Excluding Latino immigrant families from the social safety net hurts their children’s educational outcomes – and effects spill over onto Latino children who are not excluded.

Recent years have seen growing discussion in media, academic, and policy circles about the problems of inequality in America. What often does not get a great deal of attention is that inequality among families with children has grown much faster than inequality overall. In new research Meghan Condon, Alexandra Filindra, and Amber Wichowsky look at how being excluded from social safety nets affects low-income Latino children. They find that not only does such exclusion lead to poorer educational outcomes for these children, these effects actually spill over within immigrant communities and affect children who have not lost eligibility for benefits.

Economic inequality gets a lot of attention, but what we don’t always hear is that inequality among families with children has grown at a rate at least twice as fast as overall wage inequality over the last half century. Childhood disadvantage is also becoming more geographically compressed, with a 25 percent increase in the number of children living in an area of concentrated poverty since 2000. All told, today, nearly half of American children live in low-income families, and more than one in five live in poverty. All of these economic forces disproportionately affect children of color.

The public programs that provide assistance to families in need, collectively termed the social safety net, make a difference; without government assistance, the childhood poverty rate would nearly double. But many Latino kids in America fall through the net, because their families are ineligible for benefits due to immigration status. Understanding the effects of this exclusion is more important now than ever: the proportion of Latino youth in the nation has doubled in the last 20 years. In another twenty, one in three American kids will be Latino.

In new research we ask what safety net exclusion means for the development of the growing number of low-income Latino children in America. We look at educational attainment, a critical indicator of both economic mobility and child development, and find that restricting social welfare benefits by immigration status increases the high school dropout rate of Latino immigrant adolescents. Even more strikingly, these effects spill over within high-immigrant communities and increase the dropout rate of low-income Latino children who do not themselves lose eligibility for benefits when policies change.
Exclusion Matters

Though research in this area is limited, there are lots of reasons to expect immigrant inclusion in the safety net to affect educational attainment. Poor families who are ineligible for benefits have fewer resources to direct toward education, and offspring face increased pressure to enter the labor market early rather than continue schooling. Restrictive social welfare policies can also push excluded groups of immigrants into the margins of the economy, limiting opportunity to improve the economic standing and social integration of their children, increasing stress, and dampening aspirations.

But the effects can go beyond the intended group that policy excludes. When a policy restricts the eligibility of a narrow group of immigrants, like the undocumented or recently arriving Legal Permanent Residents (LPRs), effects can spill over into the broader immigrant community, onto the second generation, and to the ethnic group with which immigrants identify. Spillover effects, which occur across many populations, are particularly important when policy targets immigrants because of deep ties with broader minority communities and mixed status families.

Spillover occurs in several ways. Material disadvantage confronted by one immigrant group transfers through families and peer networks. Confusion about eligibility can keep eligible immigrants and their children off public assistance programs. And Latinos may perceive lesser prospects for mobility in states that do not create a strong safety net for immigrant families, which could decrease educational aspirations. In all of these ways, excluding one immigrant group may depress the educational outcomes within broader communities.

Learning from Welfare Reform

But how can we tease apart the effect of benefit eligibility from the many other factors that influence the educational prospects of poor Latinos? Our approach is to focus on the historical moment when the variation in inclusivity saw the most dramatic increase: the years following the passage of the 1996 Welfare Reform. Many LPRs, eligible for federal benefits prior to reform, became ineligible. And then quickly, about half of the states enacted policies to fill the federal gap and provide benefits to these LPRs under state-funded supplemental programs. This resulted in substantial state-level variation in social safety net access for immigrants and their children. We leverage this variation to, in effect, compare the growth in the high school graduation rate over the reform period between
inclusive and restrictive states, using procedures that take differences between states, years, and individuals into account.

The results are clear: following reform, the graduation rate of low-income Latinos grew substantially faster in states that extended their own social safety nets. We find both direct effects among Latino youth who became ineligible for income support, and spillover effects among those who remained eligible. For example, in a state that excluded recently arriving LPRs following reform, a low-income Latino adolescent is nine points less likely to graduate from high school than if that same youth lived in an otherwise similar state that extended income support to LPRs. To put this in context, this is nearly a quarter of the size of today’s Latino-white attainment gap.

These basic findings hold up to tests that examine alternative explanations for the differences between the restrictive and inclusive states. For example, we considered whether our results might be due to the punitiveness or restrictiveness of the state welfare system overall, rather than immigration exclusion provisions. This is not the case. We find that our results are unique to high-immigrant groups. Low-income black and white youth are unaffected by immigrant eligibility changes in their states, though they experience the overall effects of welfare reform. On the other hand, our findings do extend to low-income Asian youth, who make up a quickly growing share of the foreign-born.

Our results suggest that policy decisions about immigrant safety net eligibility have important systematic effects on the life prospects of youth in high-immigrant ethnic groups. The impact of policy exclusion ripples through communities, within peer and family networks, depressing the educational attainment of the fastest growing group of American children.

This article is based on the paper ‘Immigrant Inclusion in the Safety Net: A Framework for Analysis and Effects on Educational Attainment’ in the Policy Studies Journal.

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