

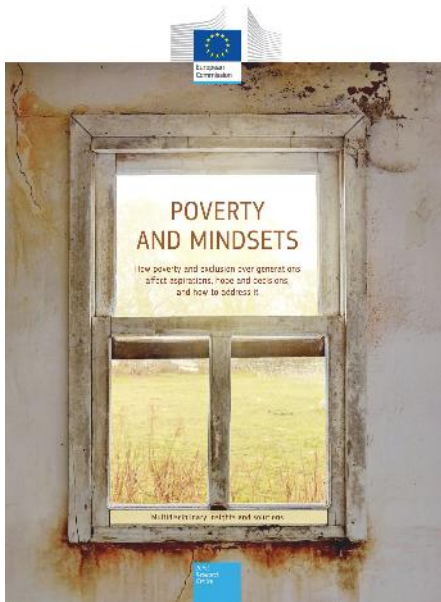


# Poverty and mindsets

How poverty and exclusion over generations affect aspirations, hope and decisions, and how to address it

Insights from a JRC report

## A JRC report



- **Synthesis of findings from different disciplines**, throwing light on *how poverty and social exclusion affect the way people consider themselves and their future, and act in relation to it.*
- Impact of poverty and exclusion on **behaviour, aspirations, hope, and agency** (especially when cumulated over several generations) –a **less visible but important obstacle** to socio-economic mobility.
- Section I – what science says on *how and why* poverty affects mindsets; Section II – what science and practice say on *how to address it.*

# Why?

- Social assistance is usually conceived as **temporary “safety net”**, expecting that people should reach economic autonomy –but this **often proves difficult**.
- Policies may be **more effective** if understanding the impact of poverty on aspirations, self-confidence and decision-making.
- In particular, important for inclusion strategies for **long marginalised people** – Roma but also other communities affected by deep poverty for centuries.

## Some clarifications

1. Focus on two distinct but intertwined dimensions:

- "**mindset**" (**metacognitive framework**) = the beliefs about our own chances and perspectives;
- "**executive functions**" (**neurobiology**) = how our brain determines decision-making and behaviour

2. Not "the poor", but the *experience of being poor*

3. The focus on aspirations and executive functions should **complement** (not **replace!!**) structural support to income and access to services

# Scarcity and stereotypes impact on cognitive bandwidth and decisions



## Poverty affects long term goal setting and decision making

- Mullainathan and Shafir (2013): **scarcity promotes tunnel vision**, helping us focus on the crisis at hand – but **reducing “cognitive bandwidth”** – that is **fluid intelligence** (retaining and processing information, problem solving, logical reasoning); and **executive control** (ability to regulate impulsive behaviour).
- Haushofer and Fehr (2014): **poverty affects availability to sacrifice immediate income in favour of higher future revenues.**

# Exclusion and negative expectations as a self-fulfilling prophecy

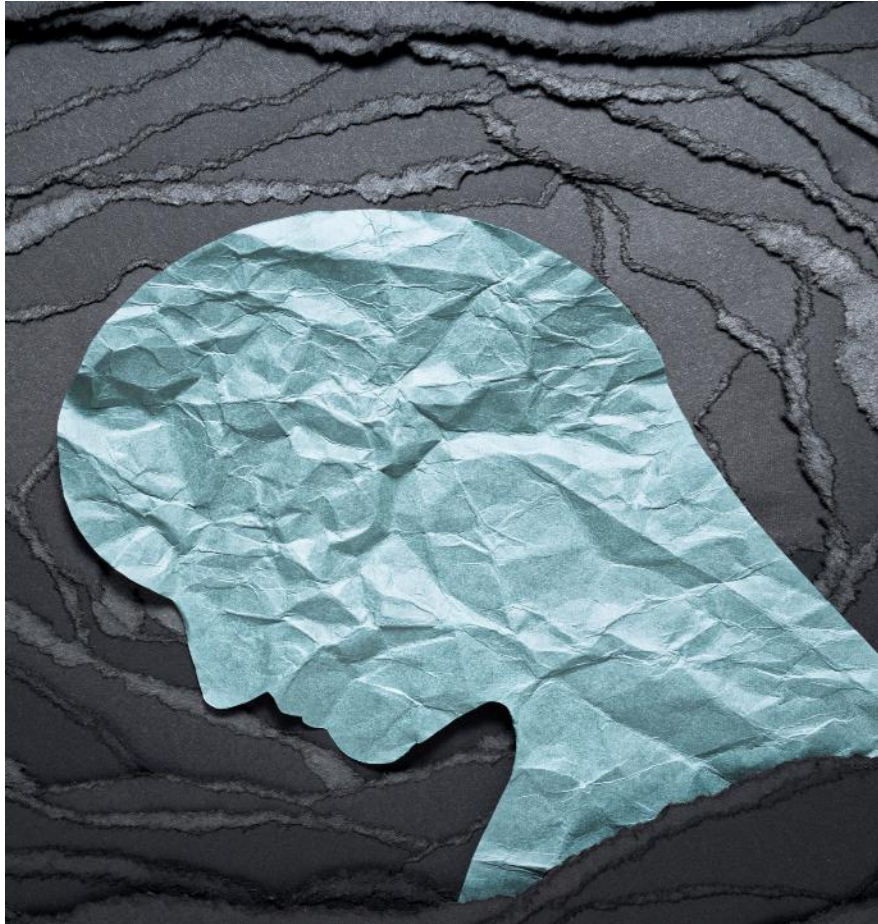
“**Stereotype threat**” (Steele and Aronson 1995): **self confidence is undermined** when we are concerned about being judged or treated negatively

The activation of stereotype threat can be **implicit** - for instance, when it transpires in the expectations by supervisors, mentors or teachers, or **broader environmental cues** (“priming”).

Hoff and Walsh (2017): stereotypes may constitute **de facto social barriers** (impact of stigma, Goffman 1963)

Conversely, **positive expectations support performance and self – esteem** (Pygmalion effect, Rosenthal and Jacobson 1968)

# Poverty and the brain

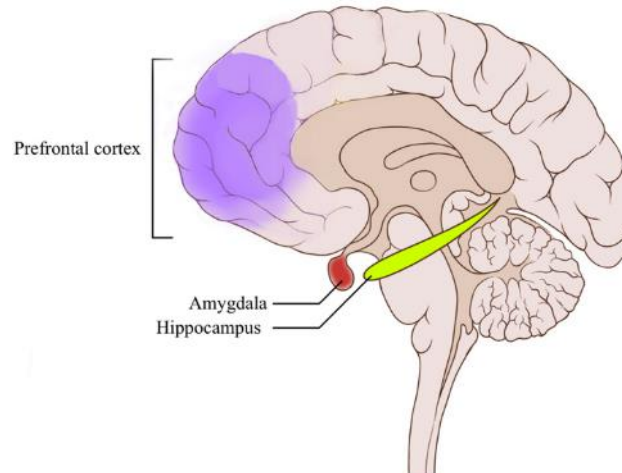




# Findings from neuroscience on poverty and executive functions

Recent research on magnetic resonance imaging: **association between SES and development of some brain regions (starting from same point at birth)**. Namely:

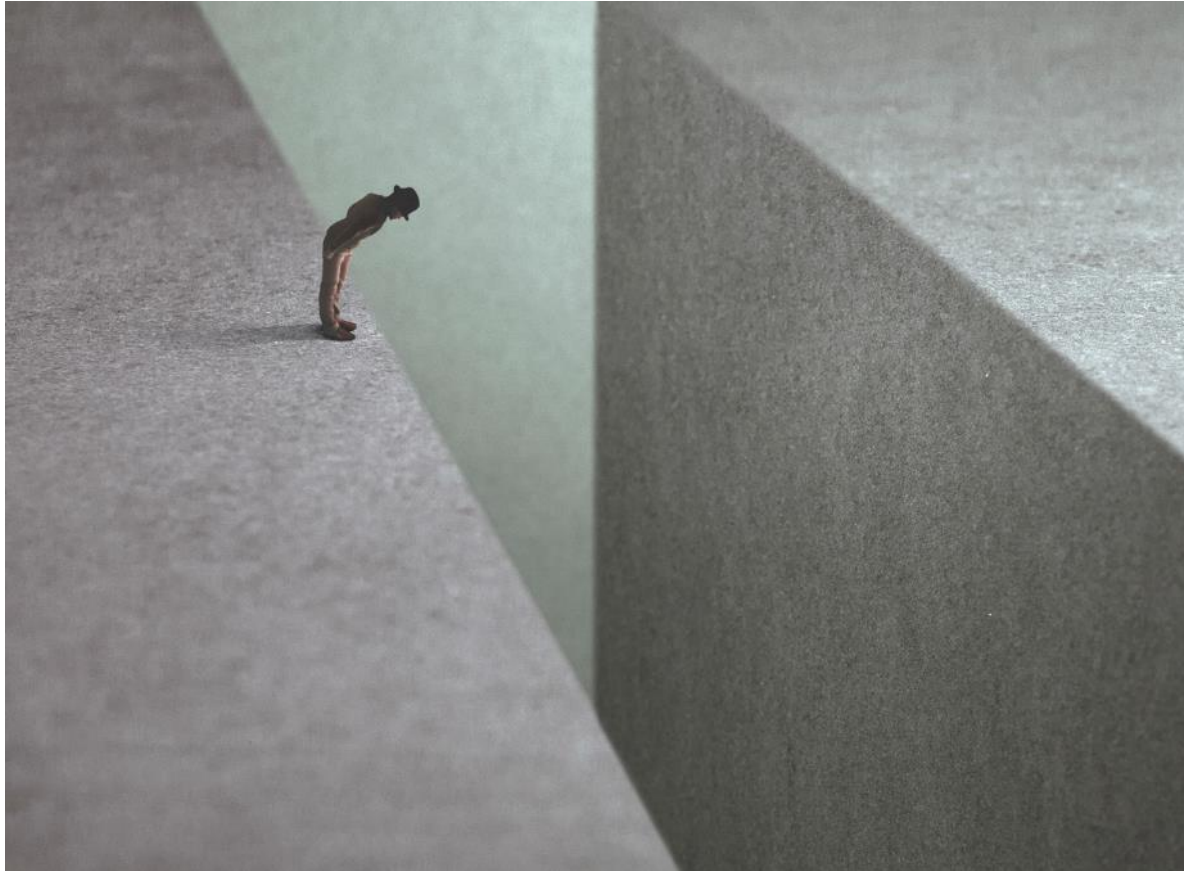
- **Prefrontal cortex**, which helps to regulate thoughts, emotions and behavior ( critical for **executive functions** - capacity to take and implement decisions).
- **Amygdala**, which reacts to stress and emotional arousal (“**fight, flight or freeze**” response).
- **Hippocampus**, responsible for **memory**.



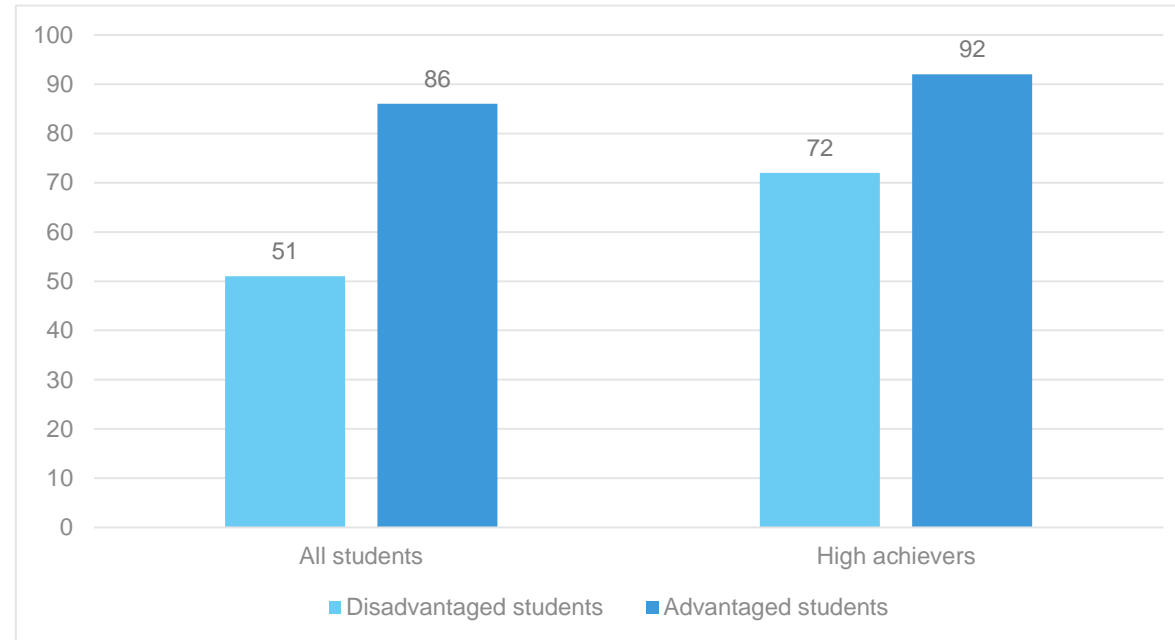
## Impact of poverty on the brain – possible reasons

- **Toxic stress** (Harvard Centre on Developing Child) - affecting the development of the prefrontal cortex and the hippocampus. It **hijacks attention, drowns focus and impairs judgement.**
- **Low responsive caregiving** (due to energy depletion caused by poverty) - influencing the stress-response, threat-response, and **regulation of emotions**
- **Limited stimulation** - affecting **executive functions**
- **Environmental factors** (poor housing, nutrition, sleep deprivation)

# The impact on aspirations



# Poverty and exclusion affect aspirations....



PISA 2018: Students' expectations to complete tertiary education.

## Poverty and exclusion affect growth mindset

***Growth mindset (Dweck 2007)***: the belief that talents and intelligence can be developed through effort.

- PISA 2018: strong **correlation between growth mindset and aspirations**. Students with growth mindset are 15 to 47 percent more likely to aspire for a university degree, no matter their actual achievement or family background.
- *So, a growth mindset is a measure of **how hopeful** people are about their future.*
- **BUT** - students with low SES are **significantly less likely** to have a growth mindset.

# The cumulative effect over generations



# The “full immersion” factor - cumulative effect over many generations

Things may be worse when poverty and exclusion persist across several generations.

- Poverty and exclusion permeate the *extended family history and its social connections*:
- difficult to identify inspirational social mobility examples role models in the family –**impact on assessment of what is feasible and realistic for one's future.**
- Transmission of disempowerment, **external locus of control.**
- Ray 2003: **aspirations failure** not due to poverty per se, but poverty *in conjunction with the absence of a critical mass of persons who are both better off than the person in question, yet not so much better off that their economic well-being is thought to be unattainable*

# The “full immersion” factor – environmental impact

## The impact of spatial segregation:

- 1. Increased exposure to risks and stressors** (relation between hopelessness and neighbourhood outlooks!). Adaptation of mindsets and behaviours not favourable to social mobility
- 2. Lack of exposure to references for social mobility.** (Raj Chetty in the US: clear negative effect of spatial segregation on economic mobility). Mookherjee, Napel, and Ray (2010): parents’ decisions to educate their children are affected by the place where they live. (adaptive preferences?)
- 3. Peer pressure, social norms acting against social mobility** (“status quo bias”, (Samuelson & Zeckhauser, 1988).

•



If all this is true, then what? Using the knowledge to address the issue



## What can be done about it

- **Early intervention** is crucial
- ... but neuroscience also shows multiple **windows of opportunity; and behavioural research points to techniques to enhance services**
- **Understand resilience!** Positive attachment, supportive education, reduced exposure to conflict, reinforced self esteem

# A key role for education



## Reinforcing support in education and services

- **Improve equity and well-being in education** (prevent segregation and ensure high quality in education, prioritise ECEC, train teachers on emotional and behavioural responses; build socio-emotional skills; promote cognitive and social skills and well-being through 'enrichment' activities)
- **Reinforce positive support for young people:** (increase parental involvement at school; develop and support mentoring programmes)
- Create **safe places** for after school time
- **Support the aspiration-creation process for children and adults:** Support a growth mindset among children and adults; equip staff with a growth mindset and stimulate high expectations; support parents' aspirations for their children; highlight role models, also through the media.

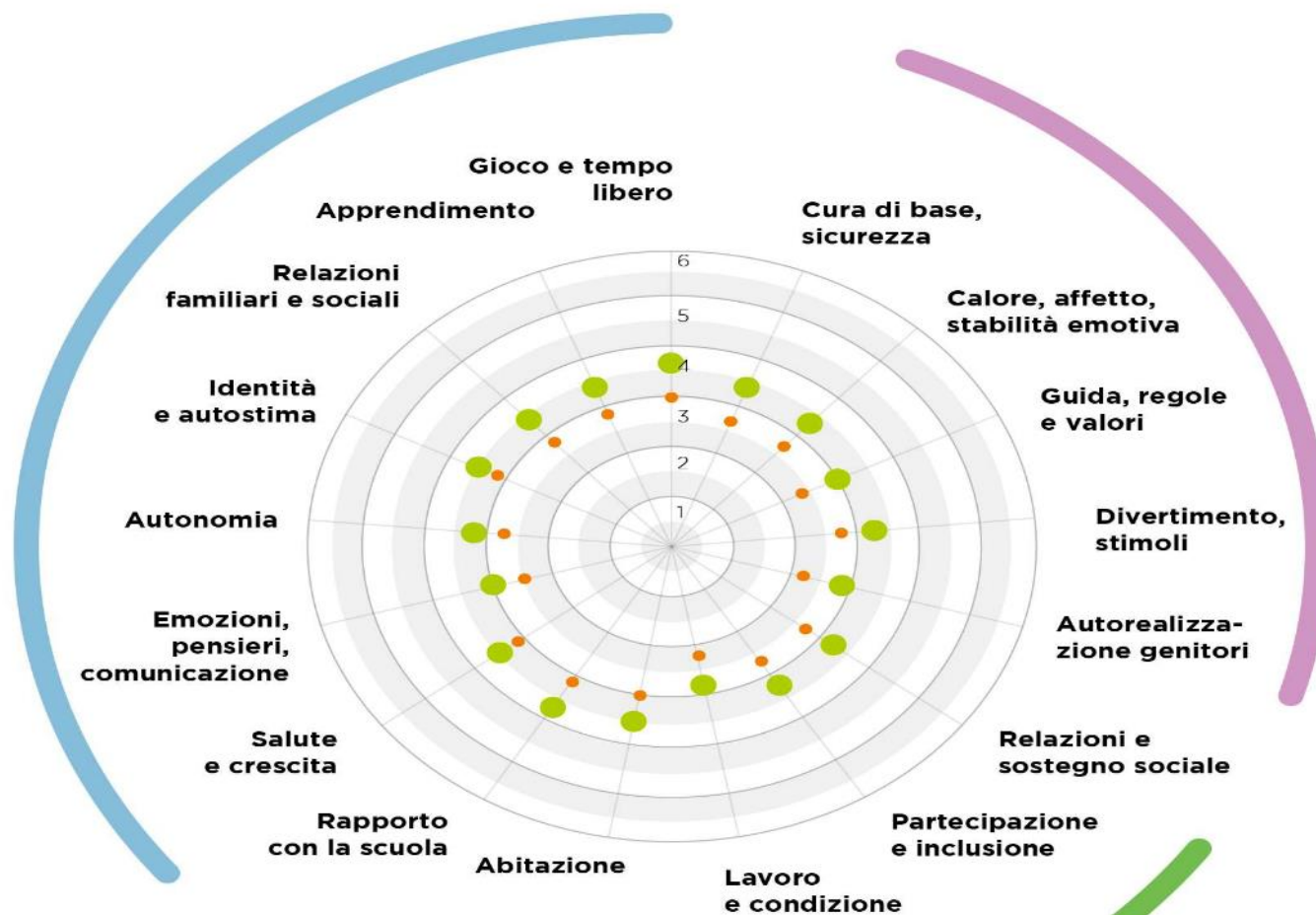
# A solid support framework



## Support the **creation and attainment** of aspirations

- **Support the achievement of aspirations:** Enhance decision-making by setting concrete and reachable goals; step by step, long term coaching
- **A whole family approach,** addressing the needs of both parents and children
- Use research to design services compensating for reduced cognitive bandwidth

# An example from Italy – PIPPI (prevention of children’s institutionalisation)



# An example from the US – Mobility mentoring

## EMPATH'S THEORY OF CHANGE BRIDGE TO SELF-SUFFICIENCY\*



**EMPath**  
Economic Mobility Pathways

Mobility Mentoring®

	FAMILY STABILITY		WELL-BEING		EDUCATION AND TRAINING	FINANCIAL MANAGEMENT		EMPLOYMENT AND CAREER MANAGEMENT
	Housing	Dependents	Health and Behavioral Health	Social Networks	Educational Attainment	Savings	Debts	Earnings Levels
FUTURE ORIENTED DECISION MAKING ↑	No subsidy, housing costs less than 1/3 household take-home pay	Dependent needs met; serving as no barrier to parent/guardian school or work	Fully engaged in work, school, and/or family	Advocate/Networker: Uses own and other resources and connections to advance the mobility goals of others	Completed bachelor's degree or higher	Savings of three months' expenses or more	Current on all balances and no outstanding debt other than mortgage or educational and/or car loans	Job with earnings ≥ Mass. Index wage (if not calculated for specific family, use income ≥ \$65,880)
	No subsidy, housing costs exceed 1/3 household take-home pay	Dependent needs serving as minimal disruption to parent/guardian school or work	Minimal disruption to work, school, and/or family due to health / behavioral health issues	Developed Network: Consistent source of both support and leveraging connections	Completed associate's degree or postsecondary job training or certificate program	Savings of more than two months' expenses but less than three months' expenses	Current in payments and plans and paying more than minimum payments	Job with earnings of 66-99% of Mass. Index wage (if not calculated for specific family, use income range of \$43,481 - \$65,879)
	Partial subsidy (shallow): Paying \$200 or more towards rent	Dependent needs serving as intermittent disruption to parent/guardian school or work	Intermittent disruptions to work, school, and/or family due to health / behavioral health issues	Emerging Network: Consistent source of support and occasional leveraging connections	Attending college or postsecondary job training program	Savings of at least one month's and up to two months' expenses	Structured payment plans in place and meeting minimum payments	Job with earnings of 33%-65% Mass. Index wage (if not calculated for specific family, use income range of \$21,741-\$43,480)
	Full subsidy, permanent housing: Paying \$200 or less towards rent	Dependent needs serving as significant obstacle to parent/guardian school or work	Regular and recurring disruptions to work, school, and/or family due to health / behavioral health issues	Limited network: Occasional source of support	Completed postsecondary remedial education classes, college preparatory program, or prerequisites for job training/readiness program	Savings of less than one month's expenses	Debts in excess of ability to pay, behind in payments	Job with earnings less than 33% Mass. Index wage
	A. Homeless / co-housed with family or friends	Recently emergent or not yet addressed dependent needs, requiring additional attention	Severely limited engagement in work, school and/or family due to significant health/behavioral health issues	Isolated or draining network	Attending postsecondary remedial education classes, college preparatory program, or fulfilling prerequisites for job training/readiness program	No savings	Defaults or nonpayment on all or most loans and accounts	Unemployed
	B. Homeless / transitional housing				High school diploma or General Educational Development certificate GED obtained			
Homeless / emergency shelter				No high school diploma or GED				
	CONTEXTUALIZED DECISION MAKING →							



# Conclusions

Complex problems require complex (**multidimensional**) solutions

Material support necessary **but not sufficient**

**Focus on resilience:** need for strong support by parents or alternative adults, **support self-esteem** and a “growth mindset”, reduce toxic stress

Consider the effects of the environment - **importance of providing safe and positive alternatives (places and mentorships)**

**Long term, step by step accompaniment** – support to aspirations, goal setting, decisions

***...the right to aspire?***