Kathryn Edin
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Co-Director, Center for Research on Child Wellbeing
Princeton University

Community Action Partnership
August 29, 2019
United States
(<= $2 per person, per day)

Source: Authors' analyses of the 1996 through 2008 Panels of the SIPP. The horizontal axis represents approximate years and months of SIPP 4th reference month estimates.
Figure 2: Number of Unique Children in Chronic $2-a-Day Poverty Over the Course of a Calendar Year, 1996, 2005 and 2012

Notes: Data drawn from the 1996, 2004, and 2008 Panels of the SIPP. Calendar-year weights are used. Horizontal axis measures number of unique children; percentages of children and statistical significance at the top of the bars. Income dollars adjusted to January 2011$. A child must be <=18, must have an annual household income <= 150% of the poverty line, and must have low assets to be counted in any $2-a-day poverty group.

Chronic extreme poverty = 7 or more months below a household income of $2 per person, per day

* indicates that the probability of being in extreme poverty is statistically significant different from 1996 at the .05 level or higher
Figure 4: SNAP Households with Children Reporting No Other Source of Income (Administrative Records)

Source: Characteristics of Supplemental Nutrition Assistance Program Households, Fiscal Years 1997-11.
Reports available by year: www.fns.usda/ops/supplemental-nutrition-assistance-program-snap-research
Notes: Estimates from administrative quality control records. These Households report no other countable income. Blue boxes represent comparable estimates from SIPP extreme poverty households.
Food Pantry Utilization Among Families with Children

Note: Different survey screening processes used from 1995-1999 making those years potentially incomparable to later years. 2014 data retrieved from official USDA-ERS Report.
Could we find families like this out there?

How did they end up in $2-a-day poverty?

What were the consequences?

What do they do to survive?

$2 A DAY: Living on Almost Nothing in America
twodollarsaday.com
$2.00 a Day: Three Legged Stool of Causes

- Welfare is Dead
- A Room of One’s Own
- Perilous Work
Welfare: A Shell of Its Former Self

IN 1994, AFDC SERVED

- 14.2 million people
- 9.6 million children
- 4.6 million adults
- 5.5% of Americans
- Roughly two-thirds of poor families

$2 A DAY: Living on Almost Nothing in America
twodollarsaday.com
Welfare: A Shell of Its Former Self

<table>
<thead>
<tr>
<th>IN 1994, AFDC SERVED</th>
<th>TODAY, TANF SERVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ 14.2 million people</td>
<td>▪ 3.6 million people</td>
</tr>
<tr>
<td>▪ 9.6 million children</td>
<td>▪ 2.6 million children</td>
</tr>
<tr>
<td>▪ 4.6 million adults</td>
<td>▪ 980,000 adults</td>
</tr>
<tr>
<td>▪ 5.5% of Americans</td>
<td>▪ 1.1% of Americans</td>
</tr>
<tr>
<td>▪ 68% of poor families</td>
<td>▪ 23% of poor families</td>
</tr>
</tbody>
</table>

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TANF’s Role as a Safety Net Continues to Decline

Number of families receiving AFDC/TANF benefits for every 100 families with children in poverty

Note: TANF = Temporary Assistance for Needy Families, AFDC = Aid to Families with Dependent Children


CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG
Figure 8. Rates of Participation in AFDC/TANF Cash Assistance, Among Those Eligible to Participate, 1981 to 2013

An especially troubling trend is the growing number of states with TPRs of 10 or less. In 2005-2006, Arizona’s TPR dropped almost 20 points and Indiana’s dropped 27 points. (See Figure 3.)

**TANF Provides a Safety Net to a Small Share of Poor Families**

Number of families receiving TANF benefits for every 100 families with children in poverty in 2013-14

- 0-10
- 10-20
- 20-30
- 30-40
- Greater than 40

Note: TANF = Temporary Assistance for Needy Families.
Source: CBPP analysis of poverty data from the Census’ Current Population Survey and TANF caseload data collected by CBPP from state agencies.
Children in SNAP Households with No Cash
(As a Percent of All Children in SNAP)

US National Average: 11.6%

Source: USDA-FNS SNAP QC Data (2016)
Welfare is Dead

- Modonna Harris (Chicago) has heard that “they just aren’t giving that out anymore”

- Travis Compton (Johnson City, TN), when asked if he would apply for TANF, said “What’s that?”

- Rae McCormick (Cleveland) finally applies and is told, “Honey, I’m sorry. There are just so many needy people, we just don’t have enough to go around.”

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Welfare is Dead

A Room of One’s Own

Perilous Work
Work or Welfare?

TANF Receipt and Household Work Effort among Children by Poverty Status, Calendar Year 2012

Notes: Authors’ calculations. Data drawn from the 1996, 2004, and 2008 Panels of the SIPP. Calendar-year weights are used. Horizontal axis measures number of unique children; percentages of children and statistical significance at the top of the bars. Income dollars adjusted to January 2011$. A child must be <=18, must have an annual household income <= 150% of the poverty line, and must have low assets to be counted in any $2-a-day poverty group.

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Perilous Work

**Unstable Jobs**
- Unsafe work condition
- Not enough hours
- Work hours fluctuate
- Labor law violations

**Unstable Personal Lives**
- Volatile living arrangements
- Family and friends can be unsupportive, and even harmful
$2.00 a Day: Three Legged Stool of Causes

Welfare is Dead

A Room of One’s Own

Perilous Work
Housing instability is a hallmark of life

Doubling up can be an important source of support

But for the $2.00-a-Day poor, it too often ends in sexual, physical, or emotional abuse

Jennifer Hernandez’s 9-year old daughter Kaitlin is molested by her uncle. “I never expected that,” Jennifer says

Rae McCormick: “I’ve been beat, I’ve been raped.”
Number of Homeless Students in the U.S.

Source: National Center for Homeless Education, Data Collection Summaries
http://center.serve.org/nche/pr/data_comp.php

Notes: Temporary spike in 2005-06 attributed to Hurricane Katrina. Some changes in data collection may have led to increased counts in 2009-10.
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100 fewer TANF cases in a state in a year
= 14 more homeless students
Years spent in extended kin/non-kin households.....

• Relative to an additional year in a non-doubled-up household, an additional year in an extended kin/non-kin household is significantly associated with 9% lower odds of high school graduation and 8% lower odds of college attendance.

• An additional year in an extended kin/non-kin household is significantly associated with 11% higher odds of obesity.

• Non-significant but positive effects on young adult depression and smoking.

(Harvey, Hope. 2018. “Cumulative Effects of Doubling Up”)
GETTING AWAY FROM SURVEYS: PUBLIC SCHOOL HOMELESS STUDENT COUNTS

In New York City, on available indicators that predicts student success, homeless students perform worse than their housed low-income peers.

**SY 2015-16**

<table>
<thead>
<tr>
<th>Educational Risks</th>
<th>Preferred Direction ▼</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housed</td>
<td>Homeless</td>
</tr>
<tr>
<td>Mid-Year Transfers</td>
<td>7% 22%</td>
</tr>
<tr>
<td>Chronic Absenteeism</td>
<td>19% 34%</td>
</tr>
<tr>
<td>Received IEP Late</td>
<td>13% 41%</td>
</tr>
<tr>
<td>English Language Learner Services</td>
<td>13% 54%</td>
</tr>
<tr>
<td>Suspension</td>
<td>2.4% 3.2%</td>
</tr>
<tr>
<td>Dropout Rate</td>
<td>8% 17%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Educational Outcomes</th>
<th>Preferred Direction ▲</th>
</tr>
</thead>
<tbody>
<tr>
<td>Math Proficiency 3-8th Grade</td>
<td>38% 74%</td>
</tr>
<tr>
<td>ELA Proficiency 3rd-8th Grade</td>
<td>40% 55%</td>
</tr>
<tr>
<td>Graduation Rate</td>
<td>21%</td>
</tr>
</tbody>
</table>

The Work of Survival

- Private charity helps, but is not evenly distributed across the country

- It is common to trade SNAP for cash, at 50 to 60 cents on the dollar

- With the water shut off, Paul Heckewelder (Cleveland) “took the gutter apart, rigged it up over the garbage can” and used rainwater to flush the toilets

- Jessica Compton (Johnson City) donates plasma weekly: “Especially if my iron’s down, I get, like really tired.”
Figure A: US Source Plasma Collections 1999-2016 Compensation of Donors
Figure B: Plasma Center Locations in the United States
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twodollarsaday.com
What does it feel like to be that hungry?

“Well, actually, it feel like you want to be dead. Because it’s peaceful being dead.”

--Tabitha Hicks, 18
American Poverty in Global Perspective

- Some disadvantaged Americans have a life expectancy that parallels that of Lebanon

- For others, life expectancy rivals that in Mongolia

- African Americans face an infant mortality rate comparable to that in Tonga and Grenada

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We live in an America where eviction is a common experience, where the poor sell their blood plasma just to scrape by, fueling a multibillion dollar industry, where infant mortality among the vulnerable ranks with much poorer nations, where we incarcerate those at the bottom at rates unprecedented in human history, and where life expectancy is well below much poorer countries—and falling. We can argue about the causes and consequences of poverty—and what to do about it—but can anyone really argue that we’ve solved it?

--Luke Shaef er--
$2.00 a Day
LIVING ON ALMOST NOTHING IN AMERICA

Kathryn J. Edin & H. Luke Shaefer
What is our charge going forward?
Policy

- All deserve the opportunity to work
- Parents should be able to raise their children in a place of their own
- Work doesn’t always work, we need a cash safety net to catch people when they fall
The Ultimate Litmus Test

The ultimate litmus test we endorse for any reform is whether it will serve to integrate the poor—particularly the $2-a-day poor—into society, rather than isolate them from it.
Extra Slides
Figure 1 Levels of Poverty and Hardship in 2011

Trends in Consumption Poverty, Income Poverty, and Food Insecurity
Figure 2 Percentage Change Since 2000: Official poverty (OPM), supplemental poverty (SPM), Meyer-Sullivan consumption poverty, and food insecurity 1998-2015
<table>
<thead>
<tr>
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<td>OPM</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>SPM</td>
<td>0.93</td>
<td>1</td>
<td></td>
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<tr>
<td>Food insecurity</td>
<td>0.93</td>
<td>0.91</td>
<td>1</td>
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<tr>
<td>Consumption (1980)</td>
<td>-0.67</td>
<td>-0.76</td>
<td>-0.69</td>
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<tr>
<td>Consumption (2015)</td>
<td>-0.61</td>
<td>-0.70</td>
<td>-0.62</td>
<td>0.99</td>
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<td>Did not meet essential household expenses</td>
<td>Difficulty with Rent/Mortgage</td>
<td>Fell behind on utilities</td>
<td>Unmet medical needs</td>
<td>OPM</td>
<td>SPM</td>
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<td>-------------------------------------------</td>
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<tr>
<td>Did not meet essential household expenses</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Fell behind on rent/mortgage</td>
<td>0.95 [0.78]</td>
<td>1</td>
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<tr>
<td>Fell behind on utilities</td>
<td>0.98 [0.9]</td>
<td>0.94 [0.92]</td>
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<tr>
<td>Unmet medical needs</td>
<td>0.93 [0.8]</td>
<td>0.99 [0.99]</td>
<td>0.94 [0.94]</td>
<td>1</td>
<td></td>
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<tr>
<td>OPM</td>
<td>0.91 [0.67]</td>
<td>0.96 [0.96]</td>
<td>0.86 [0.83]</td>
<td>0.95 [0.92]</td>
<td>1</td>
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<tr>
<td>SPM</td>
<td>0.86 [0.71]</td>
<td>0.98 [0.98]</td>
<td>0.84 [0.74]</td>
<td>0.96 [0.97]</td>
<td>0.96 [0.95]</td>
</tr>
<tr>
<td>Food Insecurity</td>
<td>0.91</td>
<td>0.94</td>
<td>0.83</td>
<td>0.9</td>
<td>0.98</td>
</tr>
<tr>
<td>Consumption (1980)</td>
<td>-0.76 [-0.48]</td>
<td>-0.86 [-0.15]</td>
<td>-0.91 [-0.003]</td>
<td>-0.74 [-0.21]</td>
<td>-0.83 [-0.04]</td>
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<tr>
<td>Consumption (2015)</td>
<td>-0.72 [-0.51]</td>
<td>-0.81 [-0.061]</td>
<td>-0.86 [-0.08]</td>
<td>-0.68 [-0.17]</td>
<td>-0.75 [-0.0]</td>
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[1992-2015 in brackets]

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<tr>
<td>OPM</td>
<td>1</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>SPM</td>
<td>0.95</td>
<td>[0.94]</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>UR</td>
<td>0.83</td>
<td>[0.77]</td>
<td>0.85</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Part-time for Economic Reasons</td>
<td>0.95</td>
<td>[0.88]</td>
<td>0.93</td>
<td>0.92</td>
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<tr>
<td>UR - Less than High School</td>
<td>0.81</td>
<td>[0.78]</td>
<td>0.83</td>
<td>0.99</td>
<td>0.91</td>
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<td>1</td>
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<tr>
<td>Consumption (1980)</td>
<td>-0.67</td>
<td>[0.16]</td>
<td>-0.76</td>
<td>-0.48</td>
<td>-0.6</td>
<td>-0.45</td>
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<tr>
<td>Consumption (2015)</td>
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<td>[0.12]</td>
<td>-0.70</td>
<td>-0.41</td>
<td>-0.53</td>
<td>-0.38</td>
<td>0.99</td>
</tr>
</tbody>
</table>
Figure 1
Share of Children Under Half of the Poverty Line Rose After Correcting for Underreporting of Benefits*

*Corrected benefits = Aid to Families with Dependent Children/Temporary Assistance for Needy Families, Supplemental Security Income, and food stamps. Corrections account for the fact that survey respondents do not always report benefits fully.

Identifying the Most Disadvantaged: Preliminary estimates


- To deal with noise in income data in any given year, they average household income reports over two years, and produce descriptive charts that show the smoothed incidence of outcomes over the income distribution.
  - In CPS, for example some households with business income losses in a year appear to be very poor, but average income clears this noise away.

- The current preliminary estimates examining some other characteristics and outcomes among households with children.

- Smoothed lines use the descriptive lowess command.

- Income is computed as a two-year average money income/poverty. So “100” is an income at the poverty line.
In-kind benefits have high rates of coverage at the very bottom.
### Table 3: Material Hardships Among Children by Poverty Status, 2010 (Proportions)

<table>
<thead>
<tr>
<th></th>
<th>Higher Income</th>
<th>Other Low-Income</th>
<th>$2-a-Day Poverty</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Residential Instability</td>
<td>9.0%</td>
<td>13.2%</td>
<td>22.9%*</td>
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<tr>
<td>Housing Problem</td>
<td>10.8%</td>
<td>20.4%</td>
<td>19.0%</td>
</tr>
<tr>
<td>Food Insecure</td>
<td>9.2%</td>
<td>24.4%</td>
<td>28.1%*</td>
</tr>
<tr>
<td>Medical Hardship</td>
<td>6.7%</td>
<td>14.0%</td>
<td>19.7%*</td>
</tr>
<tr>
<td>Any of these Hardships</td>
<td>27.9%</td>
<td>48.6%</td>
<td>59.0%*</td>
</tr>
</tbody>
</table>

Notes: Authors' calculations. Data from the 2008 Panel of the SIPP. Calendar year weights used. Income dollars adjusted to January 2011$. Material Hardship outcomes merged in from wave 6 of the 2008 SIPP panel. A child's annual household income must be $<=150% of the poverty line and have low assets to be counted in the $2-a-day poverty group. Because of small sample size, adjustment using the svy routine could not be done. Statistical significance based on an unadjusted regression with indicators for low-income and "$2-a-day poverty". Findings substantively similar for 2011 as well. All $2-a-day poverty estimates are statistically significantly different from higher income children. * indicates statistically significantly different from other low-income children at the .05 level of greater. + indicates significance at the .10 level.