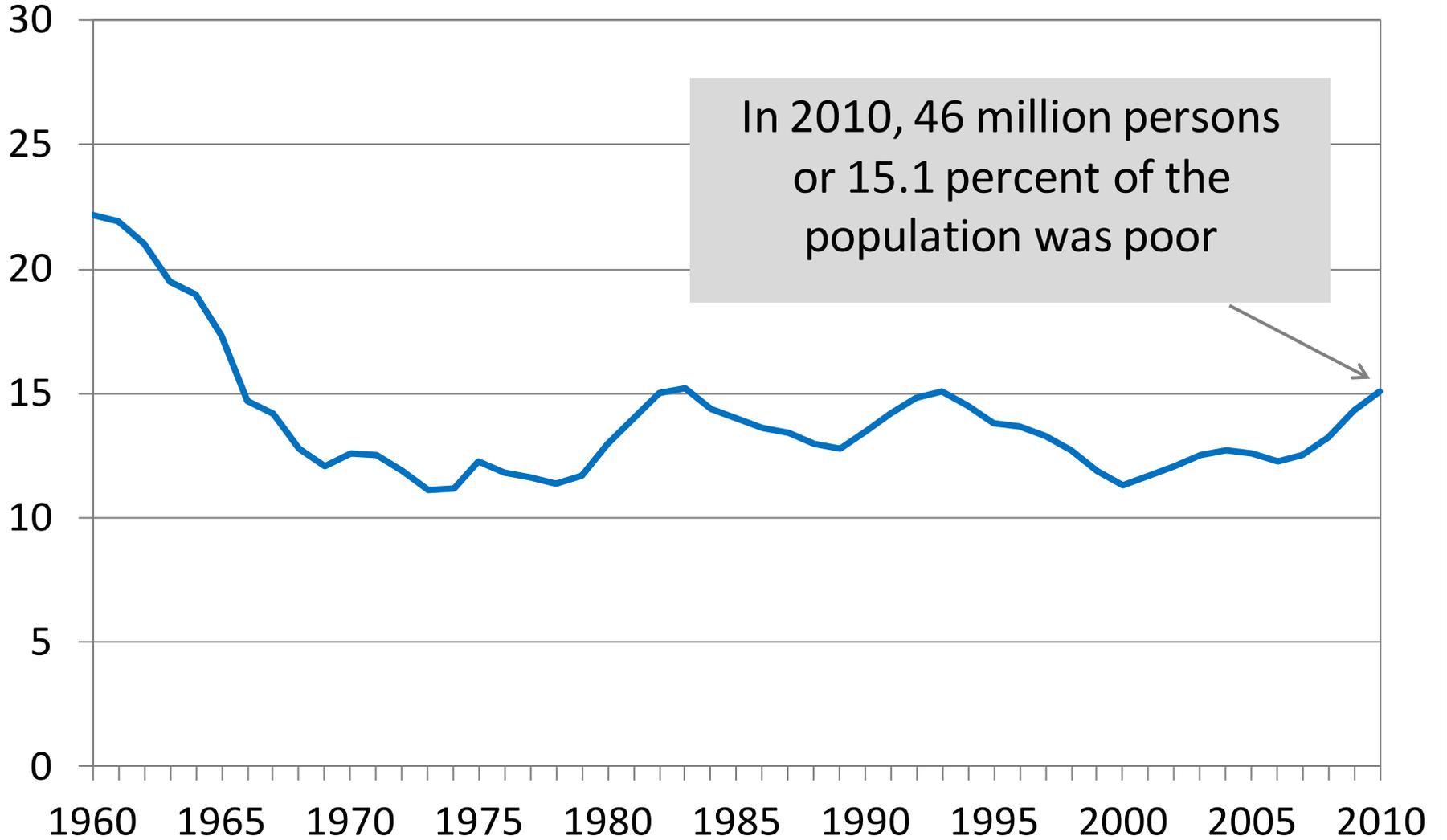


Why Poverty Research Matters: An Economic Perspective

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Center for Poverty Research Launch
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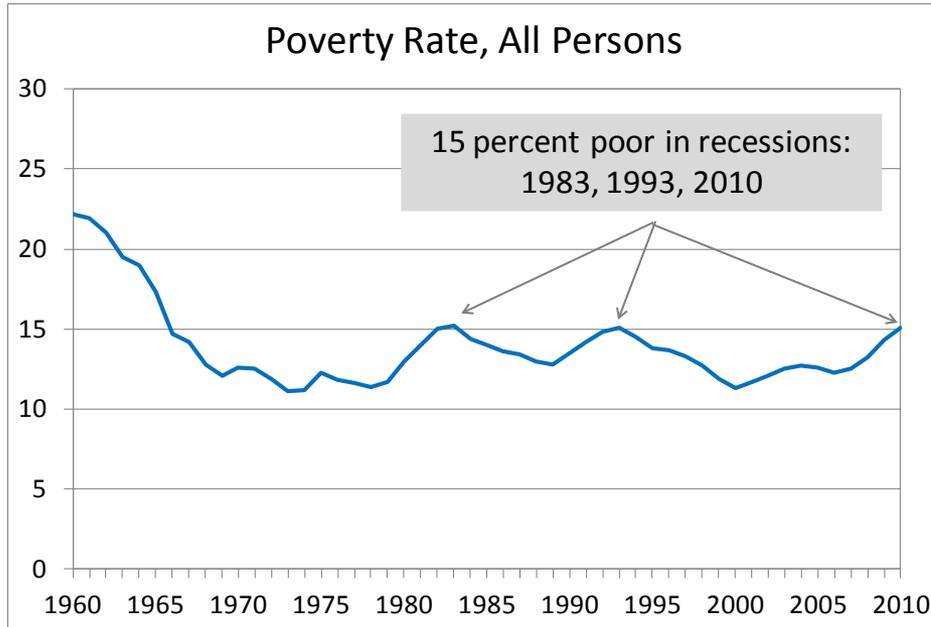
Poverty Rate, All Persons



Defining Poverty

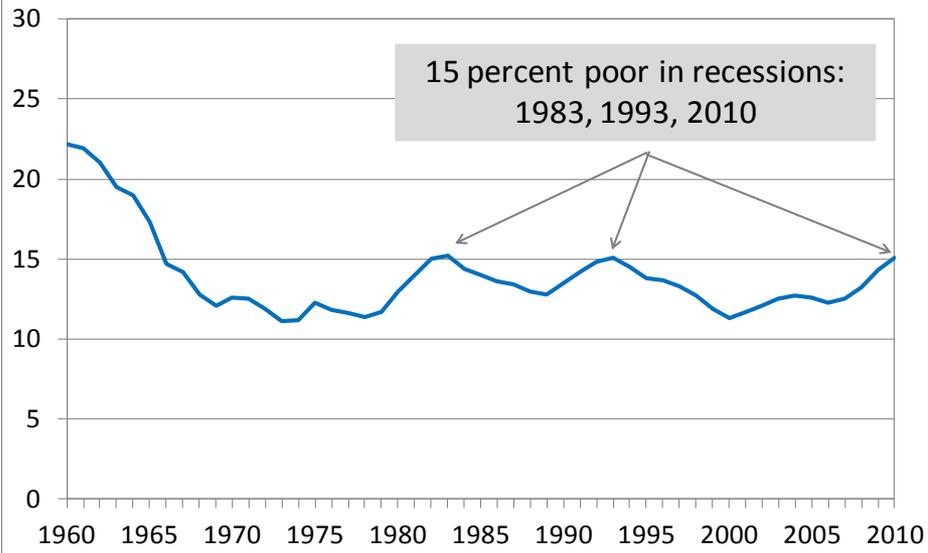
- If family total cash income is below the poverty threshold → all persons in the family are poor.
- 2010 poverty threshold family of 3 = \$17,500

Poverty persists despite economic growth

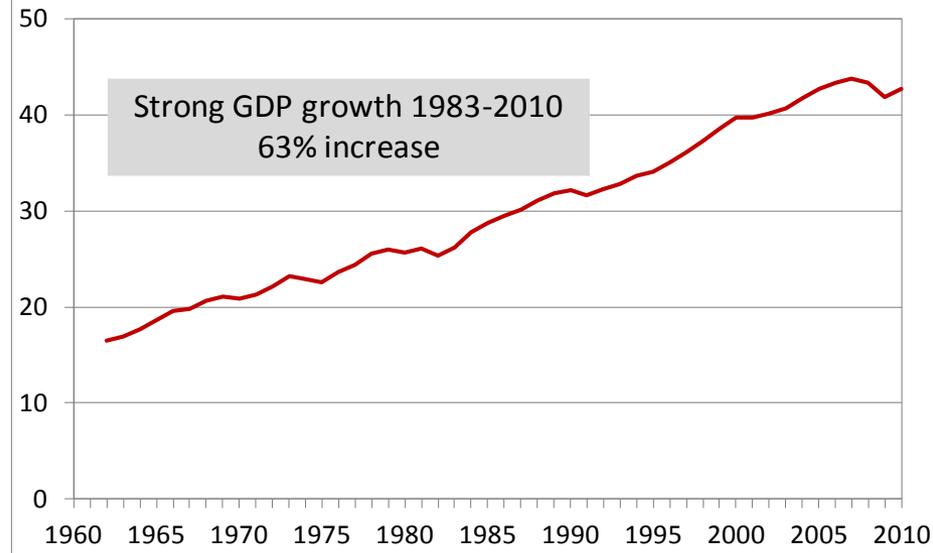


Poverty persists despite economic growth

Poverty Rate, All Persons



GDP per capita (thousands of 2005 \$)



Children who grow up poor are more likely to

- Not attend preschool
- Perform worse in school
- Drop out of high school, have lower educational attainment
- (Girls) Have a teen birth
- (Boys) Be incarcerated
- Live in poverty as adults
- Receive government assistance as adults
- Have worse health and shorter life expectancy

The challenge for social science research is in identifying:

1. The role played by poverty in these correlations.
2. What policies can improve outcomes.

Why poverty research matters?

Some examples from my research

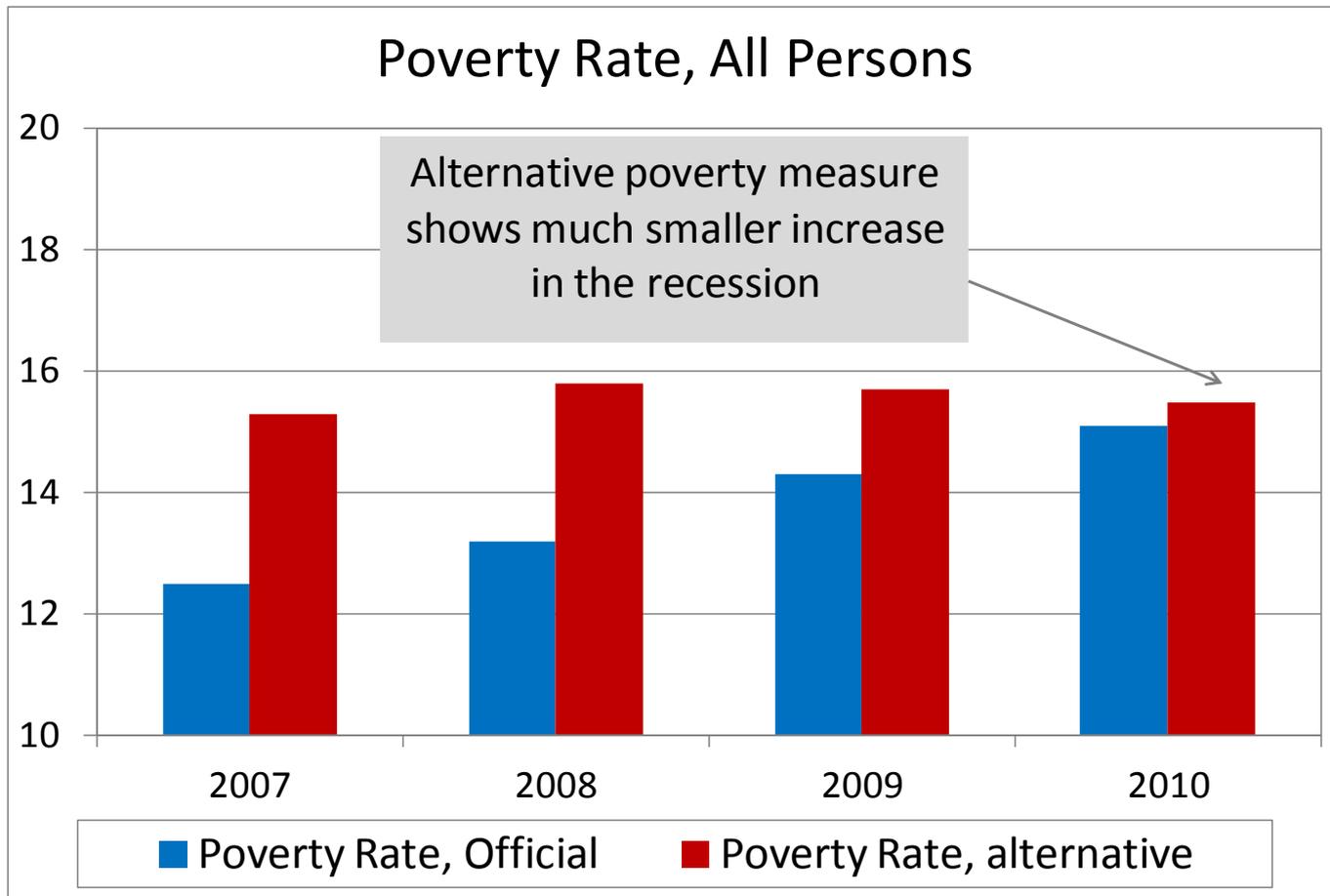
- The U.S. safety net for low income families has dramatically changed:
 - More assistance through the federal taxes (the Earned Income Tax Credit)
 - More assistance through in-kind support (Food stamps, Medicaid/SCHIP)
 - Less assistance through traditional cash welfare
- Much of my research focuses on estimating the effects of the safety net on low income families.

Examples of recent research findings (My own and from colleagues)

1. The EITC is the most important anti-poverty program in the U.S.
 - We use tax reforms over time to identify how the additional income affects low income families.
 - The credit leads to increases in employment for low skilled single mothers.
 - The increase in family income leads to lower stress in mothers, improvement in health outcomes, and increases in test scores.

Examples of recent research findings (My own and from colleagues)

2. As of 2011, more than 1 in 8 people in the U.S. receive food stamps
 - Pregnant women who have access to food stamps have healthier babies.
 - Children who are exposed to food stamps in early life are healthier as adults.
3. Welfare reform led to large reductions in caseloads but also
 - More children living without parents; reductions in health insurance and health care utilization.



- Alternative census poverty measures includes taxes and the value of the non-cash safety net.
- This research highlights the substantial potential benefits of social safety net programs.

- Understanding the role of safety net programs is an core area for the Center for Poverty Research.