates that 31% of white children and more than 90% of African-American children born in 1980 will live in a single-parent family at some point as a child.³⁰ If these forecasts are correct, long-term poverty should increase and family structure might be more implicated in long-term childhood poverty for these children than for those born in the 1970s.

Intergenerational Poverty

A key issue for those concerned about child poverty is whether poverty persists beyond childhood and into the adult years. Table 2 reports the extent to which children raised in poverty remained poor in their mid-twenties and early thirties. The poor are divided into two groups: the transitory poor (poor half or fewer of the years observed as a child) and the long-term poor (poor more than half of the years observed as a child).

Intergenerational poverty patterns resemble those of childhood poverty. There is both

considerable movement out of poverty and considerable persistence in poverty. Many poor children entirely escaped poverty as adults: About one in two African-American persistently poor children and three in four white persistently poor children were never poor as young adults. But for a sizable minority of long-term poor children, poverty persisted beyond childhood: About half of all African Americans who were poor for at least half of their childhood were poor at least once in their early adult years, and about one in four remained in long-term poverty as adults.

Children who were never poor were much less likely to experience poverty in their early adult years than were children who grew up in long-term poverty. Only one in four nonpoor African-American children

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ever experienced poverty as a young adult, and fewer than one in twelve lived in long-term poverty then. White children showed a similar pattern. Long-term poor white children were eight times more likely to live in long-term poverty as adults than were nonpoor white children.

Two other results stand out in Table 2. First, children whose childhood poverty was long term were more likely to be long-term poor as adults than were children whose childhood poverty was transitory. Second, regardless of their poverty status during childhood, African-American children were more likely to be poor as adults than were white children.

The strong association between long-term childhood poverty and adult poverty is partly due to family and neighborhood disadvantages associated with childhood poverty. Even after controlling for family structure, parental welfare, parental schooling, parental work, and neighborhood poverty, however, children raised in long-term poverty experienced higher rates of poverty as adults than did nonpoor chil-

dren.^{8,40} For instance, boys raised in families with average incomes had annual earnings that were more than 50% higher than were those of boys raised in poor families after controlling for family and neighborhood background.^{8,40}

Latino men's patterns of intergenerational poverty are similar to those of white and African-American men. A recent study examined the extent to which ever experiencing poverty as an adolescent leads to earnings poverty in early adulthood for Latino, white, and African-American males.⁴¹ Earnings poverty was defined as earning less than the amount necessary to support a family of four at the poverty level. There was considerable mobility out of poverty between the childhood and adult years: By their mid-twenties, about two out of five Latino males who had been poor as adolescents achieved earnings that were sufficient to support a family of four above the poverty line. But for some, poverty persisted into adulthood: 58% of poor, adolescent Latino males were earnings-poor in their mid-twenties, as compared with 33% of nonpoor, adolescent Latino males.⁴¹

Conclusion

Child poverty is distributed unequally: African-American children, Latino children, and children in mother-only families have higher poverty rates than white children and children living with two parents. Long-term childhood poverty is more concentrated among African Americans than is poverty at a point in time. Almost 90% of long-term poor children were African American.

Long-term poverty is a common risk for African-American children: 29% spent two-thirds or more of their childhood years in poverty. Less than 5% of white children spent two-thirds or more of their childhood years in poverty. Long-term poor African-American children were much more likely than long-term poor white children to live in disadvantaged environments: One in four long-term poor African-American children resided in a heavily poor neighborhood. Only 3% of long-term poor white children resided in such neighborhoods. Long-term poor African-American children were also less likely than were long-term poor white children to escape poverty as adults. Almost

Table 2

Persistence of Poverty from Childhood Through Early Adulthood^{a,b}			
Race and Poverty Status During Childhood^c	Percentage of Adults Ages 27 to 35 Who Were		
	Never Poor	Poor 1% to 50% of Early Adult Years	Poor 51% to 100% of Early Adult Years
Black			
Never poor	74	18	8
Poor 1% to 50% of childhood years	63	17	20
Poor 51% to 100% of childhood years	54	20	26
White			
Never poor	90	9	1
Poor 1% to 50% of childhood years	78	19	4
Poor 51% to 100% of childhood years	76	14	10

^a Sample: Adults who were 27 to 35 years old in 1988 from the Panel Study of Income Dynamics. These adults were 7 to 15 years old in 1968. Thus, they were observed 3 to 13 years as children before age 17 and 3 to 11 years as adults after age 24.

^b All percentages are weighted using the Panel Study's sample weights to account for oversampling of the poor and losses due to attrition.

^c Percentage of years poor = 100 x (number of years poor as a child) / (number of years observed as a child).

Source: Corcoran, M. Rags to rags. *Annual Review of Sociology*. (1995) 21:237-67.

half of long-term poor African-American children are poor at least once in their late twenties and early thirties, and one in four was poor for an extended period. One in four long-term poor white children was poor at least once in his late twenties and early thirties, and fewer than one in ten were poor for an extended period.

Child poverty rates have remained high, and the incidence of long-term childhood poverty has not decreased substantially since the 1970s. This lack of change results from several large, opposing trends. Parental schooling increased and family size declined, contributing to declines in child poverty. However, slow economic growth since 1973, increased earnings inequality, and large increases in mother-only families all acted to keep poverty rates and the incidence of long-term poverty at high levels.

Changes in labor market conditions and family composition are key correlates of long-term childhood poverty. Trends in both these factors show no signs of rever-

sal. More and more children are being born to unmarried mothers, and the rate of marital dissolution remains high. During the 1983-1989 and 1993-1996 economic recoveries, childhood poverty rates remained high.

What Can Be Done to Reduce Child Poverty

Much of the research suggests that short-term poverty may not be a major problem.^{8,9} As discussed in the article by Brooks-Gunn and Duncan in this journal issue, the effects of childhood poverty are most severe when poverty is long term. And social welfare programs already in place, such as food stamps and Temporary Assistance for Needy Families (TANF), which replaced Aid to Families with Dependent Children (AFDC) in 1996, provide short-term support for poor children and families. The recently enacted federal welfare reform act, which places time limits on welfare programs, likely will affect mostly long-term poor children and have less effect on short-term poor children.

Given that single-parent families face high levels of poverty, particularly long-term poverty, and given the potential negative consequences of poverty for children's future well-being, a combination of policies, including increasing the earning capacity of single mothers, increasing child support from absent fathers, and increasing aid from the government may be required to address their economic insecurity. The article by Plotnick in this journal issue discusses the efficacy of employment and training programs, child support enforcement, and two earnings supplementation policies: increasing the minimum wage and increasing the Earned Income Tax Credit (EITC). A third

way to supplement earnings is to make the Dependent Care Credit refundable, which would particularly help mother-only families, for whom the cost of child care represents a large portion of their budget and a great barrier to work.

Finally, long-term childhood poverty has a strong racial component, and a sizable proportion of long-term poor minority children live in extremely poor neighborhoods. Failure to address issues such as race-based differences in earnings and race-based housing segregation may undermine progress that otherwise might be made as a result of antipoverty policies.

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2. The 1995 poverty rate of 21% for children under 18 reported in this article differs slightly from the rate of 20.2% reported in the article by Betson and Michael in this journal issue because the former is the rate for all children under 18, while the latter is the rate for related children (children residing in a family unit who are related by birth, marriage, or adoption to the householder) under 18. The source for both figures is U.S. Department of Commerce, Bureau of the Census. *Poverty in the United States: 1995*. Current Population Reports. P-60, no. 194. Washington, DC: U.S. Government Printing Office, 1996, Table C-2.
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4. However, to the extent that social policies designed to aid children (in-kind aid such as school meals and the Head Start program) are not included in the official poverty measure, while policies to aid the elderly (such as Social Security) are, comparing trends in child and elderly poverty rates based on the official poverty measure may overstate the decline in children's well-being relative to that of the elderly.
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