

Priority or Afterthought? Children and the Federal Budget

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Overview of Remarks

- What report tells us
- Do children have unmet needs?
 - A look at the data
- Case for investing in children

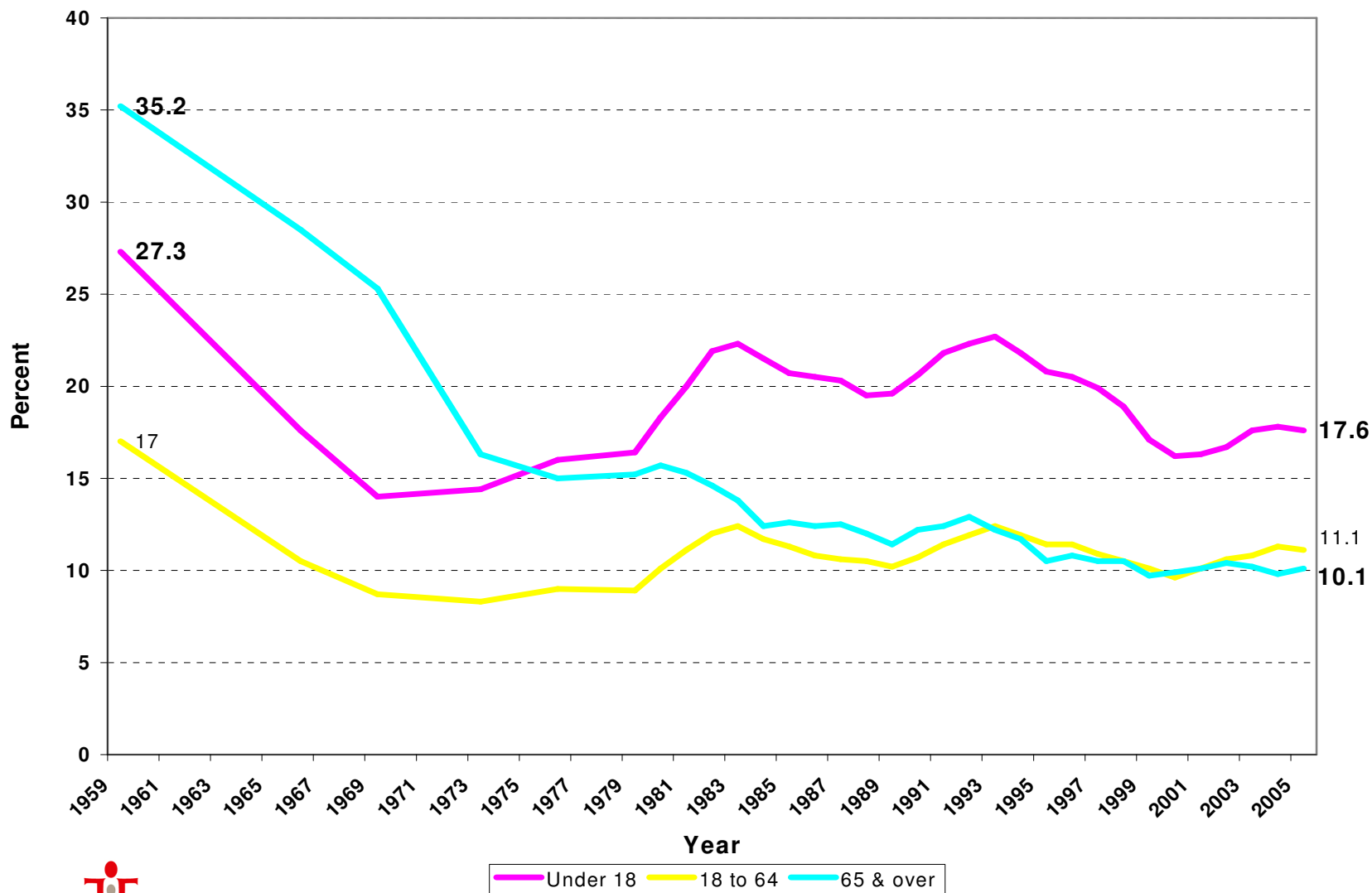
Report Tells Us:

- Kids Share While overall \$ are going up, % of domestic budget focused on children has fallen and is projected to fall in future
- Uneven growth Programs for children are not indexed and tend to decline, this trend has been offset by major new programs (EITC, SCHIP)
- Big Squeeze Future spending on children threatened due to budget squeeze caused by ever-increasing share of budget devoted to health and retirement, combined with desire to cut taxes

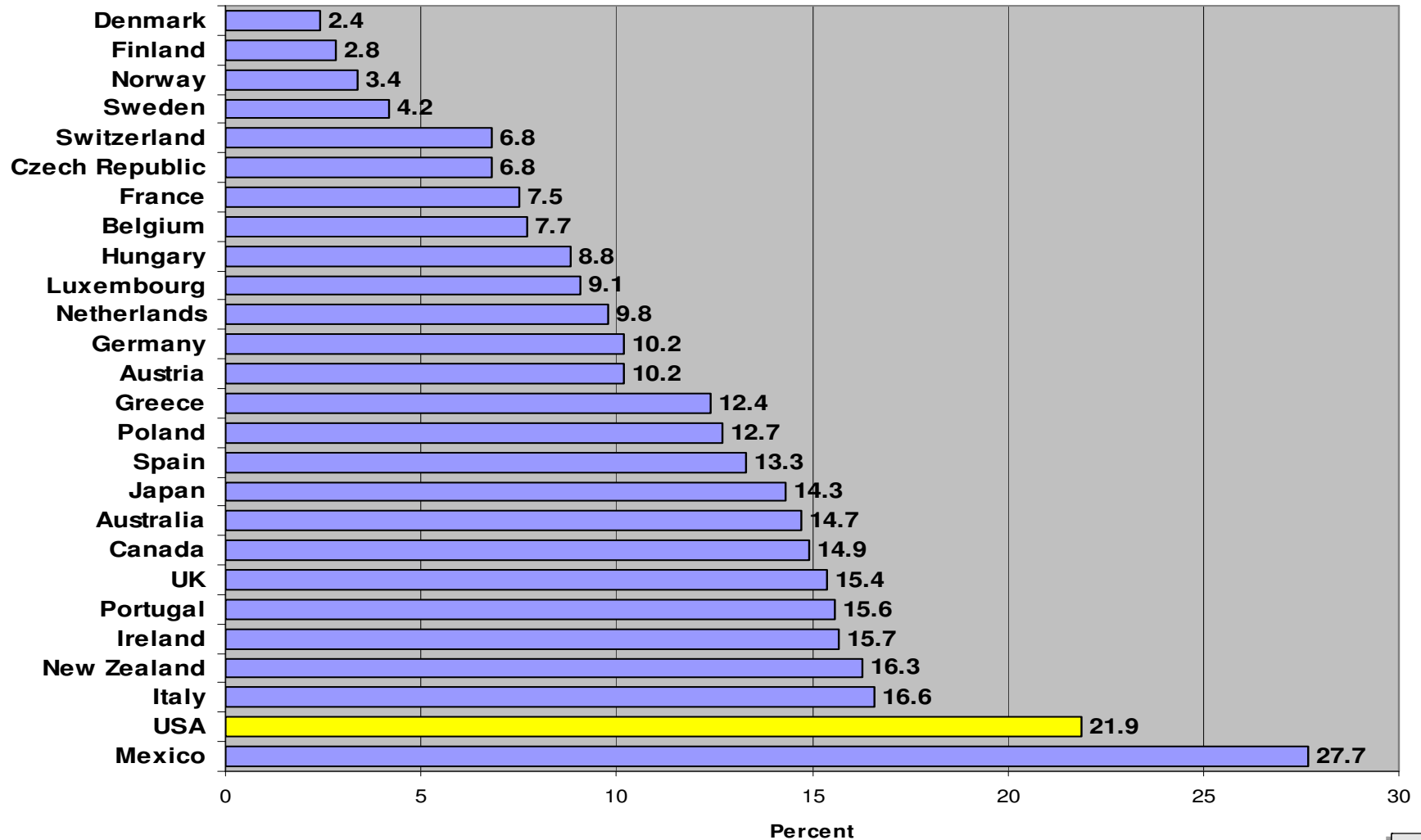
Are Children's Needs Unmet?

- Many children are thriving.
- Some areas of unmet need.
 - Child poverty & other hardships
 - Child health insurance coverage
 - School achievement

Poverty Rates Higher for Children than Adults

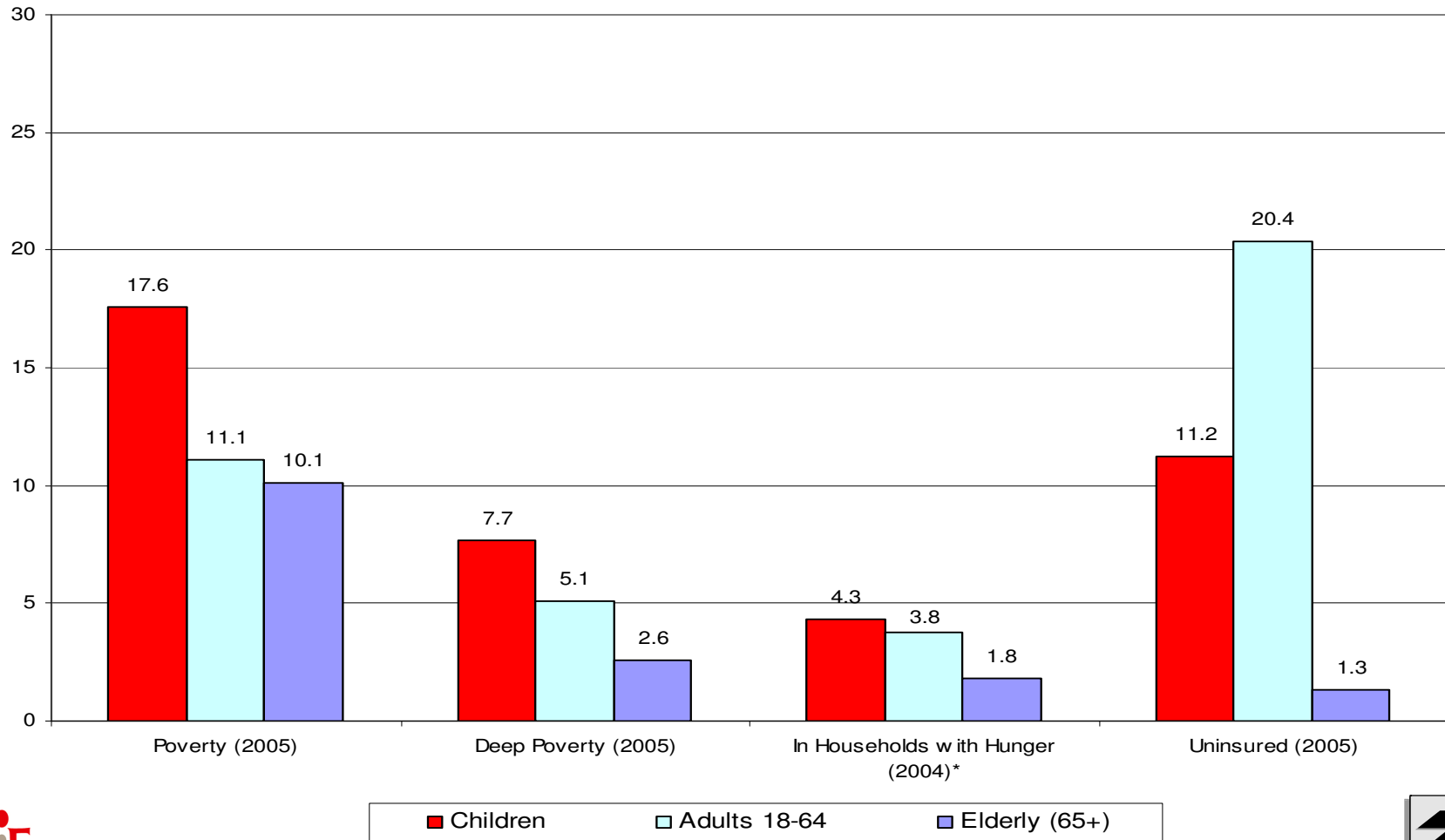


Child Poverty Higher in U.S. than Other Rich Countries



Source: Child Poverty in Rich Countries 2005, UNICEF Report Card No. 6

Children Also Experience Higher Rates of Other Hardships



* Hunger is measured for: hhs with children, hhs without children and hhs with elderly



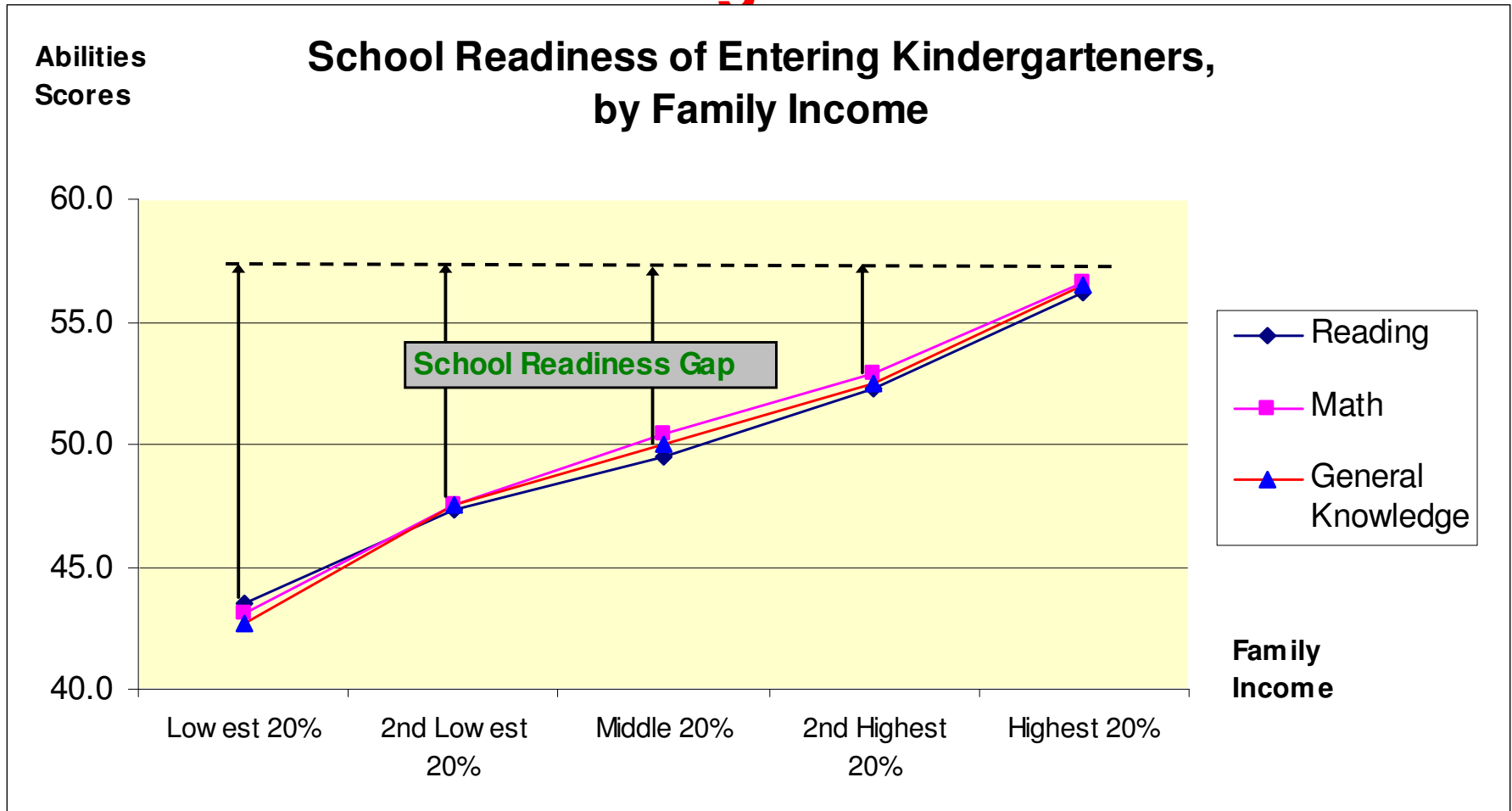
Health Insurance

- 11% of U.S. children were without health insurance in 2005
 - 8-9 million U.S. children are uninsured
- Better than in 1997 (15% uninsured)
 - Expansions in Medicaid and SCHIP have helped children gain access to health care
- Still, too many children lack health insurance
 - and % will rise if SCHIP is not reauthorized

School Achievement

- 38% of 4th grade children do not read at even a basic reading level (NAEP)
 - 54% of low-income children
 - 59% of black children
 - 56% of Hispanic children
- 25-30% of ninth graders fail to receive a regular high school diploma 4 years later
 - Higher dropout rates among low-income & minority youth

Low-Income Children Behind by Entry to Kindergarten



Importance of Investing in Children

- All societies need to invest in the healthy development of young if they are to survive
- Investing in children's human capital has long-run payoffs
 - Increasing skills of tomorrow's adults
 - Providing the workforce, caregivers, taxpayers & citizenry to raise the next generation of children and support the next generation of retired adults
- Also a moral obligation to care for children

Specific Investments

- 4 investments prioritized in First Focus Brief (Isaacs & Lovell, 2007, available at www.firstfocus.net)
- Support parents – #1 in lives of their children
 - Strengthen tax policy for children and families
- Provide health insurance by reauthorizing SCHIP
 - \$ to cover those currently enrolled, plus expand to those eligible but not enrolled

Specific Investments, cont.

- Reauthorize NCLB with increased support for high schools
 - Focus on improving high school completion rates
- Expand investments in early childhood education
 - High-quality ECE for 3- and 4-year old children
 - Nurse home visiting programs 0-2
 - Returns of \$2-\$17 for every \$1 invested

Conclusion

- Children are not a clear priority in the Federal budget
- Many children thriving, but also areas of unmet need
- Investing in children's human capital has long-run payoffs
 - Increasing skills of tomorrow's adult workers, caregivers, taxpayers & citizens.