

Child Poverty and Equality of Opportunity for Children in the United States

Examining ethical obligations to the next generation

**CARNEGIE
ETHICS
FELLOWS**

**CARNEGIE
COUNCIL** *for Ethics in
International Affairs*

Contents

Introduction.....	4
Historical Context and Current State of Income Inequality.....	4
Snapshot: How Poverty Impacts Children.....	5
Policies to Address Child Poverty.....	6
Conclusion	9

*The following project was produced by a working group from the inaugural Carnegie Ethics Fellows cohort reflecting nearly two years of convenings, collaboration, and research. Each report in this special series examines a critical issue at the intersection of ethics and international affairs. The **Carnegie Ethics Fellowship** aims to develop the next generation of ethical leaders across business, government, academia, and non-governmental organizations.*

Authors



KRISTINA ARAKELYAN

Carnegie Ethics Fellow and Adjunct Assistant Professor of Public Service at New York University

Kristina Arakelyan is an adjunct assistant professor of public service at New York University. She is a long-time New Yorker who has worked in the public and nonprofit sectors on immigration, social service, domestic violence, human trafficking, and labor policies and programs. Arakelyan teaches coursework in public policy and the humanities at local universities. She holds graduate degrees in Eastern European studies, criminology, and public health.



GERALDINE SCIOLTO

Carnegie Ethics Fellow and Institution Supervision Supervising Examiner at the Federal Reserve Bank of New York

Geraldine Sciolto is an institutional supervision lead examiner at the Federal Reserve Bank of New York, where she is responsible for helping perform various continuous monitoring and risk-focused supervisory programs for large and complex financial institutions in the Second Federal Reserve District. Previously, Sciolto worked at the Foreign Policy Association. She earned her BBA in finance and investments from Baruch College.

Carnegie Council for Ethics in International Affairs is an independent and nonpartisan nonprofit. The views expressed within this project are those of the authors and do not necessarily reflect the position of Carnegie Council or the authors' employers.

Introduction

The well-being of children is fundamental to the future health and prosperity of any society. Governments have an inherent responsibility to ensure that children receive the care and opportunities necessary to develop and thrive. This ethical obligation is rooted in social contract notions, which posit that individuals consent to surrender some freedoms and submit to the authority of the government in exchange for protection of their remaining rights. Philosophers such as John Locke and Jean-Jacques Rousseau, whose works greatly influenced the founding of America's political institutions, emphasized the government's role in safeguarding the welfare of its citizens, especially its most vulnerable members.

In the modern era, American philosopher John Rawls, whose take on social contract theory was heavily influenced by his childhood during the Great Depression, argued that, in a just society, institutional structures should proactively be arranged to benefit the least advantaged citizens. Today, the protection and support of children remains a critical ethical issue within U.S public life.

However, despite boasting the world's highest GDPs per capita ([\\$81,695 in 2023](#)), the U.S. has

seen a troubling rise in income inequality, leading to widening opportunity gaps for children across various domains such as health, education, job prospects, and financial stability. According to the [U.S. Department of Agriculture \(USDA\)](#), in 2023, 8.9 percent (3.2 million) of households with children faced food insecurity.

Good-faith efforts to eradicate child poverty are key to ensuring a fair society that better supports equality of opportunity. By implementing policies that provide financial support and resources to children in low-income households, governments could better level the playing field and enhance opportunities for future generations. Such a commitment to child welfare would not only foster a more equitable society but also acknowledge that a child's potential should not be determined by their socioeconomic background.

The following brief explores the alleviation of child poverty in the United States as a moral imperative, analyzes the impact of growing income inequality, and discusses potential solutions to close the equality of opportunity gap and address child poverty, including pandemic-era relief programs.

Historical Context and Current State of Income Inequality

Income inequality has long been a feature of the American economic landscape, but its recent escalation poses significant challenges to social cohesion and mobility. After World War II, the United States experienced a period of relative economic equality and robust middle-class growth. However, starting in the 1970s, various economic and political changes, including globalization, technological advancements, and shifts in labor policies, began to widen the income gap. The decline of manufacturing jobs,

the weakening of labor unions, and tax policies favoring the wealthy have contributed to this growing disparity. As a result, wealth became increasingly concentrated in the hands of a few, while wages for middle- and lower-income workers stagnated. This trend has continued into the 21st century, with profound implications for children's opportunities and well-being.

Today, income inequality in the United States is at its highest level in decades. According to [data](#)

[from the U.S. Census Bureau](#), the Gini coefficient, a measure of income inequality, has steadily increased—8.8 percent from 1993 to 2021—indicating a growing wealth gap. This economic divide has far-reaching consequences, particularly for children from low-income households. According to Robert Putnam, political scientist and public policy professor at Harvard University, there is a stark difference in opportunities available to children from affluent families compared to those from poorer backgrounds.

These disparities manifest in various domains, including health, education, job prospects, and financial stability. Putnam’s influential 2015 book [Our Kids: The American Dream in Crisis](#) provides a comprehensive analysis of how this growing inequality affects children’s lives.

With this in mind, it’s clear that American institutions are not living up to the social contract ideals of Rawls and even earlier thinkers like Locke and Rousseau.

Snapshot: How Poverty Impacts Children

Health Disparities

Children from low-income households often face significant health challenges. Limited access to quality healthcare, inadequate nutrition, and unsafe living conditions contribute to poorer health outcomes. According to [a study by the American Academy of Pediatrics](#), children living in poverty are more likely to suffer from chronic conditions such as asthma, obesity, and mental health issues. These health disparities hinder their ability to perform well in school and participate in activities that promote healthy development.

households frequently attend underfunded schools with fewer resources and less experienced teachers. According to [a study by the Economic Policy Institute](#), schools in high-poverty areas often have larger class sizes, outdated materials, and inadequate facilities. These conditions impede students’ academic progress and limit their future opportunities. Putnam’s research underscores the importance of early childhood education and extracurricular activities in fostering children’s development. However, access to these opportunities is often restricted by economic constraints. Affluent families can afford private preschools, tutoring, and enrichment programs, while children in low-income households may miss out on these critical developmental experiences.

Educational Inequality

Education is a critical pathway to upward mobility, yet children from low-income

Barriers to Success: Poverty’s Effects on Kids



Health Disparities

Children in low-income households often face chronic health challenges due to limited healthcare access, poor nutrition, and unsafe living conditions.



Educational Inequality

Underfunded schools with fewer resources restrict academic opportunities for children in poverty, impacting their long-term potential.



Job Prospects and Financial Stability

Growing up in poverty limits education and job opportunities, perpetuating a cycle of low earnings and restricted social mobility in adulthood.

Job Prospects and Financial Stability

The long-term effects of growing up in poverty extend into adulthood, influencing job prospects and financial stability. Children from low-income households are less likely to complete higher education, which significantly impacts

their earning potential. [The Social Security Administration reports](#) that individuals with college degrees earn significantly more over their lifetimes than those without them. Without access to quality education and career opportunities, the cycle of poverty perpetuates, limiting social mobility and entrenching inequality.

Policies to Address Child Poverty

Pandemic Programs: School Meals, Child Tax Credit, and Stimulus Checks

The COVID-19 pandemic exacerbated existing inequalities but also provided an opportunity to test the effectiveness of direct financial support in alleviating child poverty. According to the [Center on Budget and Policy Priorities](#), the poverty rate in the U.S. fell to a record low of 8 percent in 2021, in part due to federal pandemic relief initiatives, bolstering equality in society. Three notable initiatives implemented during the pandemic—increased access to school meals, the expanded Child Tax Credit (CTC), and stimulus checks—demonstrated significant positive impacts on reducing child poverty.

Free School Meals

COVID-19 legislation that expanded access to free school lunches played a vital role in reducing food insecurity among families and children. According to [a study conducted by the Urban Institute](#), food insecurity rates among households with children decreased significantly from spring 2020 to 2021, with nearly 30 percent fewer reporting difficulties in obtaining enough food. The emergency measures, including Temporary Emergency Supplemental Nutrition Assistance Program (SNAP) benefits and waivers for school meal programs, provided critical support. These initiatives allowed schools to offer meals even when in-person

classes were not feasible, ensuring that children continued to receive essential nutrition during a time of heightened economic uncertainty.

[Research from the Food Research & Action Center \(FRAC\)](#) highlights that areas with enhanced access to school meal programs saw a substantial decrease in food insecurity. FRAC reported that schools providing free meals to all students led to an increase in meal participation rates, especially among low-income households. In many districts, the percentage of children accessing free school meals rose by over 20 percent, illustrating how such legislative efforts not only alleviated immediate hunger but also fostered long-term health and academic benefits. This data underscores the critical importance of continued support for school meal programs, particularly in times of crisis, to ensure that no child goes hungry.

Expanded Child Tax Credit

The American Rescue Plan Act of 2021 expanded the CTC, providing monthly payments to families with children. This expansion increased the credit amount and made it fully refundable, meaning families could receive the full benefit even if they had little or no income. According to [a study by the Center on Poverty and Social Policy at Columbia University](#), the expanded CTC lifted 3 million children out of poverty in just one month and reduced the child poverty rate by close to 30 percent.

The financial support provided by the CTC allowed families to cover essential expenses such as food,

housing, and childcare. This immediate relief improved children’s well-being, reducing stress and insecurity. Moreover, the CTC’s monthly distribution helped families manage their budgets more effectively, providing a stable source of income.

The CTC’s expiration in 2022 had a significant and immediate impact on child poverty rates. According to the [Center on Budget and Policy Priorities](#), approximately 3.7 million children were at risk of falling back into poverty after the enhanced payments ended, reversing much of the progress made during the pandemic. The loss of this financial support exacerbated economic strain, with families reporting increased difficulties in affording necessities. This decline not only affected children’s immediate well-being but also threatened their long-term development, highlighting the critical role of the CTC in alleviating child poverty and providing economic stability for vulnerable households.

Stimulus Checks

The U.S. federal government issued several rounds of stimulus checks to individuals and families during the pandemic. These direct payments provided crucial financial relief to millions of Americans, helping to mitigate the economic impact of the pandemic. [Research by the University of Michigan](#) found that stimulus checks significantly reduced financial instability, with recipients using the funds to pay for necessities and reduce debt.

For families with children, stimulus checks alleviated financial pressures and improved living conditions. The additional income enabled parents to provide better nutrition, healthcare, and educational resources for their children, contributing to their overall well-being.

According to the [U.S. Census Bureau](#), the direct payments helped lift approximately 11.7 million people— including 3.2 million children—out of poverty in 2020 alone. This influx of cash not only helped improve immediate living conditions but also contributed to better health and educational outcomes for children, highlighting the vital role

of direct financial assistance in supporting low-income households during crises.

Shifting to a Well-being Model

While direct financial support is crucial, addressing child poverty requires a broader perspective that encompasses the overall well-being of children. This “well-being” model includes access to quality healthcare, education, and social services, recognizing that financial stability alone is insufficient to ensure a child’s success. A broader model that not only addresses current needs but also tackles the root causes of poverty helps ensure that all children have equitable access to resources, fostering a society that truly reflects American values of justice and equality.

Healthcare Access

Expanding access to affordable healthcare is essential for addressing health disparities among children. Programs such as Medicaid and the Children’s Health Insurance Program (CHIP) provide critical support to low-income households, ensuring that children receive necessary medical care. [Research from the American Academy of Pediatrics](#) shows that the expansion of CHIP significantly reduced the uninsured rate among children, contributing to improved health outcomes and increased access to preventive care; states with expanded CHIP programs saw an over 20 percent reduction in child poverty rates compared to states without such expansions. However, there is still a need for comprehensive healthcare reform to cover all children, regardless of their parents’ income or employment status.

Investing in preventive care and mental health services is particularly important. Preventive care can identify and address health issues early, reducing the long-term costs and impacts of chronic conditions. Mental health services are crucial for supporting children’s emotional and psychological well-being, helping them cope with the stresses of poverty and other adversities.

Educational Investment

Ensuring equal access to quality education is vital for breaking the cycle of poverty. This requires significant investment in public schools, particularly those in high-poverty areas. Funding should be directed towards improving school infrastructure, reducing class sizes, and providing resources such as updated textbooks and technology.

Early childhood education is another critical area for investment. Programs like [Head Start](#) have [proven effective](#) in promoting school readiness and long-term academic success for children from low-income households. Expanding access to these programs can provide a strong foundation for children's development, setting them on a path to future success.

Extracurricular activities and after-school programs also play a crucial role in children's development. These programs provide safe spaces, mentorship, and opportunities for social and academic enrichment.

Community Support Systems

Building strong community support systems is essential for enhancing the overall well-being of children. Community centers, after-school programs, and mentorship opportunities provide children with safe environments, positive role models, and additional educational and recreational resources. These support systems can help mitigate the effects of poverty and foster a sense of belonging and hope among children. For example, the Success By 6 program, which operates in various communities across the United States, offers a range of services, including access to quality early childhood education, parenting resources, and health and wellness programs. By equipping parents with the knowledge and tools they need, the program aims to enhance children's developmental outcomes and prepare them for success in school and life.

Money vs. Support Services

The debate over whether it is better to provide direct financial support or invest in support services for children is complex. Both approaches have merits and can be complementary rather than mutually exclusive.

Direct financial support, such as the Child Tax Credit and stimulus checks, provides immediate relief and helps families meet their basic needs. This support can reduce stress and instability, creating a more conducive environment for children's development. However, financial aid alone does not address the structural issues that contribute to poverty.

Investing in support services, such as healthcare, education, and community programs, addresses the root causes of poverty and provides long-term benefits. Quality healthcare ensures that children can grow up healthy and ready to learn. Education equips them with the skills and knowledge needed for future success. Community programs offer additional support and enrichment, helping children thrive in all aspects of their lives.

A comprehensive approach that combines direct financial support with investments in support services is likely to be the most effective in addressing child poverty and promoting equality of opportunity.

Conclusion

The need for government action to eradicate child poverty is fundamentally grounded in ethical principles that underscore the responsibility of government to protect and uplift the most vulnerable members of society. Social contract theory asserts that a government's legitimacy hinges on its commitment to promote the welfare of all citizens, particularly those in need. This notion resonates with the Enlightenment ideals tightly interwoven into the tapestry of America's political philosophy—from its founding through Rawls and [T. M. Scanlon](#)—emphasizing equality and the inherent rights of individuals, and, thereby, asserting that every child deserves the opportunity to thrive.

Addressing child poverty and promoting equality of opportunity for children in the United States requires a multifaceted approach that combines

direct financial support with investments in healthcare, education, and community support systems. The successes of pandemic-era programs like free school meals, the expanded Child Tax Credit, and stimulus checks demonstrate the immediate benefits of direct financial assistance. However, a broader well-being model that addresses the root causes of poverty is essential for long-term success.

Given the unique federalist nature of the U.S. political system, policies and pilots to benefit thousands of children need not necessarily depend on federal initiatives; they may stem from state and municipal legislatures. Regardless, rigorously evaluated programs in multiple contexts would slowly work to support the expansion policies to address child poverty, helping to create a more just and equitable society.

“ The need for government action to eradicate child poverty is fundamentally grounded in ethical principles that underscore the responsibility of government to protect and uplift the most vulnerable members of society. ”

THE CARNEGIE ETHICS FELLOWSHIP

In today's world of geopolitical upheaval and global economic transformation, where can young leaders go to understand the power of ethical leadership, its impact on multilateral cooperation and collaboration, and how it applies to their professional and personal lives?

The Carnegie Ethics Fellowship is a space for talented young professionals to develop their capabilities and be examples of values-driven responsible leadership. Fellows collaborate on projects curated by Carnegie Council for Ethics in International Affairs, giving them the opportunity to contribute to work that has deep connections to both New York and the broader world.

The two-year Fellowship is structured to develop the next generation of ethical leaders from business, government, academia, and non-governmental organizations. The Fellowship is part of Carnegie Council's significant commitment to developing ethics in leadership and to the communities of experts that work toward this end, aligning the power of decision-making with reflective right action.

ABOUT CARNEGIE COUNCIL

Carnegie Council for Ethics in International Affairs is an independent nonprofit that works to empower ethics globally by identifying and addressing the most critical ethical issues of today and tomorrow. Founded by Andrew Carnegie over a century ago, we set the global ethical agenda and work for an ethical future by convening leading experts, building active communities, producing agenda-setting resources, and catalyzing the creation of ethical solutions to global problems. Join us in using the power of ethics to build a better world. Carnegie Council is a nonprofit 501(c) (3) institution. For more information, please visit CarnegieCouncil.org.