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One strategy to boost students' test scores: help low-income families

11-13 minutes

When Marquita, a Memphis mother of six, became homeless, her children began to struggle in school. “The kids were just out of control,” she said. “Their grades weren’t the same.”

“What people don’t understand is what adults go through, kids go through it too,” she said. “I didn’t know kids get depressed until I went through this situation.”

Marquita, who asked that her last name be withheld to discuss her living situation and her children’s mental health, said she became homeless because she was pushed out of her apartment when she filed a lawsuit about poor conditions. She wasn’t able to find and afford a new place immediately, so over the course of three months, she stayed with friends, rented hotel rooms, or slept in her car. Marquita washed clothes at her kids’ school, which had a washing machine.

“It was a journey,” she said.

Marquita eventually found a permanent place to live with the support of a local “rapid rehousing” program, which also paid her first six months of rent. It immediately made a difference for her kids.

“When I got in a house, their grades went back up, they weren’t getting in trouble,” she said. “It affects them in a major way.”

A large and growing body of research backs up Marquita’s experience, documenting not only that poverty hurts students in school, but that specific anti-poverty programs can counteract that harm. These programs — or other methods of increasing family income — boost students’ test scores, make them more likely to finish high school, and raise their chances of enrolling in college.

In other words, many policies with a shot at changing the experience of low-income students in school don’t have anything to do with the schools themselves. That also means, as these findings pile up, they get relatively little attention from education policymakers who could be key advocates.

“We’re so compartmentalized when we think about kids,” said Greg Duncan, a professor at the University of California, Irvine who has researched the effects of anti-poverty programs. “For people who are interested in promoting well-being of children ... these safety net programs should be very much on people’s mind.”

A steady stream of evidence

Chalkbeat identified more than 20 studies published in the past decade that examine how increasing family income or benefits, like food stamps and health insurance, affect children’s outcomes in school in the U.S. This research does not simply restate the well-known fact that less affluent children do worse in schools than more affluent ones; the studies try to pin down the *effect* of providing additional resources to families in poverty.

Over and over, they find that more money or benefits helps kids in school.

[\[Read the full list of studies that Chalkbeat has compiled.\]](#)

Take the [latest study](#). It came out in July, and showed that teenagers whose families earned a tax credit for low-income families scored substantially higher on standardized tests and were more likely to graduate college. The gains were greatest for the poorest kids.

The effects of these programs are notable, but not huge. For instance, in that most recent study, an annual increase in family income of about \$3,000 led to test score gains of a few percentile points. For older kids, it boosted high school and college graduation rates by 1 percentage point. That's comparable to the effects of things like having a [substantially better teacher](#) or [lowering class sizes](#).

This evidence doesn't suggest that low-income kids can't learn or that schools and teachers are unimportant to academic achievement. A large body of [research](#) shows otherwise. And, of course, many policymakers and educators have long been aware of the how out-of-school factors affects academics. [Community schools](#) and [trauma-informed](#) teaching are two efforts to address that.

But the research on anti-poverty programs illustrates how much changes to family income, affected by programs unrelated to schools, can help students do better in class.

Child poverty [has fallen since the 1990s](#) — mostly due to government benefit programs — but [large racial disparities](#) persist. Black children are three times as likely to grow up in poverty as white children, meaning some groups of kids are experiencing consequences of poverty in school much more than others.

Studies show trend, but also come with key caveats

The results aren't all that surprising, considering the [documented effects](#) of poverty and stress on children's brain development.

"Additional income, especially if it's regularly received, enables parents to avoid evictions and utilities cut-offs and all the disruptions that can happen," Duncan said.

Chalkbeat's review focuses on relatively recent U.S. research, but studies from [1979](#) and [1984](#) have also shown positive effects. They seem consistent with what's been found in [other countries](#), too, and with [detailed reviews of past studies](#) by researchers.

But the research also comes with important limits.

These studies point in a clear direction, but there are exceptions. A handful of studies find no clear effects, particularly of government housing programs.

Second, each study focuses on specific programs, and some focus on much older initiatives. The breadth of the results is telling, but they can't definitively tell us exactly what would happen now if new programs were created or existing ones expanded.

Finally, the studies generally don't say much about trade-offs. What are the costs — perhaps higher taxes — of expanding such initiatives? Might other programs be a better use of scarce dollars? They also don't tell us anything about bigger philosophical debates surrounding anti-poverty programs, or about the value of making sure people have adequate food and housing.

With all that in mind, let's dig into the research.

More money means fewer problems in school

One widely used anti-poverty program is the Earned Income Tax Credit, and it's been repeatedly linked to better schooling outcomes for kids. The IRS [said that](#) 27 million families used the program in 2017.

The program can make a big difference for low-income working families. For instance, a parent of two who earns \$15,000 [gets an additional](#) \$5,700 in benefits through that tax credit. In 2016, the average credit for a family with

children was just over \$3,000. It has also been shown to boost families' earning by encouraging work.

At least [two studies](#) have examined how the program affects test scores by looking at what happened when the earned income tax credit became more generous in the 1990s. In both, students — particularly children of color and boys — saw scores rise.

Programs that give tax credits to parents also seem to raise test scores, according to other research in both [the U.S.](#) and [Canada](#).

The more [recent earned income tax credit study](#) found that it boosted high school and college graduation rates, particularly among the poorest kids.

"There is a positive effect of family income on test scores and on educational outcomes — and this doesn't just fade out," said Jacob Bastian, one of the study's authors and an economist at the University of Chicago.

He said it makes sense that the biggest beneficiaries were kids whose families were the lowest-income. "If you give a middle class family three thousand more dollars maybe it's not a big deal, but if you give a poor family three thousand more dollars, then that's going to have a big effect," he said.

[Another study](#), by Duncan and others, looked at anti-poverty programs in the 1990s that offered additional money to people who worked. Income tied to those programs, it found, also led to higher test scores for kids.

[A 2010 study](#) suggests that work incentives aren't necessary to see gains. It looked at what happened when Native American families received a large and unexpected boost in income due to profits from a new nearby casino being distributed to those families with no strings attached.

The results? Higher high school graduation rates and lower rates of crime, particularly among kids from the lowest-income families. The researchers found that an increase in \$4,000 annually to the poorest families caused their kids to attain an extra year of schooling. It also [seemed to help](#) kids emotionally and behaviorally.

[A 2011 study](#) found that that work incentives can backfire if they don't lead to higher family incomes. Two '90s-era state programs, it showed, reduced students' success in school, probably because they didn't raise income and older kids had to take care of younger siblings while their parent worked.

Researchers and policymakers are still debating the role of work. Duncan says the evidence suggests that it is money, not work, driving the positive results.

"It appears that income is the active ingredient," he said.

Health insurance and food stamps can help too; housing vouchers are less clear

Anti-poverty programs that give families benefits beyond cash help kids in school, too.

The expansion of Medicaid — a health insurance program for low-income families — increased high school and college completion rates, according to [a number of recent studies](#). Another [showed](#) that government-funded health insurance boosted kids' reading (but not math) test scores.

Food stamps have been shown to [reduce disciplinary rates](#) and student [absences](#) while [increasing test scores](#) in schools. Students also score lower on exams near the [end of a food stamps benefits cycle](#), perhaps because their family is running short of food.

[A 2016 study](#) looked at the rollout of the Food Stamp Program between 1961 and 1975. It found that women who access to the program as a child had higher rates of education as an adult, compared to similar people without access.

That help, one study concluded, "complements school-based education initiatives to address ... income gaps in children's schooling outcomes."

The effects of housing programs are more ambiguous.

A [recent paper](#) focusing on Wisconsin found mixed evidence that housing vouchers boosted academic achievement, though they did seem to help black students in particular. It also showed that public housing seemed to have a negative effect on test scores. [An older study](#) focusing on Chicago found no effect of public housing on student test scores.

Widely cited research on the Moving to Opportunity program — which offered low-income families in public housing vouchers to move to a higher-income area — showed there were [no overall effects](#) on schooling outcomes, though the program did seem to [benefit younger children](#).

A [separate study](#) found that housing vouchers in Chicago had small, if any, benefits on students in school. The results were smaller than those seen in other anti-poverty or effective educational programs, the paper said.

Researchers who have looked closely at the breadth of studies, though, suggest that results like that are exceptions. “We conclude that reducing income poverty can be expected to have a significant impact on children’s environment and on their development,” [wrote](#) Kerris Cooper and Kitty Stewart of the London School of Economics.

“Increases in household income would not eliminate differences in outcomes between low-income children and others,” they wrote, “but could be expected to contribute to substantial reductions in those differences.”