

Today's Children, Tomorrow's America: Six Experts Face the Facts

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Introduction

The question is straightforward: How can solutions to our national and state budget crises fit the facts about children in the United States?

The responses, offered by six Urban Institute scholars from diverse disciplines, are complex and cautionary. Each is grounded in an understanding that over the past two decades, and then with accelerating force during the Great Recession of 2007–09, economic and demographic trends have substantially changed—or upended—the lives of children.

The six contributors to this paper wrestle with these challenges in different ways and bring very different experiences to the task. Yet all believe there are sound ways to restrain the deficit and invest in children. The core facts that underlie their prescriptions are summarized on page 5 and expanded in the commentaries.

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Contents

Children Caught in the Budget Crossfire 6
 Eugene Steuerle

Budgeting for Tomorrow’s Workforce and Economy 7
 Robert D. Reischauer

Persistent Childhood Poverty’s Double Whammy 8
 Margaret Simms

Translating Good Ideas into Budget Realities for Children 9
 Olivia Golden

The Children’s Budget — The Federal/State Bargain 10
 Kim Rueben

What Spending on Child Health Looks Like 11
 Lisa Dubay

References 12

The Facts

Children's Lives Today

Children are poorer than all other age groups in America (DeNavas-Walt et al. 2011).

A rapidly increasing share of all children belongs to racial and ethnic minorities. By 2023, American children are expected to be majority minority (Frey 2011).

The recession's toll on families with children includes large increases in poverty and high unemployment (Nichols and Zedlewski 2011).

In most states, Medicaid pays for more than 40 percent of births (Kaiser Family Foundation 2011).

A child born poor is more than five times more likely than other children to be poor half the years between ages 25 and 30 (Ratcliffe and McKernan 2010).

Black and Hispanic teens are more than twice as likely as white teens to drop out of high school (Snyder and Dillow 2011).

Childhood poverty costs the United States at least an estimated \$500 billion a year (Holzer et al. 2007).

State Responsibilities for Children in Hard Times

States and local governments shoulder about two-thirds of all public spending on children—twice the federal government's share (Isaacs et al. 2011).

Federal stimulus funding through the American Recovery and Reinvestment Act (ARRA) helped offset recessionary declines in state and local spending on children but is now phasing out (Isaacs et al. 2011).

State budgets, hit hard by the recession, are still below 2008 real spending levels (National Association of State Budget Officers 2011).

Most new money in states with projected spending increases will be used to partially offset coming losses of ARRA funding for Medicaid (National Association of State Budget Officers 2011).

In the past decade, the nation's child population has shifted from the Northeast and Midwest to the South and Southwest (Frey 2011).

The states with growing child populations and commensurate education costs have historically spent less per pupil and have more limited tax structures than the states with declining child populations (Tax Policy Center 2011).

The Federal Children's Budget

Most spending on children under school age is federal—more than three-fourths of funds for infants and toddlers and about half of all spending on prekindergarteners and kindergarteners (Macomber et al. 2010).

The largest federal program affecting children is Medicaid, \$74 billion in 2010. Medicaid and just nine others programs and tax provisions accounted for 72 percent of total federal spending on children (Isaacs et al. 2011).

Federal ARRA spending was targeted more to children than is the federal budget as a whole (Isaacs et al. 2011).

The children's share of the federal budget is projected to drop from 11 percent in 2010 to 8 percent in 2020 as ARRA outlays end and mandated spending, especially for Social Security and Medicare, rises (Isaacs et al. 2011).

Children Caught in the Budget Crossfire

Eugene Steuerle

Listen closely to the recent budget debates between Congress and the president, Democrats and Republicans, and among presidential candidates. You will hear backs and forths on who will protect all of the promises made—particularly for Medicare, Social Security, and low taxes, including all those hidden tax subsidies. And you will hear debate, though scant evidence, on who will best provide jobs. What you won't hear is discussion about how children are caught in the budget crossfire or whether current government programs address the nation's most pressing problems.

We do know this: By some measures, children are the poorest age group of Americans. Investment in children, especially early in life, yields much higher rates of return than most other public expenditures (Heckman 2011). And the federal government is the major source for most spending on very young children. Don't these facts alone make them a priority?

For the past several years, the Urban Institute and the Brookings Institution have together studied the kids' budget. This year, we posited how the budget would look in 10 years if President Obama got his way early in 2011 and Congress adopted all of his proposals (Isaacs 2011). The net result: About \$1.1 trillion more would be spent annually by 2020 relative to 2010, largely covered by revenues that rise as the economy expands. About \$635 billion more would be spent on Social Security, Medicare, and Medicaid (excluding the kids' share), about \$444 billion more on interest on the debt, and almost nothing on anything else. Kids would essentially get nothing more than they get now in real terms, unless Congress and the president change priorities. And the kids' budget will be hit as the American Recovery and Reinvestment Act (ARRA) stimulus money that temporarily offset some cutbacks to state spending on kids runs out. As a share of the total budget, domestic spending, and national income, the kids' budget would go into significant decline.

New laws enacted after the president put forward his budget, only made things look worse for kids. First on the chopping block in recent deficit reductions has been discretionary spending—the budget share covering most education-related kids' programs. Legislators have already capped discretionary spending for the next decade, though current elected officials count on future lawmakers to make it all happen. Additional deficit cutting will almost certainly further sap these programs.

What about the rest of the budget? Democrats claim that at least for now Medicare can't change much, Social Security can't change at all, and taxes can be increased only on the wealthiest. Republicans claim that taxes should be cut and certainly not increased for anyone. Neither side even mentions the real and relative decline in the few permanent programs

devoted to kids, such as the child tax credit. Who's caught in the crossfire? Again, it's kids.

The nation's budget reflects the nation's priorities. Ours makes it clear that children, investment, and, more generally, posterity rank low.

What's the basic problem here? Deficits? Inadequate stimulus? No, these are symptoms, as is the failure to invest in kids and our future, of a larger problem—the extent to which both political parties have increasingly tried to legislate not only how revenues are raised and spent but also how the future budget should evolve. Putting aside for the moment deficits or lack of sustainability, never before has so much been determined in advance for so long into a future that yesterday's and today's officials can't possibly know (Steuerle 2010).

What happens as legislative control over the future tightens isn't pretty. We can already witness long-term budget unsustainability, shortages of resources to respond to recessions and disasters, consumption trumping investment, and a bias toward helping people get by instead of giving them real opportunity. Step by misplaced step, we're reducing growth and stifling the democratic rights of each succeeding generation to get the government it needs and wants.

Preempting the future this way seeds these deadly economic problems, but, unlike wars or pestilence, they are largely self-induced. The American future affords great opportunity if we don't straightjacket it with misguided dictates. The political problem is that to regain control of the budget, Congress and the president must enact legislation that, as economic recovery proceeds, starts to scale back on past promises—for ever more growth in spending on health care, retirement, and other permanent programs—and cuts down hidden tax subsidies. At the same time, Congress must raise revenues so current generations can no longer saddle future generations with ever higher tabs.

Today's political predicament resembles the one America's first lawmakers faced under the Articles of Confederation, when a weak legislative body and lack of executive power made solving even the most basic fiscal problems impossible and threatened the new nation's viability. Now, as then, something must give because it has to. We need to look to history to verify that we're at a dead end and then do as we did at other critical junctures: create the fiscal flexibility needed to seize the extraordinary, yet not fully known, opportunities that the future will bring. Once policymakers take those politically painful but unavoidable first steps, future voters are far more likely to restore children and posterity to their rightful place as a high budget priority. ■

Budgeting for Tomorrow's Workforce and Economy

Robert D. Reischauer

Over the past decade, the economy has been weak and incomes for most Americans have stagnated. The prospects for the future are no brighter. Understandably, policymakers have focused on actions they hope will spur more robust economic growth and increase future living standards. Some advocate reforming the tax code, others propose rationalizing government regulation, and still others recommend investing in infrastructure and innovative technologies. Important as these policies might be to future economic growth, they will do little if the nation lacks a skilled and productive workforce.

On this score, there is much to be concerned about. Today's children will be tomorrow's workers, replacing the baby boomers and their echo. An objective assessment of their prospects points to the conclusion that, without a significant investment in today's children now, many of tomorrow's workers will lack the skills needed to compete successfully in the increasingly competitive global economy. This is because, when compared to the past, today's children face more formidable challenges to becoming the productive, skilled workers of tomorrow.

Today a larger proportion of children are spending their formative years disadvantaged. The fact that Medicaid pays for more than 40 percent of births indicates that a substantial fraction of all children start life in some significant degree of deprivation. Today, more than one in five children lives below the poverty line, a higher fraction than in all but two of the last 36 years. Research has confirmed that those who live in deprived circumstances during childhood are more likely to have low-wage, unstable jobs as adults.

In addition, more children are being raised in families that lack two parents to share the burdens of child-rearing. In 1970, some 85 percent of all children were living under the same roof as both parents; today, fewer than 70 percent do. And this change comes at a time when, compared to the past, many more mothers must work, leaving them less time to help their children with schoolwork or the other challenges of growing up. In 2009, some 72 percent of mothers were in the labor force, up from 47 percent in the mid-1970s.

For this generation of children, the educational opportunities so critical to gaining today's vital skills pale when compared with what they used to be. One reason is that variations in states' birth rates combined with recent migration patterns have increased the share of children living in states where K-12 education funding levels are lower. In the last decade, the nation's child population has shifted from the Northeast and Midwest to the South and Southwest, to states with more limited tax structures in place than the states now losing children. To make matters worse, many states facing intense fiscal pressures are reducing school budgets, school years, the hours in the school day, and the number of subjects taught. In a nutshell, about four-fifths of all children now live

in states where 2011 per pupil state revenues are below 2008 levels in real terms (Oliff and Leachman 2011 and author's calculations).

Ethnic minorities now make up 46 percent of all children, versus 23 percent in the mid-1970s. By 2023, the majority of American children will come from ethnic backgrounds we now call minorities. Given that black and Hispanic teens are currently more than twice as likely to drop out of high school (Chapman et al. 2010) as white teens, and given what we know about high school dropouts' job prospects and the challenges faced by impoverished children, we can project that an even larger share of children in 2023 will face an uphill climb (Snyder and Dillow 2011). And then there is the sad thought that more of the nation's future workers might confront discrimination as they grow up and enter the labor market.

To meet these challenges, the nation needs a comprehensive, integrated investment agenda for kids. The policy prescription includes expanded nutritional assistance, augmented early childhood education, more rigorous K-12 programs, and support for those who go on to postsecondary education and technical training. Dedicated plans to bolster and support these efforts are essential to the preparation of tomorrow's workforce. But how do we get there?

Even though states and localities have historically borne the programmatic and most of the fiscal responsibility for investing in children, they have neither the wallet nor the will to do the job. That means that the federal government will have to take the lead. But the federal budget is also under severe fiscal strain, and many want to scale back its role. Moreover, the consequences of failing to prepare today's children to be tomorrow's productive workers will be nationwide. Poorly educated youth migrate to other states, federal programs pick up the pieces, and the nation as a whole suffers.

To implement the policies needed to ensure better futures for American youth and the United States on the whole, we need our national leaders to lead. No matter how the congressional "super committee," our lawmakers, and the White House decide to put us back on a sustainable fiscal path through budget cuts and tax policy reforms, children—that is, the future of the country—must be given higher priority. Under current law, less than 8 percent of the federal budget would be spent on children at the end of this decade. That reveals our government's value judgment on investing in the well-being of both the current adult population and the future workforce. We know making tough fiscal choices will be painful for many American adults, many of whom vote in national elections. But Americans should find one point of easy agreement—a shared commitment to our children and our country's future. Just as our fiscal policies need to be reformed right now, so does our commitment to our kids. ■

Persistent Childhood Poverty's Double Whammy

Margaret Simms

New figures on child poverty in the United States should alarm policymakers. More than one-fifth (21.5 percent) of all children under age 18 lived in poverty in 2010, and one-fourth (25 percent) of those under age six were poor. By race and ethnicity, it looks worse. Nearly two in five (39 percent) of African American children and more than one-third (35 percent) of Hispanic children are poor, compared to about one in seven Asian children and one in eight non-Hispanic white children.

These racial and ethnic disparities are only the tip of the iceberg. Census figures show poverty only at a given moment, and we know that spending years in poverty, as fewer than 10 percent of the youngest Americans do, seriously undermines children's life chances. Urban Institute researchers Caroline Ratcliffe and Signe-Mary McKernan (2010) found that African American children were seven times more likely than white children to have been persistently poor. Thirty-seven percent of the African Americans studied spent more than half of their childhood years in poverty, and about half that number were poor for at least three-quarters of their lives.

Childhood poverty that won't let up takes a heavy toll on early adulthood. As Ratcliffe and McKernan discovered, children born poor were less likely to finish high school, more likely to be poor as young adults, and less likely to be working between the ages of 25 and 29 than other children were. The young women were more likely to become parents as teens. And the longer children were poor, the worse they fared as adults. Unfortunately, as a study now under way is finding, racial disparities in persistent poverty aren't budging either.

Poverty's lasting legacy is national as well as personal. Letting kids languish and enter adulthood unprepared means that America's labor force won't be as productive as it could be and that these children's children will likely be condemned to lifelong poverty too. Yet, several strategic investments in poor children could alter their futures and the country's.

Early childhood development should be policymakers' starting point. Parents who work are less likely to be poor than those who don't. But parental work can put a child's development at risk if appropriate child care can't be found. Recent Urban Institute research by Ajay Chaudry and others (2011) found that low-income families can't afford most child care geared to both children's developmental needs and parents' sometimes irregular work schedules. Making Early Head Start and Head Start programs available to more of the poorest children could give them greater access to the developmental services they need and open doors to support services for their parents. These programs could help more impoverished children, especially the neediest, enter elementary school physically and mentally ready to learn.

Poor children's lives often lack stability, a keystone of healthy development. Erratic or makeshift child care is one bad

influence, and residential instability is another. Families with low incomes and repeated spells of unemployment tend to move often because they get behind with their rent. Usually, that means school-hopping, which drags down children's school performance. Jane Hannaway and her colleagues found that children in North Carolina who changed schools involuntarily more than once between third and ninth grades had lower math scores than did children who stayed put or moved to better schools (Xu, Hannaway, and D'Souza 2009). School changes harmed African American children most, although Hispanic children also had lower test scores, and we know that low scores and poor performance make it more likely that kids will drop out of school. And students who do finish high school with poor math skills will not be able to succeed in the growing number of postsecondary programs that require those skills.

One key way to stabilize children's lives is through policies that reduce residential instability. But it might be more cost-effective to reduce school-hopping and, thereby, its ill effects on students. Making high-quality teachers and other resources available to raise school performance would mean that children wouldn't be stuck in inferior schools after a household move. Promise Neighborhoods, new initiatives that work like the much-lauded Harlem Children's Zone to improve both schools and their neighborhoods, could boost children's performance if unwise budget cuts don't jeopardize them before they can have an impact.

Several commissions and committees that have proposed ways of addressing the budget crisis have found room for investments in education and other programs that help children become healthy, productive adults. Policymakers with no choice but to further narrow the gap between revenues and expenditures would be wise to do the same, keeping both today's children and tomorrow's workforce in mind. ■

Translating Good Ideas into Budget Realities for Children

Olivia Golden

Children's lives have been upended in recent decades while few of the rest of us even noticed. Their path to a good education and job is rockier than it has been in several generations. They are the poorest age group, with the latest Census figures showing 22 percent in poverty, the largest number (16.4 million) since 1962. And soon America's children will be "majority minority": in the past decade, the number of white children fell by 4.3 million while the number of Hispanic and Asian children rose by 5.5 million.

These dramatic changes should be front and center in budget debates—especially since, as the huge baby boomer generation retires, we need these children more than ever. Instead, budget pundits rarely even estimate the cost of investing in education, nutrition, and health for tomorrow's workers and citizens.

Yet, research tells us, omitting children's expanding needs from our budget formulas risks major damage to the nation's future. Children in poverty, unsafe neighborhoods, and substandard schools struggle more than other children do in the classroom and later as adults. A child born poor is much more likely than better off children to be poor half the years between 25 and 30 (21 percent versus 4 percent) and three times as likely to lack a high school diploma (22 percent versus 7 percent). Black and Hispanic high schoolers are more than twice as likely as their white counterparts to drop out. And a recent estimate by Harry Holzer puts the price tag of ill health, crime, and reduced adult productivity associated with child poverty at a minimum of \$500 billion each year.

Coming up with practical budget solutions requires paying attention to both children's needs and to little-known facts about public spending.

Start with this: The lion's share of public spending on children, about two-thirds, comes from state and local governments, mostly for K–12 education. But the Great Recession has left state budgets hovering below 2008 spending levels. And federal help to states through ARRA, which offset some cuts in state spending on children, has generally ended.

Also, the state picture grows even grimmer as where children live shifts, as it has in the past decade, from northeastern and midwestern states to the South and Southwest. The gaining states, such as Texas and Florida, rank among the least prepared to educate more needy children because their governments have relatively limited tax structures and spend the least per pupil. New ideas on providing high-quality education are moot if children's home states choose—or are forced—to lay off teachers or reduce school days, heedless of the long-term damages.

The federal government today contributes about one-third of all spending on children. Its role is crucial to health and nutrition, and Medicaid is the largest single federal program for children. For the youngest children, state and

federal shares are reversed: The federal government covers more than three-quarters of public spending on babies and toddlers.

Unfortunately, the investment in the youngest children is probably far too low. Total public spending per child in elementary school is double that per child under age three, even though research suggests that spending on child development, health, and nutrition in these early years can cost-effectively prepare them for school and help avert later high public costs. Suppose budget experts recognized the nation's and states' self-interest in filling these gaps. What smart, practical ideas could better align federal and state budgets with children's reality?

First, increase the federal share of education spending. It won't be easy to design a plan that takes account of the number of children (especially needy children) in each state while still incentivizing states to keep up their side of the bargain. But it's the only way to ensure that we invest enough in every child's education to meet national needs for a trained workforce and productive citizenry.

Second, increase investment in the youngest children. We should expand such proven and promising federal programs as Early Head Start and home-visiting services to families with young children; better target Medicaid resources for early screening, prevention, and treatment; and stabilize mothers' and fathers' lives right around birth, when babies and families are most vulnerable. Paid family leave programs in California and New Jersey—possible models—help parents nurture a new baby without slashing family income.

Third, consider children when reforming entitlement programs. Among the "big three," Medicaid has helped expand children's health insurance coverage despite the recession, bucking the trend for adults, while Social Security directed another \$21 billion to children in 2010. Entitlement reform should protect these successes.

Fourth, build a children's budget assessment into federal budgeting. Today, there is no occasion when all the information about children comes together, and few budget experts understand the mix of state and federal funding streams and programs. Simply assigning a single agency to compile children's spending across the federal government would help policymakers see the big picture. Even better, add in state information, project children's needs for educational, health, nutritional, and other services, and assess the effects of new budget proposals on children. ■

The Children's Budget — The Federal/State Bargain

Kim Rueben

As federal policymakers get down to the serious business of budget reform, they should keep in mind how much their actions affect services provided by state and local governments. Even money raised by the federal government is often distributed by the states, and right now the recession has driven down state revenues, and local revenues are predicted to fall until 2014 as property taxes erode. The National Association of State Budget Officers estimates that state general fund revenues will be \$656 billion in 2012—still below the \$680 billion level of 2008. And about half of states expect budget shortfalls for the current year.

This dip in revenues will hurt children because most spending on kids comes from subnational governments. They cover the lion's share of education spending and almost half the costs of Medicaid and other health programs. And state and local costs are growing as the population ages and both health care and pension costs rise, making it hard to replace any federal funds cut. Indeed, in most states revenue increases this year funded only expanded Medicaid costs and prison outlays, leaving less for education, preschool programs, and optional health services for children.

Compounding this predicament, most states have a balanced budget rule. Whatever the intent, such rules can make tougher still the choices state and local officials face as resources decline and needs for public services expand.

States did get help that temporarily eased this juggling act. In 2009, the ARRA increased federal money for schools and the federal share for health care. States were also given more assistance in mid-2010, though those funds are now gone. This additional money had strings attached: States had to maintain health care eligibility and meet new conditions on how some education revenues were spent. But, while deepening the federal debt, this money meant that for most districts the school year didn't have to be shortened and fewer teachers got laid off.

The federal boost also meant a larger federal role in setting states' education priorities. Depending on whom you ask, this could be good or bad. State officials argued that some "maintenance-of-effort rules" that keep spending levels up were hard for them to meet and balked at all the new reporting requirements. Yet, the money helped move along the federal government's policy priorities—say, teacher and student tracking systems that were politically hard for states to enact without federal funds. Incentives built into its Race to the Top competition, for instance, allowed the federal government to improve information collection and evaluation around its goal of having more students (especially those in low-performing schools) meet college and career-ready standards.

It's not clear that the federal government can play this catalytic role in education reform and assert national priorities unless federal funding is part of the bargain. Race to the Top exemplifies what can happen when modest federal funding

is distributed competitively to spur changes in state priorities and investments. But maintaining these reforms is another question in some states as budget shortfalls reemerge. Cash-strapped California had to cut money for implementing a teacher tracking system, and if California's revenues look to fall \$2 billion or more below projected levels by this December, seven school days will automatically be cut. Clearly, short-term fiscal problems can prompt states to make choices that go against the nation's interest.

The federal government is supposed to reauthorize the Elementary and Secondary Education Act (ESEA), which determines priorities and amounts for education and other programs that benefit low-income households and children, including Temporary Assistance for Needy Families. But irregular program extensions aren't systematic reforms. The Obama administration just announced that states can get relief from some specific (unrealistic) ESEA provisions if they redouble efforts to close achievement gaps, promote accountability, and better prepare all students for college and careers. Yet, this is a case of reactive policymaking: Federal officials realized that too many schools would be deemed failing if old program rules were applied under new stricter standards.

Since almost half of all children live in low-income families, our country's children and economy will be better or worse off depending on how the rules governing reauthorizations—for ESEA and myriad other programs—and funding levels are written.

Understanding the dynamic relationships among federal, state, and local governments is key to moving forward with sensible budget reform. There is a trade-off between allowing local control and decisionmaking and trying to encourage shared national priorities. State and local governments provide most direct services for children, but federal funds can keep these services going in economic downturns. Extra federal funds can also help ensure that state programs meet important national priorities.

Conversations among all levels of government and the public are needed so the budget trade-offs take the least toll on our nation's future and don't just pass the funding buck from federal to state to local governments and back again. Two more specific suggestions might help too. First, the federal government should decide upon priorities and goals and then determine whether meeting them will require more federal funds. And second, even though they won't all have the same goals, state and local governments should be recognized as partners and consulted on spending priorities.

Short-term state and local actions driven by budget constraints can exacerbate negative economic conditions and retard growth. Ameliorating those desperate choices—like cutting the school year or early childhood education—may be a proper role for federal intervention. ■

What Spending on Child Health Looks Like

Lisa Dubai

The federal program that spends most on children is Medicaid: \$74 billion last year. In 2010, Medicaid and the Children's Health Insurance Program (CHIP) together provided health insurance to 35 percent of all children, 60 percent of low-income children, and 46 percent of pregnant women (author's analysis of DeNavas-Walt et al. 2011). The Affordable Care Act further expands health care access for children and their parents.

Children are not little adults, but the low prevalence of chronic conditions and disease among them feeds the outdated notion that they are generally healthy. In fact, because children develop rapidly in early childhood, their biological, psychosocial, and cognitive futures are all at stake (Graham and Power 2004). These early years help determine how healthy they are over their lifetimes and whether they become fully productive citizens, parents, and workers.

So what do policies that promote child health look like? Besides financing medical care, investments can foster responsive caregiving, safe environments, and good nutrition where young children live, learn, and play—their homes, schools, and communities (Center for the Developing Child at Harvard University 2010). In turn, federal, state, and local policymakers must see child health as a complex web of challenges and payoffs.

Stable and responsive relationships help children develop such wide-ranging competencies as relating to others and concentrating. Expanded access to contraceptives under the Affordable Care Act should raise the percentage of wanted pregnancies and, thus, increase bonding. Depressed or stressed parents cannot give their children enough attention and are helped by home-visiting services that identify maternal depression and sources of treatment. Further, all parents need access to paid parental leave, as such states as California, Hawaii, and Oregon finance through employee payroll taxes or short-term disability policies.

Since children under age five spend an average of 35 hours away from their mother if she works and 67 percent receive center-, family-, or relative-based day care, access to high-quality child care for all families would also promote stable and secure relationships. President Obama's 2012 budget requests a more than 15 percent increase for early childhood programs, especially the Early Learning Challenge component of Race to the Top. It also seeks to boost the Child Care and Development Block Grants (up 23 percent) and Head Start (up 7 percent) (First Focus 2011). Good ideas all, but right now states and communities are grappling with the reduction in federal child care dollars as ARRA stimulus funding ended. That aside, the proposed increases still wouldn't do the job, since only 16 percent of eligible children get subsidized child care now, fewer than 4 percent of eligible infants and toddlers are in Early Head Start, and not even half of preschool children take part in Head Start (First Focus 2011). A budget that

maximized children's potential would substantially raise these percentages.

Safe environments enhance child health and cognitive development by limiting exposure to lead and other toxins. Homes, child care centers, and communities that aren't hazard-free invite high injury rates and physical lassitude. Remedies include strong enforcement of federal and state regulation of environmental toxins and state safety standards for child care centers, public and rental housing, and playgrounds. Zoning regulations and community development programs can ensure that sidewalks are built and playgrounds and recreation centers constructed in new and at-risk neighborhoods to help fight childhood inactivity.

Eating enough and right is critical for body growth and brain development in the prenatal period and the first years of life. Although sometimes criticized as too small or too cavalier about sound nutrition and benefit amounts, several U.S. Department of Agriculture (USDA) programs subsidize the cost of food for young children and cover some parents too. The Special Supplemental Nutrition Program for Women, Infants, and Children, the Supplemental Nutrition Assistance Program, and the Child and Adult Care Food Program (CACFP) support good nutrition through supplemental food packages, monthly cash transfers for food, or reimbursements for meals served in day care. Funding increases for these programs were proposed in the president's 2012 budget, and the Healthy, Hunger-Free Kids Act of 2010 should make CACFP meals more nutritious. Further improvements would serve children well.

A budget with children in mind would also support zoning, monetary incentives, and other ways to encourage grocery stores to open in communities where fresh foods are scarce and get corner stores to carry more healthy food. Partly to gather evidence on what works to improve nutrition in poor communities, experiments could draw farm markets to underserved locales, allow food stamp use at such markets, and test new forms of community gardens.

As Nobel Laureate James Heckman argues, the best way to improve tomorrow's workforce is to invest heavily today in the early childhood environments of young disadvantaged children (Knudsen 2006). Policies that do that must also work for children as they move from school, into adolescence, and into adulthood. In addition, more investment is needed in Medicaid and CHIP. ARRA and the Affordable Care Act prohibit states from reducing eligibility for these programs, so health care provider fees get cut instead, reducing children's access to vital services. Meanwhile, few Medicaid providers use effective detection tools for children. Continuing federal support to states to meet Medicaid's funding challenges in hard times and providing incentives and training for providers to use the most up-to-date screening tools and identify community resources for referrals would help maintain and improve Medicaid's critical role in children's lives. ■

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