

Income Interventions and Child Health

California's Vulnerable Children

UC Center Sacramento

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Plan for my comments

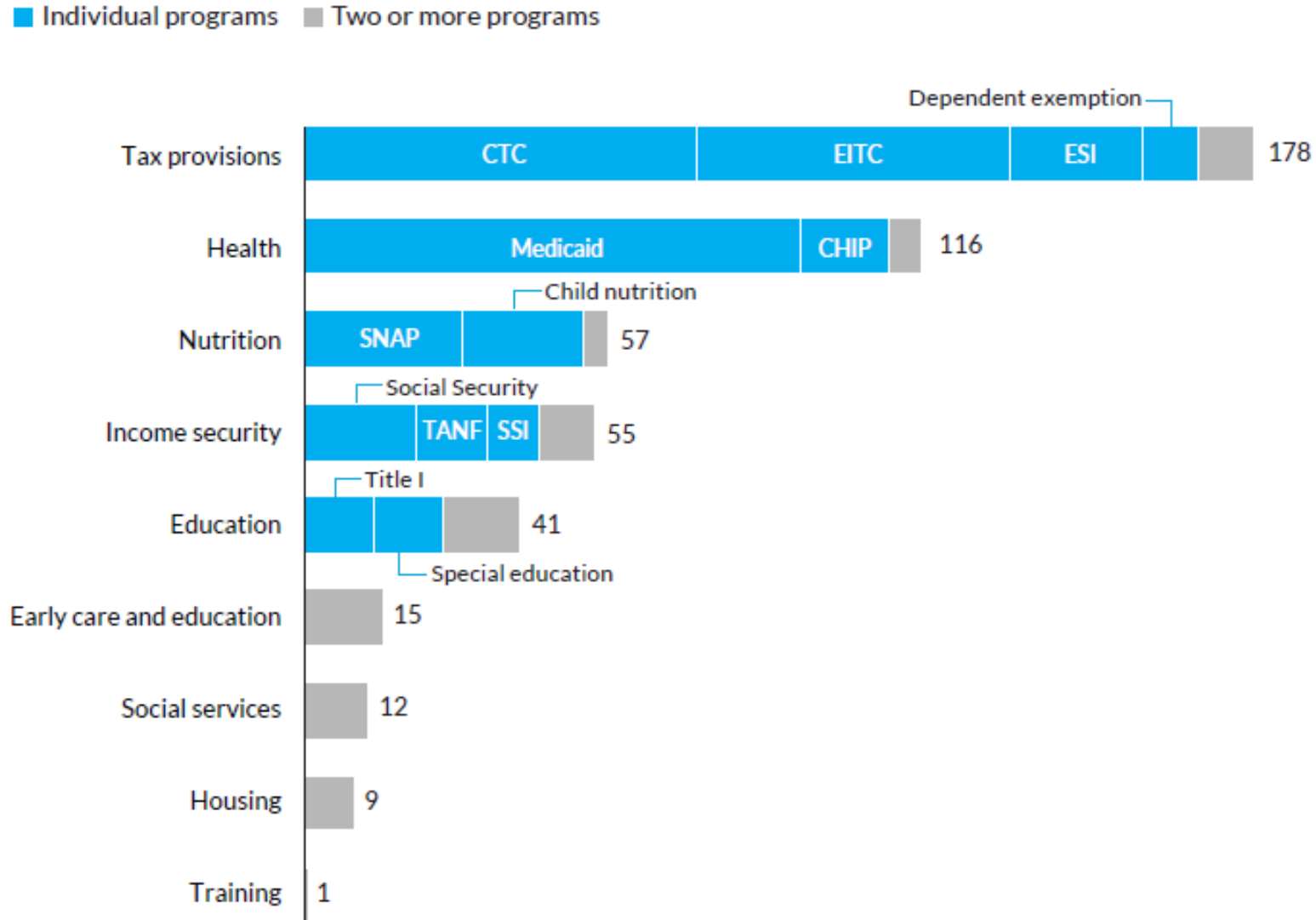
1. Overview of the cash and near cash social safety net for low income families with children
2. What do we know about how these programs affect child health and wellbeing in the short and long run
3. California policies for reducing child poverty – Challenges and opportunities

(1) The US Social Safety Net For Children

FIGURE 2

Federal Expenditures on Children by Category and Major Programs, 2018

Billions of 2018 dollars



Source: Isaacs et al *Kid's Share: Report on Federal Expenditures on Children*, Urban Institute (2019).

How do these cash and near cash programs affect child poverty?

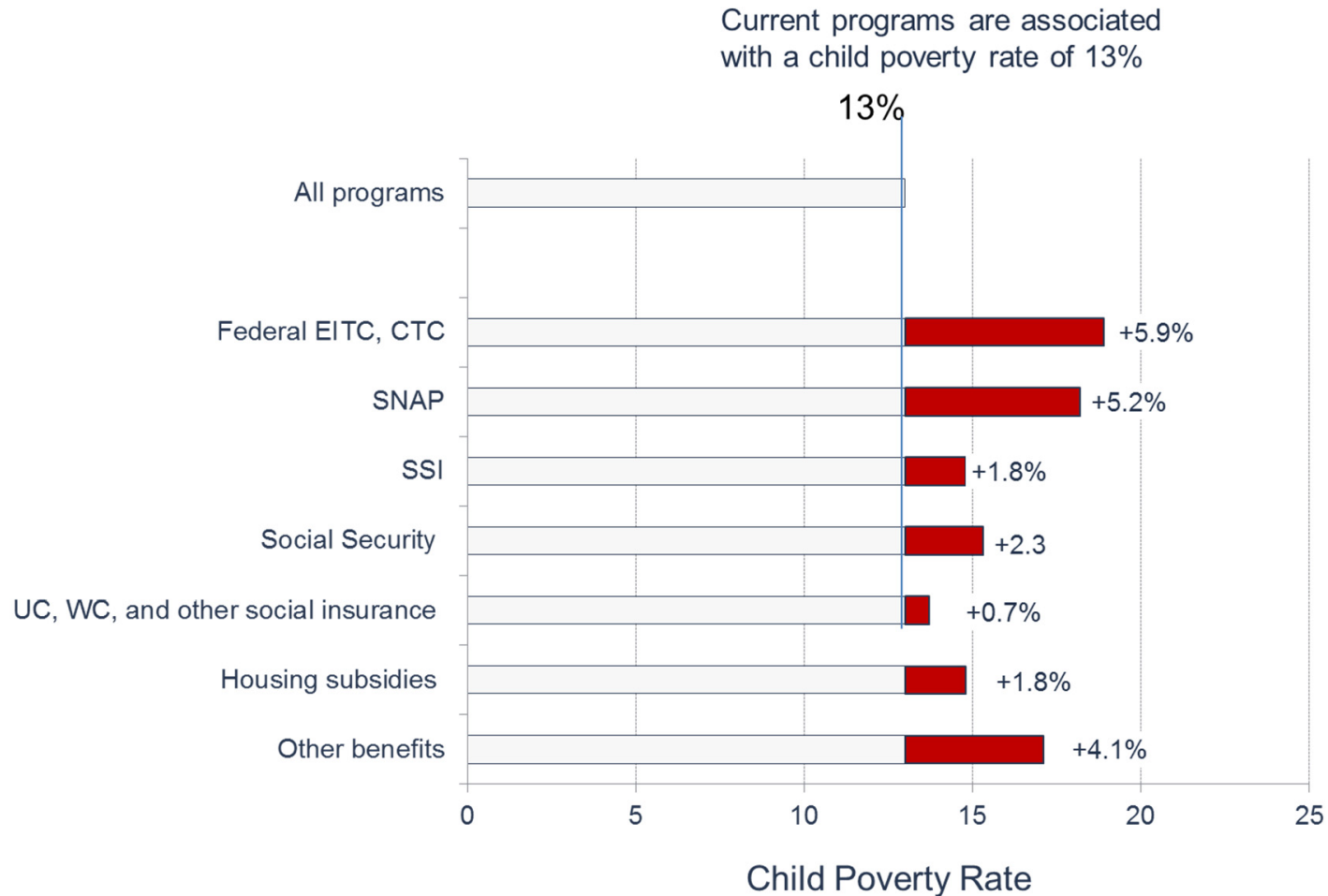


FIGURE 4-9 “What-if” Child Poverty Rates With the Elimination of Selected Federal Programs.

Source: *A Roadmap to Reducing Child Poverty*, National Academy of Sciences, 2019.

Other benefits include TANF, means-tested veterans benefits, means-tested education assistance, LIHEAP, the National School Lunch Program, and WIC.

And *deep* child poverty (<50% poverty)?

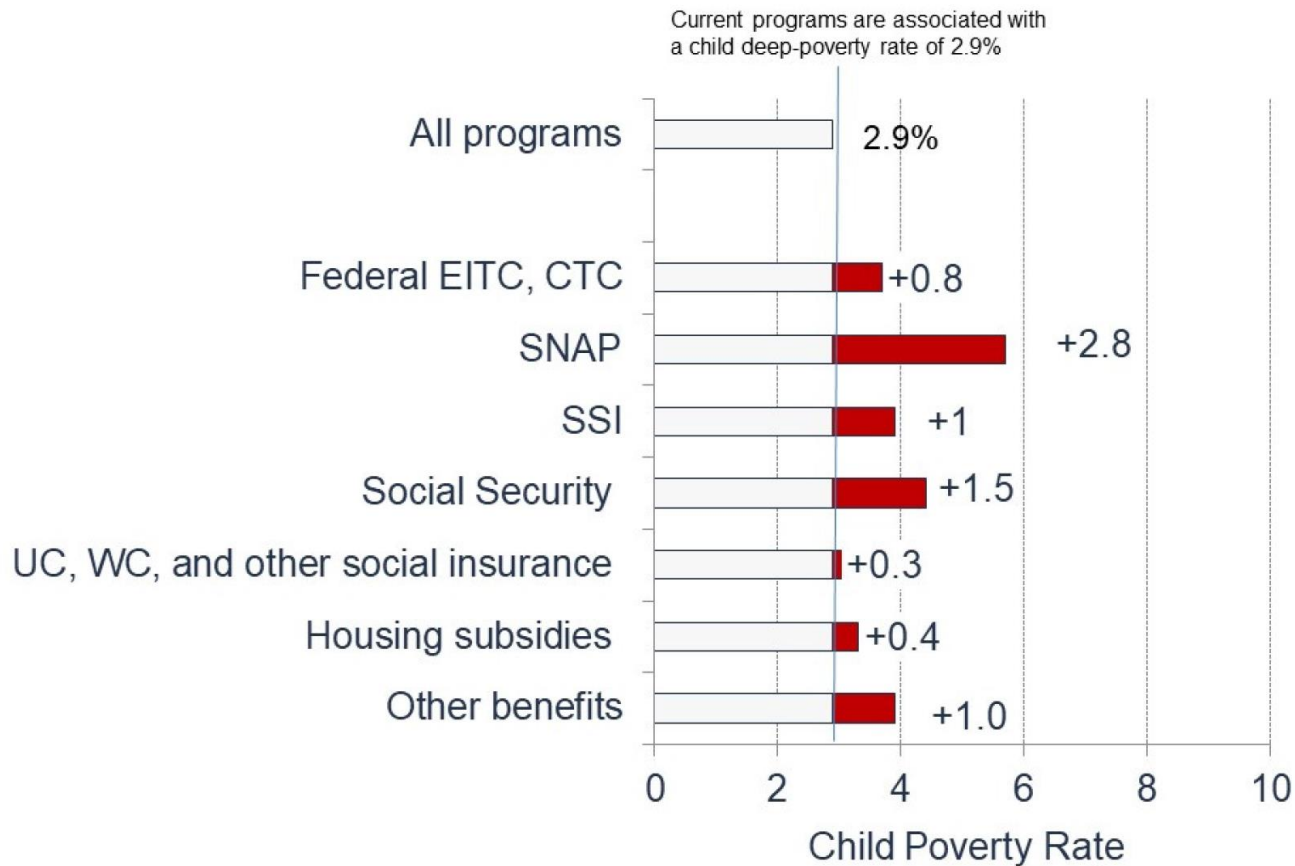
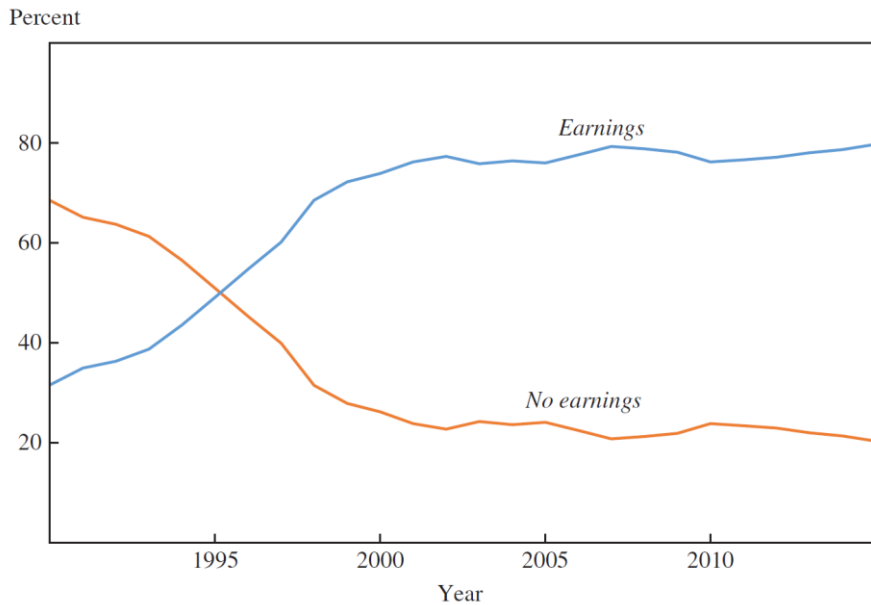


FIGURE 4-10 “What-if” Child Deep Poverty Rates With the Elimination of Selected Federal

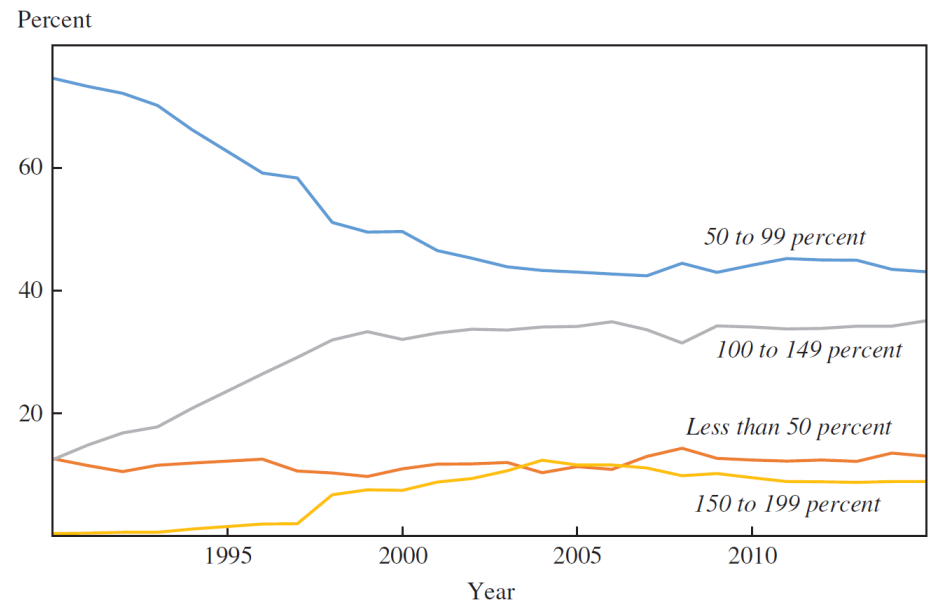
Overtime, greater share of child expenditures are going to earners, those above poverty

(a) Share of total spending, by earning status



Sources: Various administrative sources (see the online appendix); authors' calculations.
a. Programs include SNAP, AFDC/TANF, EITC, and CTC.

(b) Share of total spending, by income



Sources: Various administrative sources (see the online appendix); authors' calculations.
a. Programs include SNAP, AFDC/TANF, EITC, and CTC. The line captions denote family income as a percentage of the supplemental poverty measure.

(2) Evidence on the effects of income on child health and well being

Sources of Evidence:

Earned Income Tax Credit

Food Stamps (CalFresh)

Other Income Interventions

Short Run Effects:

Infant health (at birth)

Child health

Food Insecurity

Human capital

Long Run Effects:

Adult health

Mortality

Human capital and income

EITC: Summary of Research Findings

- MATERNAL AND CHILD HEALTH:
 - Reduction in risky biomarkers and mental health of mothers (Evans and Garthwaite 2014).
 - Improves infant health, including birthweight (Strully et al. 2010) and low birth weight (Baker 2008, Hoynes, Miller and Simon 2015).
 - Lowers non-drug suicides (Dow, Godoy, Lowenstein and Reich 2019)
- CHILD HUMAN CAPITAL:
 - Increase in student test scores (Dahl and Lochner 2012, Chetty, Friedman, and Rockoff 2011)
 - Improves longer run outcomes such as completed education, employment and earnings (Bastian and Michelmore 2018, Manoli and Turner 2018)

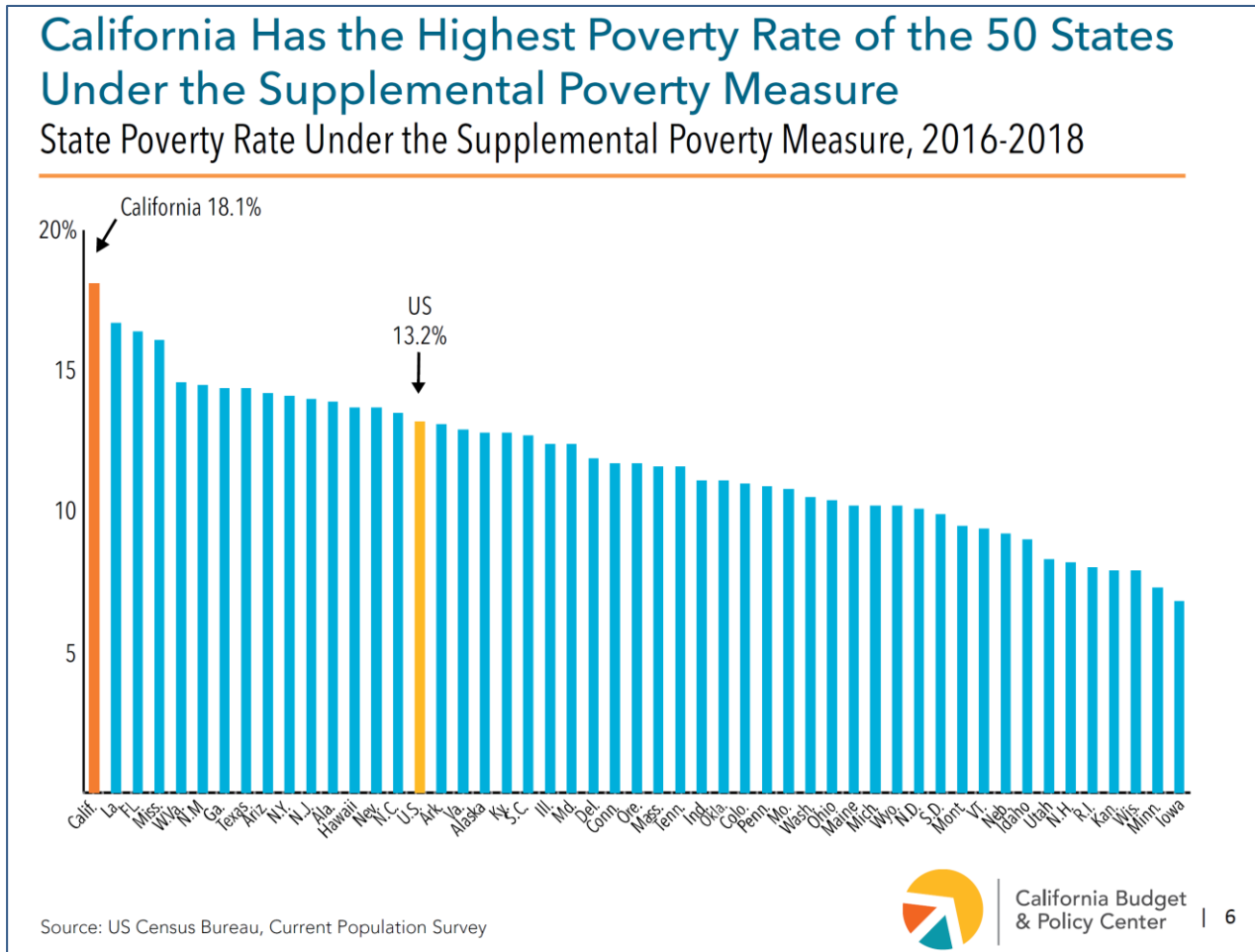
Food Stamps: Summary of Research Findings

- MATERNAL AND CHILD HEALTH:
 - Reduction in food insecurity
 - Improves infant health, including birthweight and low birth weight (Currie and Morretti 2008, Almond, Hoynes and Schanzenbach 2011).
 - Improves self reported health, school attendance and increases regular doctor's visits (East 2020, Bronchetti, Christensen and Hoynes 2019)
- CHILDHOOD EXPOSURE AND ADULT OUTCOMES:
 - Increase in metabolic health (Hoynes, Schanzenbach and Almond 2015)
 - Increases completed education and earnings, reduces adult poverty and (for nonwhite men) reduces incarceration (Bitler and Figinski 2018, Bailey, Hoynes, Rossin-Slater and Walker 2020)
 - Reduces adult mortality (Bailey, Hoynes, Rossin-Slater and Walker 2020)

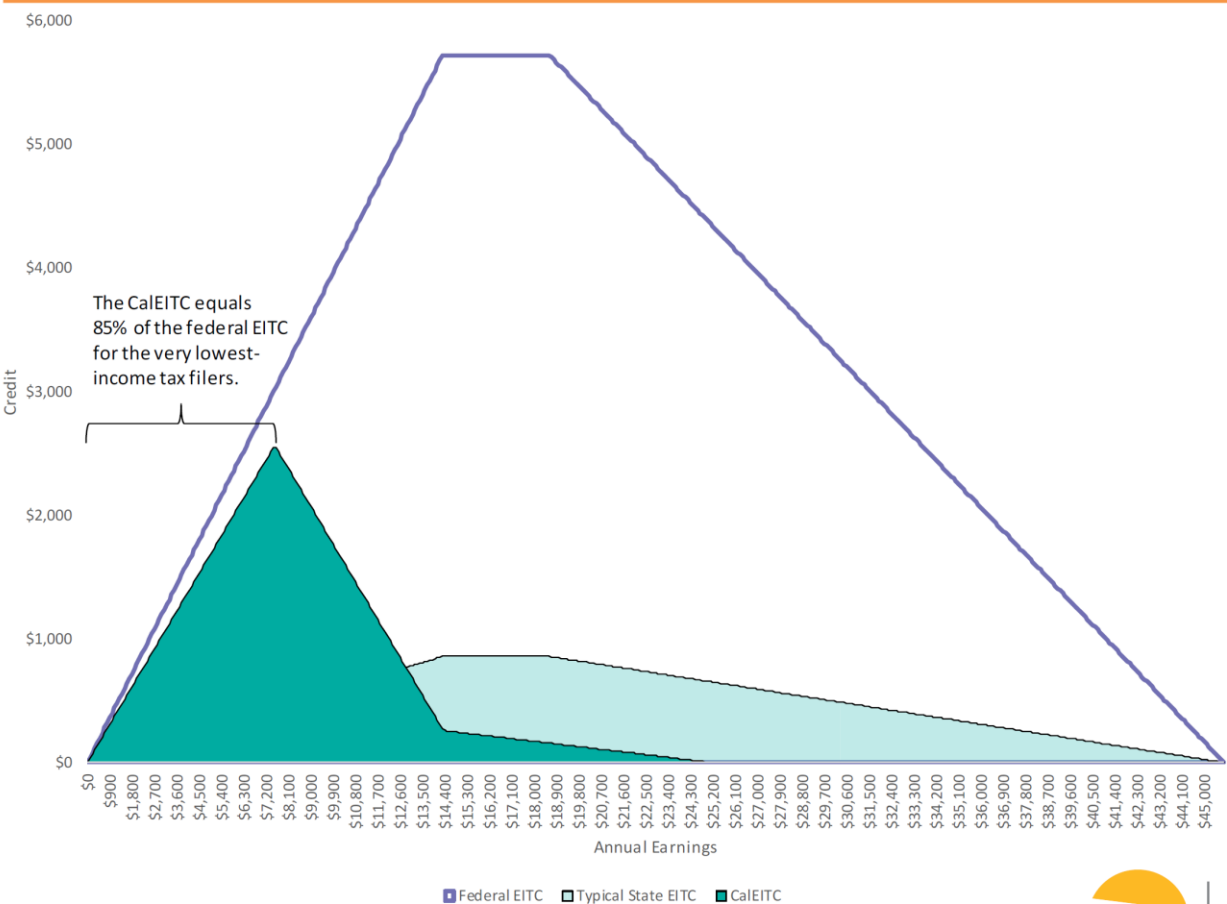
Evidence from other income interventions

- *Negative Income Tax experiments*: found achievement gains for elementary school children (but not adolescents) and increases in enrollment and completed education (Maynard and Murnane, 1979; Maynard, 1977; Venti, 1984)
- *Conditional Cash Transfer experiments (U.S.)*: found minimal improvements in children's health and educational outcomes (Aber et al. 2016, Riccio et al. 2013, Riccio and Miller 2016, Miller et al., 2016)
- *Tribal government UBI*: led to improvement in mental health, reduction in substance abuse, crime, and increase in educational attainment (Akee et al. 2010, 2018; Costello et al., 2010).

(3) California policies for reducing child poverty – Opportunities and Challenges



CalEITC – new state supplement to federal EITC, targeted at lowest earners



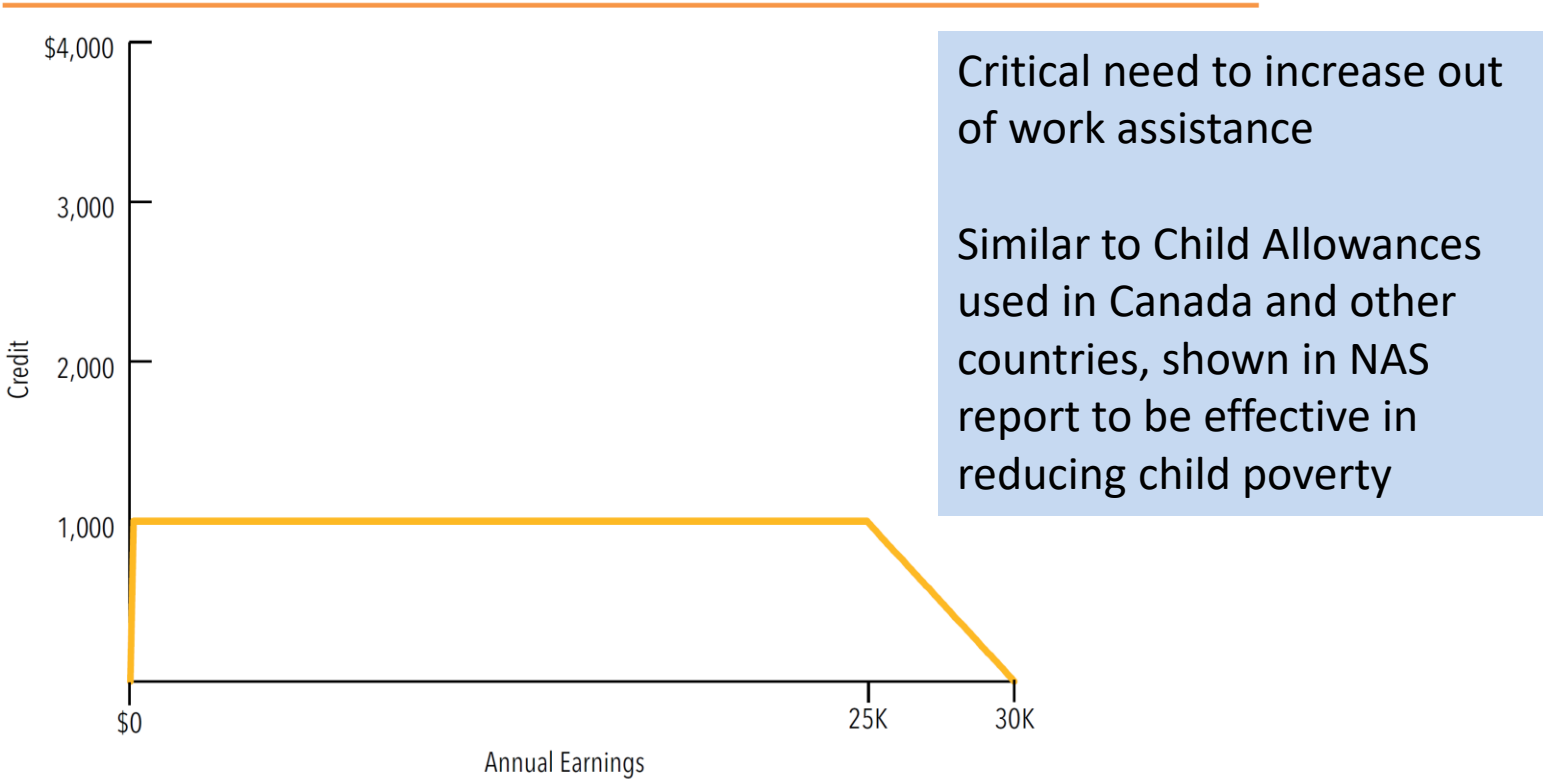
Note: Federal and typical state EITC is for head-of-household filers with two children. CalEITC is for head-of-household and married filing-joint filers with two children.



Young Child Tax Credit, \$1000 if earnings are >\$1

CalEITC-Eligible Families With at Least One Child Under Age 6 Can Qualify for the Young Child Tax Credit (YCTC)

YCTC, Parents With at Least One Qualifying Child Under Age 6, Tax Year 2019



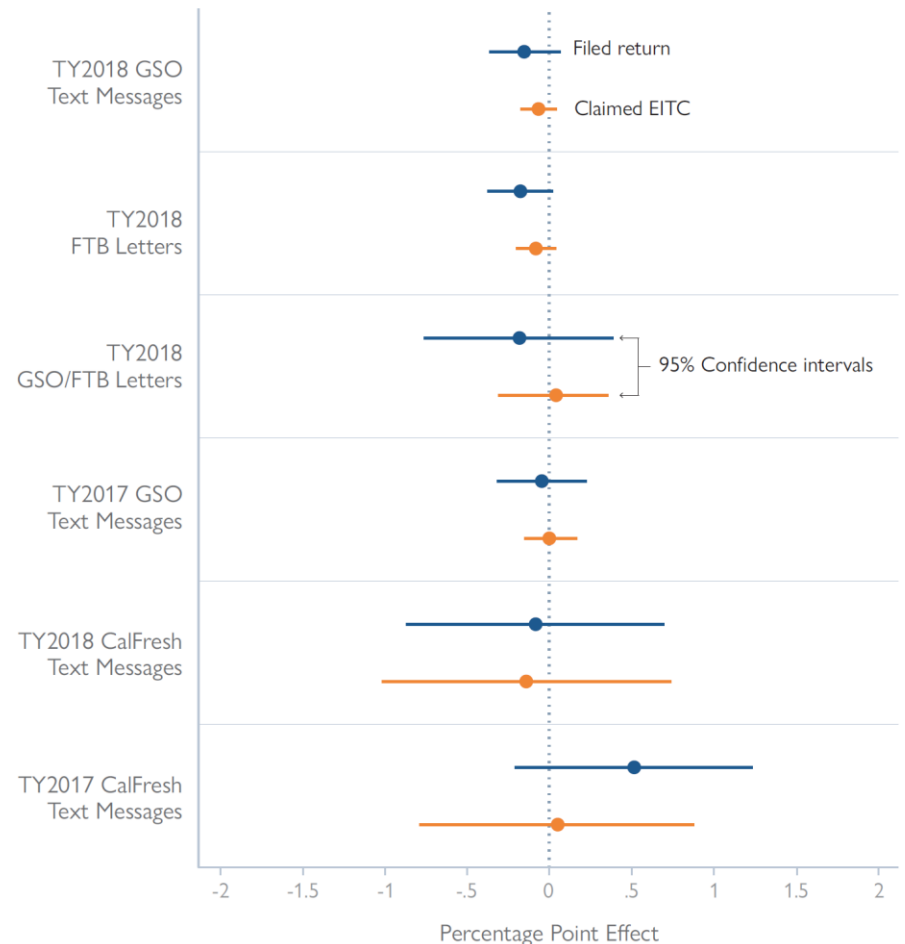
Note: The Young Child Tax Credit is available to claim for the first time in tax year 2019, for which people file in 2020.
Source: Budget Center analysis of Section 17052 of California’s Revenue and Taxation Code



Challenges: For CalEITC & YCTC

- Federal EITC take-up is high (80-85%); BUT many eligible for CalEITC are not tax filers (low earnings) → need to file taxes to get CalEITC and young child credit
- RCT of text message interventions found no impact on tax filing or CalEITC claiming (Linos et al 2020)

FIGURE 3. Estimated treatment effects of CalFresh, FTB, and GSO outreach on tax filing and EITC claiming



Challenges: Federal Assault on SNAP/CalFresh

- Work Requirements (finalized): Lose benefits in any month don't work at least 20 hours/week for ABAWDS
- End broad based categorical eligibility (proposed): eliminates policy allowing states to raise SNAP income eligibility limits to address costly housing or child care expenses and adjust asset limits
- Cut SNAP benefits (proposed): through reducing state flexibility in estimating household utility costs
- Public Charge Rule (finalized): Potential for “chilling effect” and families disenrolling from programs they are eligible for

Summary

- Increasing income and resources to low income families while children are young generates substantial benefits in the short and longer run
- Public investment in income supplements today will yield benefits for families, and the general public
- Research quantifying the health and human capital benefits is still quite recent and we have a lot left to learn