

Born Poor? Half of These Babies Will Spend Most of Their Childhoods in Poverty; Significantly More Likely to Be Poor 30 Years Later

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ABSTRACT

Already off to a tough start in life, 49 percent of American babies born into poor families will be poor for at least half their childhoods, a new Urban Institute study finds. Among children who are not poor at birth, only 4 percent will be "persistently" poor as children.

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WASHINGTON, D.C., June 30, 2010 — Already off to a tough start in life, 49 percent of American babies born into poor families will be poor for at least half their childhoods, a new Urban Institute study finds. Among children who are not poor at birth, only 4 percent will be "persistently" poor as children.

Fallout from persistent childhood poverty is evident during young adulthood, say Caroline Ratcliffe and Signe-Mary McKernan, the authors of "Childhood Poverty Persistence: Facts and Consequences," <http://www.urban.org/url.cfm?ID=412126> the first study connecting poverty status at birth, poverty persistence, and adult outcomes. Those poor at birth are more likely to be poor between ages 25 and 30, drop out of high school, have a teen nonmarital birth, and have patchy employment records than those not poor at birth.

For instance, while 4 percent of individuals in nonpoor families at birth go on to spend at least half their early adult years in poverty, the share jumps to 21 percent for individuals born poor. The difference for blacks is 24 percentage points; for whites, it is almost zero.

In general, the longer a child is poor, the worse his or her adult outcomes. Only 1 percent of never-poor children spend half their early adult years living in poverty, compared with 32 percent of persistently poor children. The likelihood that an individual drops out of high school, has a teen nonmarital birth, or has a spotty work record generally increases with the number of years poor as a child.

An estimated 14.1 million Americans under age 18 are poor. Approximately 4.2 million children are born annually.

"Because poverty status at birth is linked to worse adult outcomes, targeting resources to children born into poverty and their families would help particularly vulnerable people," Ratcliffe and McKernan observe. They say education, training, and work supports (such as child care subsidies) for parents could brighten children's prospects by providing needy families with economic security and stability. Other supports for parents, such as home-visiting programs, could help children by improving family functioning and the home environment.

Other Findings

- 13 percent of all children (40 percent of black children and 8 percent of white children) are born poor.

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- 37 percent of children live in poverty for at least a year before reaching age 18.
- 10 percent of children spend at least half their childhood years (9 years or longer) in poverty.
- Black children are 9 times more likely than white children to be poor for at least three-quarters of their childhoods — 18 percent versus 2 percent.
- 69 percent of black children and 31 percent of white children who are poor at birth stay poor for least half their childhoods.

Childhood poverty rates, according to the U.S. Census Bureau, have ranged between 15 and 23 percent over the past four decades. In 2009, a family with two adults and two children was considered poor if its income was below \$21,756.

About the Study

Ratcliffe and McKernan's research on the circumstances of children from birth through age 30 uses 1968-2005 data from the University of Michigan's Panel Study of Income Dynamics. The PSID sample includes people born between 1967 and 1974.

"Childhood Poverty Persistence: Facts and Consequences" is the latest publication from the Urban Institute's Low-Income Working Families project, which is supported by The Annie E. Casey Foundation and The John D. and Catherine T. MacArthur Foundation.

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