

Policy Solutions to Reduce Child Poverty

Washington Child Benefits Feasibility Study



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Executive Summary

Key findings

- There is no single solution to reducing child poverty, but our analysis finds that a child allowance is the most likely policy to meaningfully reduce child poverty in Washington, either structured as a tax credit or as a basic income. Both would also reduce racial and ethnic disparities in child poverty and its consequences.
- A tax credit approach is our top ranked policy as we found it to be easier to implement, more likely to be politically feasible, and likely lower cost to administer than a basic income child allowance.
- Because of their large benefit amounts, both child allowance programs are substantially more costly than a universal baby box program or the status quo safety net, but the latter are unlikely to meaningfully reduce child poverty.

Background

As of 2023, one in eight Washington children lives in poverty. Racial and ethnic minority children are more likely to grow up in poverty in Washington compared to white children. There is overwhelming evidence that poverty in childhood negatively impacts children's near-term health and wellbeing and can cause harm that lasts into adulthood. Relatedly, investments in childhood economic security have substantial societal returns on investments. Children who have benefited from early investments in their wellbeing become adults with better health outcomes, higher educational attainment, increased workforce participation and productivity, and reduced benefits utilization. The evidence suggests that early investments pay dividends.

Policy Options to Reduce Child Poverty

Washington legislators and government officials have shown substantial commitment to reducing poverty in the state. The state legislature passed a proviso to conduct a feasibility analysis on policy options to reduce child poverty and produce recommendations on avenues of policy reform. It focuses specifically on reducing child poverty through approaches that align with the policy options put forth in the legislative proviso, listed below. We compare three policy options against the status quo to assess their feasibility and usefulness as an addition to the safety net.

Status Quo Safety Net

- Federally or state-funded programs relevant to addressing child poverty, including cash assistance (e.g., the EITC and TANF), food assistance (e.g., SNAP, WIC).

Tax Credit Child Allowance

- The tax credit child allowance is a lump sum benefit per child, distributed annually via the tax system, with no earnings requirement.

Basic Income Child Allowance

- The basic income child allowance is an unconditional and unrestricted per child benefit paid out multiple times per year.

Universal Baby Boxes

- The baby box is a box given to new parents that contains many infant care items, such as clothing, blankets, towels, bibs, diapers, toys, or nursing pads.






Methods

This study used a policy analysis framework to analyze the feasibility of the four policy options to reduce child poverty. Results are synthesized across a literature review; interviews with experts from relevant backgrounds working internationally, nationally, and within Washington; and a review of published program documents and Washington legislation. Policies were evaluated using criteria in Exhibit ES.1, which represent key facets in the likelihood of a given policy’s adoption and success. We assessed each policy independently using these criteria, then comparatively ranked the policies according to how well they met the overall objective of reducing child poverty in Washington State.

Results

The table below shows the results of our policy analysis, with criteria scores and overall policy ranking.

Exhibit ES.1. Policy Matrix Scoring Alternatives by Evaluative Criteria

		 Impact on Child Poverty	 Implementation Feasibility	 Political Feasibility	 Effect on Equity	 Cost
Status Quo	4 TH	LOW	HIGH	HIGH	LOW	LOW
Tax Credit Child Allowance	1 ST	HIGH	MEDIUM	MEDIUM	HIGH	HIGH
Basic Income Child Allowance	2 ND	HIGH	MEDIUM-LOW	LOW	HIGH	HIGH
Universal Baby Boxes of Concrete Goods	3 RD	MEDIUM	LOW	MEDIUM-HIGH	MEDIUM	MEDIUM

This study is the latest of many efforts aimed at reducing poverty in Washington and builds on prior initiatives. Despite substantial and ongoing efforts, child poverty remains a pressing issue. This report assesses the feasibility of several policy approaches to combat child poverty within Washington’s unique context. We also present eight key recommendations based on our analysis, offering guiding principles that policymakers can apply when designing and evaluating future programs. We believe the analysis and recommendations in this report can be useful in considering anti-poverty policies beyond those explored in this report. It is our hope that the findings from this analysis lead to and inform a rigorous and ongoing debate in Washington’s journey to reduce child poverty.

Benefits should be as generous as possible and come with minimal use restrictions

When targeting policies, focus on those who stand to benefit the most.

Use a broad definition of poverty.

Streamline benefits access by improving data systems, consolidating applications, and minimizing burdens.

Reduce program benefits gradually to prevent sudden eligibility drop offs and avoid interactions with other benefits

Engage both the communities most affected and policy experts in the design of new policies.

Maximize flexibility when crafting legislation for new policies and ensure consistency of funding.

Prioritize community outreach and invest in support services to ensure program success.