



MANY OF THE KIDS ARE NOT ALRIGHT: MATERIAL HARDSHIP AMONG CHILDREN IN THE UNITED STATES

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OVERVIEW

According to the most recent data available from the nationally-representative Survey of Income and Program Participation (SIPP), as of 2011, 38.4% of children lived in households reporting at least one form of material hardship, such as food insecurity, inability to pay essential household bills, inability to access medical care due to cost, or substandard and overcrowded housing. This is well above the rate considered to be in poverty by official estimates (17.5% as of 2017). Children were more likely to live in households experiencing material hardship than working age adults, and were two to four times more likely to be in households reporting material hardship than seniors. This is true for every form of hardship examined, as well as for the depth of hardship. Among children, racial disparities in rates of material hardship are stark. Among Black and Hispanic children, half lived in households that report material hardship, whereas rates among white and Asian children were under 30%.

THE SURVEY OF INCOME AND PROGRAM PARTICIPATION (SIPP) IS A NATIONALLY REPRESENTATIVE SURVEY CONDUCTED BY THE CENSUS BUREAU. THE SIPP WAS DESIGNED TO HELP RESEARCHERS UNDERSTAND THE ECONOMIC LIVES OF AMERICANS, PARTICULARLY THOSE AT THE BOTTOM OF THE ECONOMIC LADDER. IT IS THE ONLY NATIONALLY REPRESENTATIVE SURVEY WITH A FULL SUITE OF MATERIAL HARDSHIP MEASURES.¹

WHAT IS MATERIAL HARDSHIP?

The official way to measure poverty in the United States is through income poverty. The idea behind such a measure is that if you determine how much money flows into a household, you can assess whether or not the household is able to meet basic needs. All income-based poverty measures contain within them a quiet imperative: that the income of a given poverty line *should* be sufficient for a household to meet their material needs.



CHILDREN ARE 2.6 TIMES
AS LIKELY TO LIVE IN A HOUSEHOLD
WITH ANY HARDSHIP
COMPARED TO SENIORS



CHILDREN ARE 2 TIMES
AS LIKELY TO LIVE IN A HOUSEHOLD
WITH ONE HARDSHIP
COMPARED TO SENIORS



CHILDREN ARE 3.8 TIMES
AS LIKELY TO LIVE IN A HOUSEHOLD
WITH MULTIPLE HARDSHIPS
COMPARED TO SENIORS

That the child poverty rate is high in the United States based on income measures is a well-known and documented fact. The Census Bureau reports that 17.5% of children lived in households below the official poverty line in 2017, while the Supplemental Poverty Rate for children was 15.6%.² A relative poverty measure commonly used for international comparisons finds the U.S. has a child poverty rate of 20.9%, higher than Canada (14%) or the United Kingdom (12%), and more similar to Chile (21%) and Mexico (19.7%).³

Yet all of these estimates rely on family income, an outcome that scholars have long understood as an imperfect measure of well-being, and far from perfectly measured in household surveys.⁴ Some have sought to account for the shortcoming of income data by making statistical adjustments, but such adjustments themselves are subject to substantial measurement error.⁵ Measuring expenditures might be a reasonable alternative to income, however, scholars are not in agreement as to the reliability of available consumption data or the treatment of consumption, in part due to rising debt among the poor.⁶

An alternative way of looking at well-being is from the perspective of material hardship. First developed by Mayer and Jencks,⁷ this approach dispenses with proxies like income and instead seeks to directly measure the material well-being of households. The intuition behind material hardship is straightforward: when demands on a household's resources (income, savings, credit, favors, social assistance benefits, and so on) exceed available resources, the result is some form of material hardship. While income poverty and material hardship are correlated, the majority of those reporting material hardship are found above the poverty line.⁸ As the literature on material hardship has developed, four broad categories of hardship have emerged:⁹ food hardship, fiscal hardship, health hardship, and housing hardship.



IN THIS STUDY

FOOD HARDSHIP is measured using a shortened version of the USDA's food insecurity module. A household is marked as food insecure if they report at least two of these five problems: 1) food just did not last and they did not have money to get more, 2) could not afford balanced meals, 3) cut the size of meals or skipped meals because there was not enough money for food, 4) ate less than they thought they should because they could not afford food, or 5) did not eat for a whole day because there was not enough money for food.

FISCAL HARDSHIP is measured by questions which ask if a household 1) was unable to pay essential expenses, 2) missed a rent or mortgage payment, 3) missed a utility bill, or 4) had the phone disconnected due to nonpayment. Households that reported any of these hardships are counted as experiencing fiscal hardship.

MEDICAL HARDSHIP is measured by whether or not a household reported being unable to see a doctor or a dentist when needed because of cost.

HOUSING HARDSHIP is measured by questions regarding housing quality and overcrowding. Households are asked about seven dimensions of housing quality: 1) problems with pests such as rats, mice, or roaches, 2) leaking roof or ceiling, 3) windows with broken glass or that cannot be shut, 4) exposed electrical wires, 5) plumbing problems such as a toilet or hot water heater that does not work, 6) holes or cracks in the walls or ceiling, 7) holes in the floor big enough for someone to catch their foot on. A household is marked as having poor housing quality if they respond affirmatively to three or more of these seven issues. Overcrowding is defined as having more than 1.5 people per room in a household.¹⁰ We mark a household as experiencing housing hardship if they report either poor housing quality or overcrowding.

MEASURING HARDSHIP

Some of these measures reflect direct hardship, like food insecurity, while some may be considered forms of indirect hardship (falling behind on essential expenses). A challenge with household survey data is that the most direct forms of hardship are difficult to measure. For instance, individuals must be found in households to be interviewed for most surveys, which makes it difficult to get an accurate count of evicted households. Similarly, it is more challenging for survey teams to speak with households that have had power or telephone shutoffs. But even the most indirect measure of hardship—an inability to pay essential expenses—speaks to such a mismatch between household resources and the demand on those resources that items like medicine or child

care go unpurchased or unpaid. In addition, recent research finds that questions such as these are strongly associated with poor health and well-being outcomes.¹¹

By definition, material hardship is measured at the household level. These measures cannot tell us if the bulk of the hardship is borne by the child or someone else in the household, as in the case of medical hardships or food hardship. Others are clearly more evenly distributed, such as housing hardships or fiscal hardships. But even if some hardships are borne entirely by the adults in the household, that still means these children are growing up with parents who are not eating enough food, or unable to see a doctor, or simply don't have enough money to cover essential expenses. That sort of scarcity can easily permeate the entire household, impacting children in multiple ways, both directly and indirectly.¹²

MATERIAL HARDSHIP AMONG CHILDREN COMPARED TO OTHER AGE GROUPS

Table 1 reports hardship by type and depth of hardship by age group.

- 38.4% of children lived in a household reporting some form of material hardship in 2011, compared to 31.1% of working age adults and 14.8% of seniors.
- Children also lived in households with a greater depth of hardship. Among seniors, only 5% experienced hardship in more than one category, compared to 18.9% of children, an incidence that is nearly four times greater. This basic pattern of higher hardship rates for children and lower rates for seniors is consistent across all categories of hardship and across the component questions that make up each category of hardship.
- 15.4% of children live in food insecure homes compared to 5.8% of seniors. Fiscal hardship is 20 percentage points higher for children than seniors. Health hardships are more than double, and housing hardships are four and a half times as likely for children than seniors.

The OPM poverty rate and SPM poverty rate also vary by age group. Using the OPM, in 2011 children had the highest poverty rates at 22.3% and seniors the lowest at 8.7%. Using the SPM, children only had a slightly higher poverty rate of 18.1% compared to 15.1% for seniors. In making comparisons of rates of hardship versus poverty rates, we find that hardship rates are higher than either OPM or SPM would suggest, that is, a much larger fraction of the population reports material hardship than is estimated to be in poverty. In addition, the differences between the highest hardship group (children) and the lowest (seniors) mirror those found in the OPM much more closely than the SPM, and while seniors and working-age adults have

TABLE 1: POVERTY AND HARDSHIP BY AGE GROUP, 2011¹³

CATEGORY	UNDER 18	18-64	65+	TOTAL
Official Poverty Rate	22.3%	13.7%	8.7%	15.1%
Supplemental Poverty Rate	18.1%	15.5%	15.1%	16.1%
ANY HARDSHIP	38.44%	31.14%	14.78%	30.81%
One hardship category	19.51%	16.30%	9.78%	16.24%
Two hardship categories	11.68%	9.10%	3.15%	8.96%
Three or more hardship categories	7.25%	5.74%	1.86%	5.61%
FOOD HARDSHIP	15.37%	12.46%	5.77%	12.31%
Food didn't last and could not afford more	18.52%	14.99%	7.55%	14.90%
Could not afford to eat balanced meals	16.03%	13.71%	7.29%	13.44%
FISCAL HARDSHIP	28.03%	21.57%	8.10%	21.41%
Unmet essential expenses	23.12%	17.76%	6.87%	17.66%
Unpaid rent or mortgage	13.08%	9.43%	2.00%	9.36%
Unpaid utility bill	16.70%	12.05%	3.63%	12.11%
Telephone disconnected due to nonpayment	6.41%	4.43%	0.99%	4.47%
HEALTH HARDSHIP	14.76%	14.14%	6.31%	13.26%
Unable to see doctor	9.13%	9.09%	3.11%	8.31%
Unable to see dentist	11.88%	11.22%	5.06%	10.57%
HOUSING HARDSHIP	7.48%	4.20%	1.66%	4.69%
Housing quality	2.44%	1.98%	1.07%	1.98%
Overcrowding	5.30%	2.34%	0.62%	2.86%
POPULATION SHARE	25.19%	61.56%	13.26%	100%

Source: Author's estimates from the SIPP. Standard errors available by request.

roughly equivalent SPM rates, working-age adults report hardship rates that are roughly twice as high.

Table 2 reports material hardship rates for children in households, broken down by race and ethnicity.

- Across the board, white and Asian children have the lowest rates of hardship.

TABLE 2: HARDSHIP AMONG HOUSEHOLDS WITH CHILDREN BY RACE

CATEGORY	WHITE	BLACK	ASIAN	OTHER	HISPANIC	TOTAL
Income poor (OPM) ¹⁴	12.98%	39.34%	8.62%	25.10%	33.18%	21.79%
Any hardship category	29.13%	52.11%	24.60%	47.25%	52.20%	38.44%
One hardship category	15.51%	25.27%	15.71%	22.27%	25.37%	19.51%
Two hardship categories	8.54%	16.97%	6.31%	13.89%	16.21%	11.68%
Three or more hardship categories	5.08%	9.86%	2.57%	11.08%	10.62%	7.25%
Food hardship	10.37%	23.92%	6.73%	22.64%	21.74%	15.37%
Fiscal hardship	22.46%	42.02%	14.52%	33.58%	33.60%	28.03%
Health hardship	12.45%	16.16%	9.41%	19.16%	19.17%	14.76%
Housing hardship	3.03%	7.69%	6.32%	10.34%	17.19%	7.48%
POPULATION SHARE	54.26%	13.71%	3.59%	4.83%	23.61%	100%

Source: Author's estimates from the SIPP. Standard errors available by request.

TABLE 3: HARDSHIP AMONG CHILDREN BY HIGHEST EDUCATION IN HOUSEHOLD

CATEGORY	< HS	HS	SOME COLLEGE	BA	BA+	TOTAL
Income poor (OPM)	62.26%	37.16%	22.01%	6.42%	2.79%	21.79%
Any hardship category	56.68%	54.49%	44.96%	23.34%	13.17%	38.44%
One hardship category	23.71%	25.44%	22.34%	14.70%	9.32%	19.51%
Two hardship categories	17.82%	18.37%	13.97%	6.02%	2.17%	11.68%
Three or more hardship categories	15.14%	10.68%	8.66%	2.63%	1.69%	7.25%
Food hardship	28.31%	23.31%	17.51%	7.39%	4.44%	15.37%
Fiscal hardship	40.59%	38.84%	34.65%	15.91%	7.80%	28.03%
Health hardship	22.03%	19.04%	18.28%	8.46%	5.35%	14.76%
Housing hardship	17.80%	14.70%	6.75%	3.03%	1.29%	7.48%
POPULATION SHARE	7.58%	18.51%	38.39%	20.82%	14.70%	100%

Source: Author's estimates from the SIPP. Standard errors available by request.

- Black and Hispanic children have the highest rates of material hardship, with half of children in households reporting material hardship.
- On every single measure, hardship rates for Black children are at least 1.3 times higher than those of white children.
- On two measures, food hardship and housing hardship, they are more than twice as high. In terms of depth of hardship, 13.6% of white children live in households reporting multiple

hardship categories, while the rate is roughly twice that for Black and Hispanic children.

Table 3 reports material hardship for children by the highest educational attainment of any individual in a household.

- As would be expected, the greater the educational attainment, the lower the hardship.
- A majority of children in households where the highest

level of education is a high school degree or less reported hardship, and the rate was not that much lower for those in households with some college.

- The overall hardship rate does not begin to dramatically fall until the BA category, and particularly those with education beyond a four-year degree. However, nearly two-thirds of children fall outside of these well-educated households.

POLICY IMPLICATIONS

Poverty measurement scholars have and continue to debate the best ways to measure poverty, which has implications for our understanding of the well-being of people. Yet some data allows analysts and policymakers to circumvent questions of the *quiet imperative* (scholars deeming what *should* be enough to meet essential expenses) through measures that examine well-being directly. These measures themselves have strengths and weaknesses, yet they provide an alternative, and perhaps even offer a mode of assessing the external validity of more traditional poverty measures.

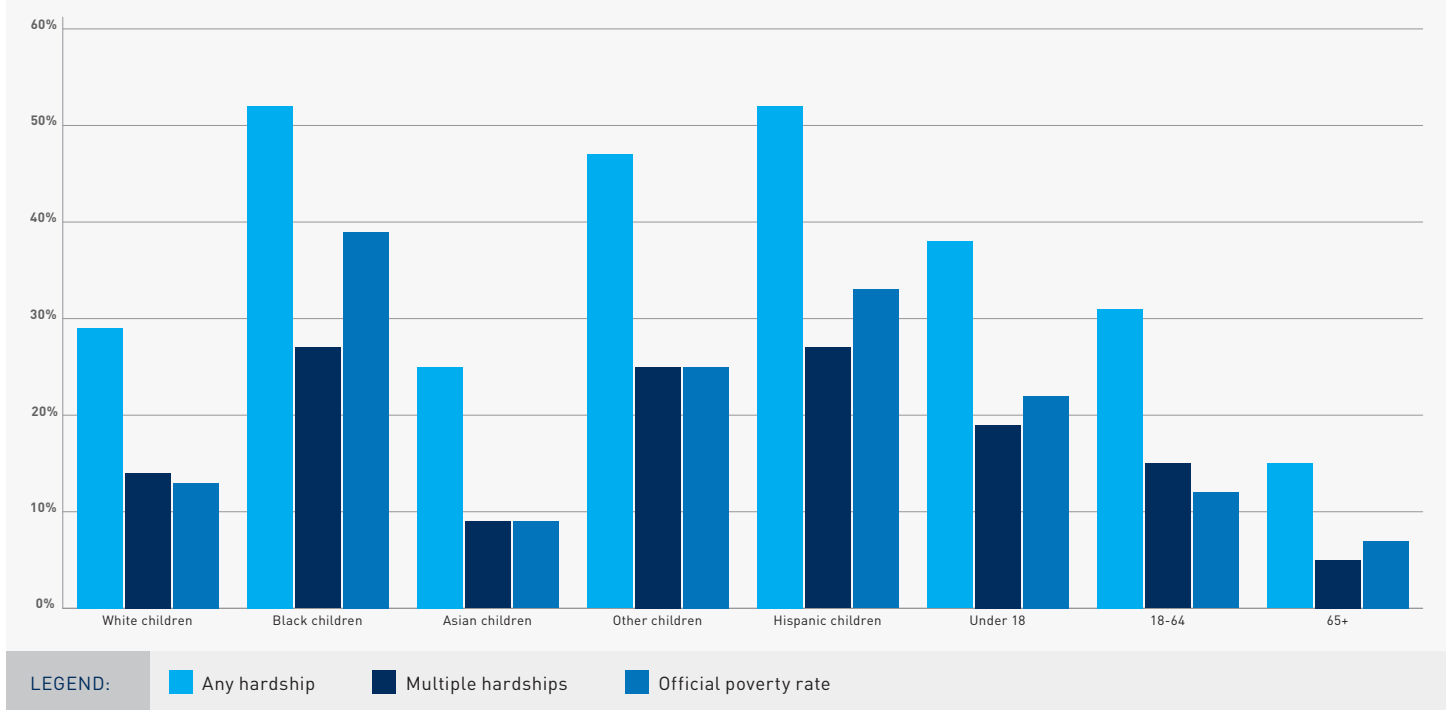
Using hardship data, we conclude that the fraction of the population that report material hardship is much higher than the fraction considered to be in poverty by official estimates (see Figure 1). We further conclude that children live in households that report the highest rates of hardship, while seniors report

the lowest. The findings here suggest that material hardship is a major social problem for children in the United States, especially Black and Hispanic children, one out of every two of whom lived in a household reporting some form of material hardship in 2011.

In terms of relatively low rates of hardship reported by seniors, it is possible that they are better off than children for reasons related to stage in the life: They have largely finished raising children, are often retired, and may have savings and assets upon which to draw in order to meet their needs. However, seniors also have the most universal and robust social protections in American society in the form of a government-run health insurance program (Medicare) and a guaranteed income program (Social Security). These robust programs were initially established because of extremely high poverty rates among seniors (during the Great Depression) and a collapsing private health insurance market (in the 1960s). Together, these two social insurance programs have dramatically reduced income poverty among seniors since the middle 20th century, and their low rates of material hardship are likely at least in part a testament to successful social policy.

If policymakers want to target new resources to groups to alleviate hardship, they should look to working-age adults and especially children.

FIGURE 1: POVERTY AND HARDSHIP BY SUB-GROUP



- **EXPAND PROGRAMS TO MEET THE NEEDS OF CHILDREN IN NEED.** One approach to meet the needs of the children highlighted above would be to expand existing programs both in their targeting (broaden to capture all children in need) and increase their level of support. This would be expanding both the scope and depth of publicly-funded programs that help families pay for food, health care for children, rent, and energy bills. Yet the current analysis might suggest that a more effective approach might seek to mirror the structures put in place for seniors, which are more universal and rely more on cash transfers.
- **INTRODUCE A CHILD ALLOWANCE.** A recent report from the National Academy of Sciences highlighted a variety of paths forward for reducing child poverty, including packages of policies that include the introduction of a child allowance.¹⁵ A child allowance, sometimes delivered in the form of a universal child tax credit, is a cash supplement given to all families with children to help them meet their needs. Such programs are commonplace in other advanced, wealthy countries but not historically a part of the U.S. social safety net.¹⁶ A truly universal child allowance may potentially reduce this racial gap in hardship rates, in contrast to earlier episodes of American welfare state expansion which widened such gaps.¹⁷
- **EXPLORE A SUITE OF EARLY CHILDHOOD PROGRAMS.** The People’s Policy Project recently released a report outlin-

ing a full suite of pro-family policy changes that could be made to improve the material conditions of all families. This approach includes creating universal child care and pre-k programs, a universal children’s health insurance program, free school lunches, a child allowance, and other policies such as the “baby box,” and paid parental leave.¹⁸ This approach moves beyond expanding means tested programs or generating a new income support programs and more fully envisions American families enjoying the type of social safety net found in other affluent societies.

- **CONSIDER TAX-EXEMPT SAVINGS PROGRAMS FOR CHILDREN.** In contrast to policies and programs which aim to supplement income or provide direct goods and services, some scholars have called for a universal system of “baby bonds” in order to help close the racial wealth gap.¹⁹ Such an approach could, over the long haul, address the hardship gaps identified above in a way that is more durable to shifting political priorities.

These estimates of hardship indicate that whatever progress has been made in improving the well-being of children since the start of the War on Poverty, a large fraction of them—more than one-third—still reside in households that experience hardship. Indeed, 18.6% report hardships in multiple categories. However far we have come as a nation, we have a long way to go.

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ENDNOTES

- 1 The data in this brief comes from wave 9 of the 2008 panel of the Survey of income and Program Participation (SIPP), the most recent nationally-representative data on a series of material hardship outcomes. This survey is a longitudinal survey conducted by the US Census Bureau and is representative of the civilian, non-institutionalized population. SIPP data is freely available to the public from the US Census Bureau or the National Bureau of Economic Research. This sample contains 82,260 respondents and was collected in 2011. Because the data in this sample were collected during the immediate aftermath of the Great Recession we would expect that hardship rates would be a bit lower today than in 2011. Unfortunately, these material hardship measures were deleted from the SIPP in the 2014 re-design.
- 2 Fox, Liana 2018
- 3 OECD 2019
- 4 Mayer and Jencks 1989
- 5 Stevens, Fox, and Heggeness 2018
- 6 Seefeldt 2015; Shaefer and Rivera 2018
- 7 Mayer and Jencks 1989
- 8 Rodems 2019
- 9 Heflin, Sandberg, and Rafail 2009
- 10 Blake, Kellerson, and Simic 2007. For example, a family of five living in a two bedroom home with a kitchen, and a living room, is not overcrowded because there are 4 rooms total and five people (respondents are instructed not to count bathrooms in the room total), or 1.25 people per room. A family of 6 living in the same four room home would count as overcrowded.
- 11 Sandel et al. 2018
- 12 Mullainathan and Shafir 2014
- 13 Official Poverty Rate and Supplemental Poverty Rate figures come from Short (2011)
- 14 OPM estimates in Table 2, Table 3, and Figure 1 are authors' estimates from the SIPP
- 15 Committee on Building an Agenda to Reduce the Number of Children in Poverty by Half in 10 Years et al. 2019
- 16 Shaefer et al. 2018
- 17 Rodems and Shaefer 2016
- 18 Bruenig 2019
- 19 Hamilton and Darity 2010