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THE CASE FOR INVESTING IN CHILDREN HAS NEVER BEEN STRONGER

Too bad U.S. policy doesn't reflect that.

DWYER GUNN · SEP 21, 2018

By the end of fiscal year 2018, the federal government will have spent approximately $331.2 billion (about 8 percent of total spending) on children, according to a report released Thursday by First Focus, a bipartisan group that advocates for children and families.

The report—which the organization compiles annually and which calculates total spending on children across multiple different programs, departments, and categories—finds that spending on children in fiscal year 2018 increased by 1.7 percent from the previous year, thanks to the passage of the Bipartisan Budget Act of 2018 earlier year. The percentage of the federal budget going to children also increased slightly (by about 1 percent) in 2018.

While the increase in federal spending in 2018 represents a victory for advocates of children, the report also highlights some concerning long-term trends. Although spending (in dollars) has increased in each of the past five fiscal years, the percentage of overall federal spending going to children actually declined by 1.7 percent between 2009 and 2018.

Put another way, the United States government is spending a lot more money these days, but little of that money is going to children. For example, between 2014 and 2018, total non-defense discretionary spending (a category that includes spending on education and training, public health, Head Start, and food and nutrition assistance) increased by $87 billion; only 10 percent of that money ($9 billion) went to children. Total federal spending on children during that same time period, meanwhile, increased by $43 billion, while total overall federal spending increased by $596 billion.

Economists project that these trends will continue, as federal spending on the elderly (via Social Security and Medicare) and the federal debt continues to consume an ever-larger portion of the U.S. budget. In a report published earlier this year, economists at the Urban Institute estimated that the percentage of federal spending going to children will continue to decline in the coming years and that, by 2020, spending on the federal debt will exceed spending on children.

Those trends may even worsen, if budgetary pressures brought on by the country's growing debt result in the kind of cuts to programs that some conservative lawmakers have long sought. The First Focus report calculates that, if the president's proposed 2019 budget were enacted, federal spending on children would fall by over $33 billion, or 12 percent.

That the U.S. devotes so little of its wealth to children is especially nonsensical in light of a growing and persuasive body of evidence on the importance of early childhood and the economic value of interventions that target children. In recent years, researchers have published reams of papers demonstrating the benefits of: home visiting programs; high-quality early childhood education programs; housing vouchers that help families to move to better neighborhoods; expanding children's access to adequate nutrition and health care; and various programs that boost parental income (and this is a woefully incomplete list).

Importantly, these benefits accrue not just to the children who directly benefit from these programs but to taxpayers and society at large as well. In a report published by the Obama administration back in 2014, the Council of Economic Advisers estimated that "expanding early learning initiatives would provide benefits to society of roughly $8.60 for every $1 spent, about half of which comes from increased earnings for children when they grow up." Evaluations of the long-term effects of the Nurse-Family Partnership, a well-studied and well-regarded home visiting program, have documented benefits (to both society and the federal government) that are three to four times the cost of the original intervention. (Fiscal year 2018 funding levels for the Maternal, Infant, and Early Childhood Home Visiting Program are sufficient to serve only 5 percent of eligible families.)

In their study on the long-term effects of the Moving to Opportunity (MTO) housing voucher program, meanwhile, economists Raj Chetty, Nathaniel Hendren, and Lawrence Katz have found that "moving a child out of public housing to a low-poverty area when young (at age eight on average) using a subsidized voucher like the MTO experimental voucher will increase the child's total lifetime earnings by about $302,000" (which produces enough tax revenue to offset the higher cost of the voucher, in comparison to public housing).

Children represent 23 percent of Americans. In 2017, 17.5 percent of those children—or about 12.8 million Americans under the age of 18—were living in poverty, according to the most recent estimates from the U.S. Census Bureau, a higher percentage than in any other age group. In an era of widespread optimism about early childhood interventions and widespread concerns about technology, global competition, skill gaps, and inequality, the case for a bold, grand investment in those children—the future of the American economy—seems strong. So far, however, the U.S. is failing to deliver.