

Impact of Poverty on Child Health and Well-Being

Health and Policy Context

Poverty underlies many of the [drivers of health](#) and is the most significant [driver](#) of health. Families who experience [poverty](#) may face material hardship (e.g., substandard housing and [homelessness](#), insufficient nutritious food) and high levels of [stress](#)—both of which can profoundly [impact](#) child health and well-being across the lifespan. Experiencing poverty during the prenatal period or during childhood can impact physical and mental health and development. In 2023, the overall poverty rate in the U.S. was [12.9%](#), and the child poverty rate was 13.7%.^{1,2}



There are many [federal anti-poverty programs](#)—including several tax credits like the [Child Tax Credit](#) (CTC) and the [Earned Income Tax Credit](#) (EITC), which have historically garnered bipartisan support—that can help support children and families experiencing poverty.

- **CTC.** Established through the Taxpayer Relief Act of 1997 ([P.L. 105-34](#)), the CTC provides a tax credit to eligible families with children. The [amount](#) of the credit is determined by household income, marital status, and number of dependent children. Subsequent [legislation](#) has changed the value and income thresholds for the credit. The Tax Cuts and Jobs Act of 2017 (TCJA) ([P.L. 115-97](#)) doubled the credit to \$2,000 and allowed a refundable amount of up to \$1,400 per child. It also introduced phase out thresholds and rates for higher-income taxpayers. However, the act will expire on December 31, 2025. Most recently, during the COVID-19 pandemic, the American Rescue Plan Act of 2021 ([P.L. 117-2](#)) temporarily increased the CTC from \$2,000 to \$3,600 per child for children under 6 and \$3,000 per child for children ages 6–17. The [credit](#) was made fully refundable and was not limited by the taxpayer’s income tax liability. This expansion expired at the end of 2021. Congress may consider extending the credit enhancements passed in TCJA.
- **EITC.** The EITC was first enacted temporarily as part of the Tax Reduction Act of 1975 ([P.L. 94-12](#)) to provide a [tax credit](#) to [low- to moderate-income](#) working families with children. To be [eligible](#) to receive the EITC, a household must have earned income (i.e., income from work) and meet income limits. Since 1975, Congress has made several amendments, including adjusting the credit amount for family size.³ The [American Rescue Plan Act](#) temporarily [expanded](#) the EITC through the [2021 tax year](#) by expanding the credit for [childless adults](#) and reducing the minimum eligibility age for most adults.^{4,5} In its current state, the [EITC](#) provides a tax credit to qualifying low- to moderate-income workers and families, with the [credit](#) amount determined by income, number of children, and marital status. The amount of the credit [increases](#) as income increases, and gradually decreases once families reach a certain income threshold.

Both the CTC and EITC have been strong factors in reducing poverty for children. For instance, child poverty was cut in [half](#) after the most recent expansion of the CTC. A National Bureau of Economic Research [study](#) found that CTC recipients spent extra money primarily on housing and food. Furthermore, [Census data](#) show that the EITC lifts about 5.6 million people above the poverty line, including nearly 3 million children.

This brief lays out evidence on how poverty impacts child development, health, and well-being.



Well Beyond Medicine

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Families experiencing *poverty* may lack access to basic *necessities* (e.g., *nutritious foods*; high-quality and stable *housing*; affordable, safe, and reliable *transportation*) and experience *elevated stress levels*. Lacking access to basic necessities and experiencing toxic stress can negatively impact *health*, *developmental* and other *outcomes* (e.g., educational and economic outcomes).⁶

Access to Health Care

For children and families with low to moderate incomes, access to health care may be challenging due to *uninsurance*, *underinsurance*, or the *high cost of health care*, even with insurance. Children who are *uninsured* or *underinsured* may not receive medically necessary care due to financial strain on the family.

Maternal Health and Birth Outcomes

Poverty can impact the health of *pregnant women* and *infants*.^{7,8} Due to the *stressors* associated with poverty (e.g., inconsistent income, food and housing insecurity), pregnant women experiencing poverty may have heightened cortisol levels – a stress response *hormone* linked to preterm birth. *Preterm birth* is associated with *low birth weight*, which can affect a child's immune system and increases the risk of chronic diseases later in life (e.g., diabetes, heart disease). Furthermore, infants born *preterm* experience a higher rate of breathing, vision, hearing, and feeding problems, as well as cerebral palsy and developmental delays. Heightened cortisol levels during the prenatal period can also impact *fetal brain development*, which can lead to *hypersensitivity* to *stress* later in life.

Promoting Resilience to Improve the Health and Well-Being of Low-Income Children

Evidence suggests that lifting children out of poverty can improve child *health* and well-being, including improving *physical*, *emotional*, and behavioral health outcomes as well as *educational* outcomes. Furthermore, *research* demonstrates that psychological and/or physical *resilience* – which can be promoted through positive *relationships* between children and *caretakers*, other adults in their lives (e.g., teachers, other role models), and peers – can temper the impact that poverty can have on children's health and well-being.

Chronic Diseases and Conditions

- **Asthma and Respiratory Disease.** Children living in poverty are at an elevated risk for *asthma*, which may be attributable to exposure to harmful environmental factors including *air pollution* or *poor housing* conditions. Other *factors* that can increase the risk of asthma among low-income children include exposure to secondhand smoke, stress, and challenges accessing medication and treatment.
- **Metabolic Syndrome.** Experiencing low-income during *early childhood* is associated with an elevated risk of *metabolic syndrome* (MetS) in *adulthood* – a *cluster* of *conditions*, including abdominal obesity, insulin resistance, dyslipidemia, and elevated blood pressure, which increases the risk of *heart disease*, *stroke* and *type 2 diabetes*, and *death*.

Brain Development

Studies have demonstrated a negative association between child poverty and *brain development*, particularly in the *areas* responsible for learning, communication, social emotional processing, memory, executive functioning, and other skills. *Data* also show that children from households with the lowest incomes are most impacted by the adverse impact of poverty on brain development.

Mental Health, Including Toxic Stress

Children who grow up in households with low income are at increased risk of *mental health* issues that can persist into *adulthood* – often stemming from exposure to *life stressors* associated with poverty. Exposure to high levels of *stress* during infancy and childhood are associated with *changes* in brain development, including changes related to emotional regulation. Moreover, childhood exposure to *toxic stress* is associated with an elevated

risk for chronic diseases, including heart disease and mental and behavioral health issues like [depression](#) and substance use disorder.⁹ Notably, there is a [dearth](#) of accessible mental health resources available to many children living in poverty.

Educational Outcomes

The negative impact of poverty on [brain development](#) coupled with lack of [access](#) to well-resourced [schools](#) can impact academic achievement. Children living in poverty are less likely to [graduate high school](#) and attend college than higher-income children. Furthermore, the longer a child lives in poverty, the less likely it is that they will [complete high school](#) or attend college.

Conclusion

Families living in poverty may experience material hardship and toxic stress, which can negatively impact their children's health, development, and well-being throughout their lives. Specifically, infants who are born to mothers living in poverty are at higher risk for adverse birth outcomes. Childhood poverty can also increase the likelihood of chronic diseases and conditions like asthma and metabolic syndrome as well as impact brain development. Furthermore, experiencing toxic stress can yield long-term mental and behavioral health impacts. Finally, poverty can impact children's educational attainment. Anti-poverty programs, such as tax credits, and other programs can support the health and well-being of families experiencing poverty.

Endnotes

¹The statistics listed here reflect the Supplemental Poverty Measure.

²The [FY2024 Children's Budget](#) analysis shows that the share of federal spending on children fell for the third straight year.

³The EITC is a [refundable tax credit](#). If a taxpayer's EITC is greater than their income taxes, they keep the difference between their tax credit and their income taxes. Accordingly, low-income families who owe less income taxes may keep a greater portion of, or the full, tax credit.

⁴For [childless adults](#), the American Rescue Plan Act temporarily increased the maximum credit amount, increased the rate at which the credit phases in and out, and increased the income level at which the credit begins to phase out.

⁵The American Rescue Plan Act reduced the [eligibility](#) age from 25 to 19 years for most workers, to 24 for students who attend school at least part time, and to 18 for former foster care children and youth experiencing homelessness.

⁶See Nemours Children's [series](#) on how social drivers of health impact child health and well-being for a deeper dive into each driver of health.

⁷The [study](#) found that mothers in the most deprived areas had higher mortality risk than mothers in the most affluent areas.

⁸The [study](#) assessed the impact of socioeconomic inequality on low birth weight in the United States, the United Kingdom, Canada and Australia, finding that the odds of low birth weight was inversely correlated with income quintile.

⁹Moreover, children who live in poverty are at increased risk of exposure to multiple [adversities](#) such as parental incarceration, domestic violence, and household substance use disorder.

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