

CHILDREN'S STATISTICS

Prepared for Neera Tanden
Office of the First Lady

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NEWS

Economic & Statistics Administration

U.S. Census Bureau *the Official Statistics*

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Family Composition Begins to Stabilize in the 1990s,
Census Bureau Reports

Traditional families -- married couples with children -- have begun to stabilize as a percentage of all families in the 1990s and the growth of single-parent families -- those maintained by a mother or father with no spouse present-- has slowed, according to a report released today by the Commerce Department's Census Bureau.

The embargoed tabulations can be accessed at <http://www.census.gov/dc/cmd/www/embargo.html>.

The report, Household and Family Characteristics: March 1997, P20-509, will be available after the release time on the Internet at <http://www.census.gov/population/www/socdemo/hh-fam.html>.

"The perceived decline of the American family is vanishing and the '90s represents a stabilization period," said Ken Bryson, co-author of the report. "For example, the percentage of married couples with children fell from 50 percent to 37 percent of all families between 1970 and 1990. It only dropped 1 percentage point (to 36 percent) since then."

Lynne Casper, the report's other author, said, "Growth in the proportion of single-parent families had slowed in the meantime."

"The percentage of single-parent families doubled between 1970 and 1990, from 6 percent to 12 percent of all families," she said. "Since 1990, it has only increased two percentage points (to 13 percent)."

A "family group" includes all family living arrangements: families, related subfamilies, and unrelated subfamilies.

A household is a person or group of persons who live in a housing unit. A family is a group of two or more people (one of whom is the householder, the person in whose name the housing unit is owned or rented) living together and related by birth, marriage or adoption.

Most of the information in this report comes from the March 1997 Current Population Survey. Some estimates may be based on data obtained from earlier surveys conducted by the Census Bureau. As with all surveys, data are subject to sampling and other sources of error.

Then and Now**Then in 1990:**

- 1) Married couples with own children under 18 made up 26 percent of all households.
- 2) There were 2.63 people per household.
- 3) 51 percent of all families had no own children under 18.
- 4) 24 percent of families with own children under 18 were maintained by one parent.
- 5) 14 percent of one-parent family groups were father-child family groups.
- 6) 33 percent of mother-child family groups had a never-married mother.

Now in 1997:

- 1) Married couples with own children under 18 make up 25 percent of all households.
- 2) There are 2.64 people per household.*
- 3) 51 percent of all families have no own children under 18.*
- 4) 28 percent of families with own children under 18 were maintained by one parent.
- 5) 17 percent of one-parent family groups are father-child family groups.
- 6) 41 percent of mother-child family groups have a never-married mother.

*These values for 1997 are not statistically different from the values for 1990.

-X-

The Census Bureau pre-eminent collector and provider of timely, relevant and quality data about the people and economy of the United States. In more than 100 surveys annually and 20 censuses a decade, evolving from the first census in 1790, the Census Bureau provides official information about America's people, businesses, industries and institutions.

Figure 2. Households by Size: 1970 to 1997

Percent of total households

0 10 20 30 40 50 60 70 80 90 100

1970 1973 1976 1979 1982 1985 1988 1991 1994 1997 1 or 2 people

3 or 4 people

5 or more people

Source: U.S. Bureau of the Census, Current Population Surveys.³ P20-509

sisters sharing a home, or any combination of relatives, as long as no spouse of the householder lives in the household. Nonfamily households include people living alone or living only with nonrelatives, for example, boarders or roommates.² In this report, we will focus most of our attention on family households. Traditionally, families have accounted for a large majority of all households — as recently as 1940, nine out of ten households were family households. By 1970, this proportion had fallen to 81 percent, and by 1980, it had fallen another 7 percentage points to 74 percent (Figure 1). Thereafter, the family household category began to stabilize, declining only 4 percentage points to 70 percent of all households in 1997. Of the 101 million households in 1997, 70.2 million were family households and 30.8 million were nonfamily households (Table A).

In contrast, nonfamily households increased from 19 percent in 1970 to almost 30 percent in 1990. From 1990 to 1997, the percentage of nonfamily households stabilized at that level. In 1997, five-sixths of these nonfamily households were people living alone. There was a striking difference between female and male nonfamily householders. Women, who made up 55 percent of the nonfamily householders, often were elderly — 46 percent of these women were 65 or older. In contrast, only 18 percent of the male nonfamily householders were 65 or older.

The average household size has remained relatively unchanged since 1990.

In 1997, the average number of people per household was 2.64, down from 3.14 in 1970. Between

² Some nonfamily households may include families—related individuals—who are not related to the householder. These families are not family households according to our definitions, and are not included in the estimates of families presented in this report. 1970 and 1990, the share of households with 5 or more people decreased from 21 percent to 10 percent (Figure 2). During the same period, the share of households with only 1 or 2 people increased from 46 to 58 percent. Since 1990, the distribution of households by number of members has remained unchanged.

In 1997, only 34 percent of all households contained “own” (birth, adopted, or step-) children of the householder — unchanged since 1990. By definition, nonfamily households contain no own children, although they may include other people under 18 who are not relatives of the householder. Presence of own children in married-couple and other family households is discussed in the next section of this report. Households are more likely to be in the sun belt and in urban areas than in the past.

The geographical distribution of U.S. households has shifted away from the “rust belt” toward the “sun belt” during the past 27 years. In 1970, 52 percent of all households were in the Northeast and Midwest and 48 percent were in the South and West. In 1997, these figures were 43 percent and 57 percent, respectively.

Households also have become more urbanized during this period. The share of households in metropolitan areas increased from 69 percent in 1970 to 80 percent in 1997.

Families

In 1997, 76 percent of the 70.2 million American families were maintained by married couples (Table B).

The remaining 24 percent were maintained by women or men with no spouse present. More than three-fourths of the latter group were maintained by women.

The number of families maintained by people with no spouse present is increasing rapidly. Since 1970, the number of female-householder families has increased by 133 percent (from 5.5 million to 12.8 million). The number of male-householder

families grew by 213 percent (from 1.2 million to 3.8 million). In contrast, married-couple families grew only 20 percent (from 44.7 million to 53.6 million). However, most of this change occurred before 1990. From 1990 to 1997, growth was only 17 percent for female-householder families, 33 percent for male-householder families, and 2 percent for married-couple families.

Nowadays fewer families contain children under 18.

In 1997, 51 percent of all families contained no own children under 18 at home. This figure is 7 percentage points more than in 1970, when only 44 percent of families had no own children under 18 at home, but none of this change occurred since 1990.

Families without own children under 18 at home are not necessarily "childless." Some contain other related children, for example, nieces, nephews, or grandchildren. They also may include unrelated foster children. Other families may include adult sons and daughters who are still living at home. Still other families have adult children who are living away from home. These families are in the "empty nest" stage in their life cycle.

Younger families are more likely to be without own children under 18 now than in 1970. Among married-couple families with a householder under age 35, 29 percent had no own children under 18 in 1997, compared with 23 percent in 1970. An increase in the proportion of young families without own children is what one would expect in a population which is delaying child-bearing.

In 1970, 28 percent of the householders in married-couple families were younger than 35; of these, 77 percent had own children under 18. Fewer married-couple householders were in these prime childbearing ages in 1997. Only 21 percent were under 35; of these, only 71 percent had own children under 18, a figure that has remained stable since 1980. This reflects aging of the population, as well as delayed marriage and child-bearing.

A substantial number of "other families" also are without own children under 18. "Other families" consist of a woman or man, without a spouse present, maintaining a household with one or more other family members present. In 1997, 38 percent of female-householder and 56 percent of male-householder families were without own children under 18.

One-parent families are on the rise.

Family resources and the amount of parental attention given to children is strongly influenced by the number of parents in a household. In 1970, 89 percent of families with children had both parents in the household, 10 percent had mothers only and 1 percent had fathers only. By 1990, the proportions of one-parent families had risen significantly to 20 percent for mother-only and 4 percent for father-only families, a sizeable change. By 1997, the comparable percentages had increased slightly to 23 and 5, respectively.

More adult sons and daughters are living at home.

Nearly 22 million adult sons and daughters were living in a household maintained by one or both parents in 1997 compared with 15 million in 1970. Fifteen percent of all families included one or more own children age 18 or older in 1997, an increase of 4 percentage points since 1970. In 1997, of the 22.0 million own children 18 or older living in their family of origin, 14.0 million lived with both parents, 6.5 million with their mother only, and 1.4 million with their father only. The increasing age at first marriage means that fewer young adults in the 1990s are setting up their own households than was the case a generation ago. Increases in the cost of setting up and maintaining a household in the 1990s may also mean that young adults today are not as well equipped financially to maintain a residence separate from their parents as they were in the 1970s.

Families are smaller than a generation ago.

The average number of people in a family was 3.19 in 1997, up from 3.17 in 1990 but down from 3.58 in 1970. Only two people were present in 42 percent of all families. Fully 40 percent of married-couple families consisted of the husband and wife alone.

Families with a White householder were smaller than those with Black or Hispanic householders: 3.13 people for Whites, 3.41 for Blacks, and 3.94 for Hispanics. White married-couple families had an average size of 3.20, compared with Blacks at 3.59, and Hispanics at 4.17. Female-householder families, with no spouse present, followed a similar pattern: for Whites 2.86, for Blacks 3.31, and for Hispanics 3.43 people.

Families with no spouse present have younger householders than married-couple families.

The median age of female house-holders, with no spouse present, was 41.2, compared with 39.8 years for male householders, with no spouse present, and 46.1 for householders in married-couple families. Among those with no spouse present, 29 percent of the female, and 39 percent of the male, householders had never married:

A majority of single mothers with children under 6 have never been married.

In 1997, 58 percent of Black female householders with own children under 18 and no spouse present had never been married. Comparable proportions were 42 percent for Hispanics and 25 per-
People of Hispanic origin may be of any race.

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cent for Whites. Among single mothers who had own children under 6 only, 85 percent of Blacks, 73 percent of Hispanics, and 56 percent of Whites had never married. Percentages of never-married mothers with own children 6 to 17 only, were 44 percent of Blacks, 30 percent of Hispanics, and 14 percent of Whites. These percentages could be explained by a trend over time away from marriage, as well as by marriages after women had their first children.

Family Groups With Own Children Under 18

Family groups with own children under 18 include all one- and two-parent living arrangements with children. They include families with householders maintaining their own home and families living in a home maintained by another relative (related subfamilies) or a nonrelative (unrelated subfamilies). Today, more family groups have only one parent.

How have the relative numbers of different types of family groups with own children under 18 changed over time? In 1970, there were 29.6 million family groups, compared with 37.6 million in 1997. Of these, the proportion that contained both a mother and a father dropped from 87 percent in 1970 to 72 percent in 1990 and continued to decline to 68 percent in 1997. Two-parent family groups with own children were almost all maintained by married couples (25.1 million of 25.6 million). The small number of other two-parent family groups were almost all related subfamilies.

The number of family groups with children headed by mothers with no spouse present increased from 3.4 million in 1970 to 10.0 million in 1997. Of these, 79 percent were mother-child families, 16 percent were related subfamilies, and 5 percent were unrelated subfamilies. This suggests that a considerable number of mother-child subfamilies may be dependent on parents or other relatives for housing as they are unable to support themselves. The number of men living with their children but with no spouse present grew from 0.4 million to 2.0 million between 1970 and 1997.

Mother-child family groups are demographically diverse and reflect a wide variety of living arrangements. Mothers in mother-child families who maintain their own households are older and are more likely to have been married compared with those who live in a relative's household (Figures 3a and 3b). Almost two-thirds of mothers who maintained their own households were previously married, and more than half were over 35 years of age.

A woman may continue to live with her parents or move back in with them after having a child of her own. Families of this type are known as related subfamilies. Mothers in related subfamilies were younger and more likely never to

Other*

Separated

Never married Figure 3a. Marital Status of Mothers in Mother-Child Family Groups: 1997

Percent

Families Related Unrelated Divorced 8

18

38

36 65 18 11 6 5

10

52

34

subfamilies subfamilies

*"Other" includes widowed and married, spouse absent, not separated Source: U.S. Bureau of the Census, Current Population Survey. Families Related Unrelated 35 and older

25 to 34 Figure 3b. Age of Mothers in Mother-Child Family Groups: 1997

Percent

Under 25

subfamilies subfamilies 13 34 54 22

32

46

17 46 36

Source: U.S. Bureau of the Census, Current Population Survey.

have married than those in the other two types of mother-child families. In 1997, about two-thirds of mothers in related subfamilies were never married and 46 percent were under 25. Young unmarried mothers may be more likely to live in the homes of relatives for the financial and emotional support they provide. Later, these mothers may move out and set up their own households either as a mother-child or married-couple family. Other types of mother-child related subfamilies also occur — one-third were either divorced or married with absent spouses (due to marital separation or some other reason). About half of the mothers in these mother-child related subfamilies were 25 years of age or older.

Unrelated subfamilies consisting of a mother and her children also encompass a variety of living arrangements and are demographically diverse. A mother might be the unmarried partner, roommate, boarder, or live-in employee of the householder. About half of these mothers were divorced. Their median age (32.1 years) was less than that of mothers maintaining their own families (41.2 years). Like mothers in related subfamilies, some of the mothers in unrelated subfamilies may establish their own family households later.

Source of the Data

Most estimates in this report come from data obtained in March 1997 from the Current Population Survey (CPS). Some estimates are based on data obtained from the CPS in earlier years and from decennial censuses. The Bureau of the Census conducts the CPS every month, although this report uses only data from the March survey.

Accuracy of the Estimates

All statistics are subject to sampling error, as well as nonsampling error such as survey design flaws, respondent classification and reporting errors, data processing mistakes, and undercoverage. The Census Bureau has taken steps to minimize errors in the form of quality control and editing procedures to reduce errors made by respondents, coders, and interviewers. Ratio estimation to independent age-race-sex-Hispanic population controls partially corrects for bias attributable to survey undercoverage. However, biases exist in the estimates when missed people have characteristics different from those of interviewed people in the same age-race-sex-Hispanic group.

Analytical statements in this report have been tested and meet statistical standards. However, because of methodological differences, use caution when comparing these data with data from other sources. Contact Andy Zbikowski, Demographic Statistical Methods Division, at 301-457-4214 or on the Internet at azbikows@census.gov for information on the source of the data, the accuracy of the estimates, the use of standard errors, and the computation of standard errors.

More Information

Detailed tables with characteristics of households and families by metropolitan/ nonmetropolitan residence, region, tenure of housing unit, and other variables, as well as some historical tables, are available on the Internet (<http://www.census.gov>); search for households and families data by clicking on the "Subjects A-Z" button and selecting "Families" under "F" or "Households" under "H".

To receive a paper copy of these tables, send your request for "PPL-93, Household and Family Characteristics: March 1997," along with a check or money order in the amount of \$39.00 payable to Commerce- Census-88-00-9010, to U.S. Department of Commerce, Bureau of the Census, P.O. Box 277943, Atlanta, GA 30384-7943, or call our Statistical Information Office on 301-457-2422. A copy of these tabulations will be made available to any existing CPR P20 subscriber without charge, provided that the request is made within 3 months of the issue date of this report. Contact our Statistical Information Office on 301-457-2422.

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User Comments

The Census Bureau welcomes the comments and advice of users of its data and reports. If you have any suggestions or comments, please write to:

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or send E-mail to: pop@census.gov

Traditional family nowhere near extinct

Census figures show drop leveling off

By Joyce Howard Price
THE WASHINGTON TIMES

The sharp decline in traditional American families with minor children is evaporating, according to a new U.S. Census Bureau report.

"It would appear the perceived death of the traditional family was premature," said Ken Bryson, a senior analyst for the Census Bureau and co-author of the report released yesterday. "While the proportion of married couples with children under 18 is not going up, it's not going down very rapidly."

In fact, the drop during the past seven years has been quite small.

In 1970, households including a mother, father and non-adult children constituted nearly 50 percent of all American families. By 1990, Mr. Bryson said, they accounted for only 37 percent of all families.

"But from 1990 to 1997, that percentage only went down from 37 to 36 percent," he said.

Married couples with children have not been a majority of U.S. families since 1967.

As a proportion of all households, married-couple households with children plunged from 40

percent to 26 percent between 1970 and 1990. But the decline in the first seven years of this decade has been only 1 percent, the report showed.

The percentage of single-parent families in the United States doubled between 1970 and 1990, from 6 percent to 12 percent of all families and from 11 percent to 24 percent of all households.

"Single-parent families are still increasing, but their increase is slowing," Mr. Bryson said.

According to the Census Bureau report, from 1990 to 1997, the percentage of single-parent families has edged up less than 2 points.

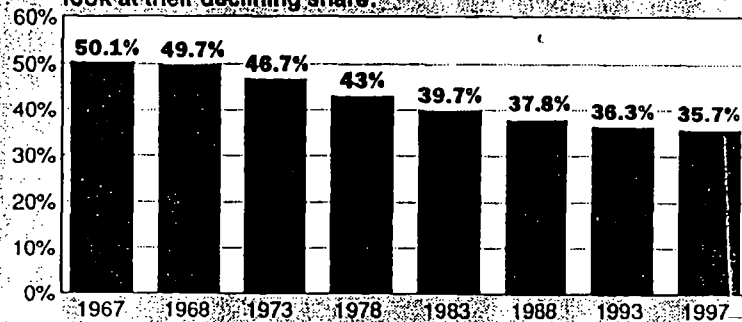
Asked to explain the stabilization in the numbers of traditional families — a trend that he expects will continue — Mr. Bryson and Lynne Casper, the report's co-author, cited several possible factors.

"You can point to a stabilization of divorce rates since the late 1980s or so," Ms. Casper said, noting that divorce "was fueling part of the increase in single-parent families." The divorce rate per 1,000 people was 4.1 in 1995, down from 4.7 in 1990 and 5.0 in 1985.

She and Mr. Bryson also noted the attention that a variety of peo-

TYPICAL FAMILY NO MORE

Not since 1967 have married couples with children under age 18 accounted for the majority of American families. Here's a look at their declining share:



Source: Associated Press

The Washington Times

ple in authority, including politicians and religious leaders, have given to the importance of family values, although Mr. Bryson stressed that it is difficult to know how much such commentary influences people.

Mr. Bryson also cited some other positive trends, such as a drop in births to adolescent girls, a stabilization of births to unmarried women and a reduction in crime.

"There's certainly been an underlying shift in behavior, and there's some reason to think there's also been some underlying shift in values," he said.

Bob Maginnis, senior adviser for crime and drug policy for the Family Research Council, said he is "heartened" by the new Census Bureau data but is not ready to cheer.

"We haven't changed the size of the traditional family," he said. "It's good the percentage is not declining, but I'd hope it would increase rapidly."

Mr. Maginnis argues that the government needs to focus on ways to ensure that "more families with children" stick together. One approach, he said, is to end the tax penalty imposed on married couples with similar incomes.

The Washington Times

THURSDAY, MAY 28, 1998

Traditional Families Hold On

Statistics Show a Slackening of 1970s, '80s Social Trends

By BARBARA VOBEJDA
Washington Post Staff Writer

The decline of the traditional American family, fueled primarily by divorce and out-of-wedlock births, has slowed dramatically, the Census Bureau reported yesterday.

The trendlines that shot up during the 1970s and '80s—redefining families to include many more headed by single parents and “blended” households of step-families—haven’t been reversed, but they have flattened significantly, researchers said.

Between 1970 and 1990, married couples with children, for example, declined sharply as a proportion of all households, from 40 percent to 26 percent. But from 1990 to last year, they declined just 1 percent.

“It hasn’t quite turned around, but it has slowed, and that is significant, given the break-neck speed at which we were seeing these changes,” said Census Bureau demographer Lynne Casper Hayden.

Hayden and co-author Ken Bryson, whose report relied on data from a Census Bureau survey conducted last year, said they began to see the slowing of some of these social trends several years ago, but became more confident of the change with the new numbers.

They cited a drop in teenage birth rates, down 12 percent since 1991, and in births to unmarried women, which dipped 4 percent in 1995. Also, the divorce rate has flattened, prompting the Census Bureau in recent years to project that four out of 10 new marriages would fail, down from an earlier figure of five in 10.

The authors did not draw conclusions about what is prompting the change, but sociologists and other experts have pointed to several possible factors, including the aging of the baby boomers out of the age groups most likely to get divorced or have out-of-wedlock children. Also, American society generally has put more emphasis on so-called family values, with a rise in groups such as Promise Keepers aimed at encouraging stable

families.

Despite the growing evidence of traditional families on some fronts, the changes that swept across American society in the past three decades have by no means disappeared. The proportion of family households headed by single mothers, for example, continues to rise—from 16 percent to 18 percent since 1990—although at a slower pace than in previous years.

And the proportion of single mothers who have never been married has grown, from 33 percent to 41 percent of female-headed families.

More single fathers are heading families—an increase of 33 percent since 1990, compared with a 17 percent increase for single mothers. Of the nation’s 34.6 million family households with children under age 18, 72 percent were headed by married couples in 1997, 23 percent by single mothers and 5 percent by single fathers.

Married couples continue to dominate, even with high divorce rates and unmarried births, because so many adults remarry relatively quickly after divorce, and because many single women who give birth eventually marry.

“Families,” defined by the Census Bureau as two or more people living together who are related by birth, marriage or adoption, make up a much smaller proportion of all American households than they did three decades ago. Families made up 90 percent of households in 1940, 81 percent in 1970 and 70 percent last year.

“Non-family” households, consisting of unrelated people living together or those who live alone, have increased, mostly because of a rise in people living on their own. Of the nearly 31 million non-family households last year, about 83 percent were people living alone; elderly women made up the largest group of these solitary residents.

FOR MORE INFORMATION

To read a Post magazine article on a new mother’s decision whether to work or stay at home, click on the above symbol on the front page of The Post’s Web site at www.washingtonpost.com



We, the **American Children**

Introduction

We, the American children, numbered 63.6 million in 1990. This report focuses on our family living arrangements and our economic circumstances. Special attention is devoted to similarities and differences between non-Hispanic White children and non-Hispanic Black or Hispanic origin children.

Throughout the past 50 years, fewer than one-half of us have lived in "traditional" families where the father was a full-time worker and the mother a full-time homemaker. A majority of us live with two parents, but an increasing proportion have only one parent in the home. Few of us have grandparents in the home, and most of us live in families with only one, two, or three children.

Nearly all of us who live with a father have a father who is employed, but many of us have fathers who work part-time. Most of us who live with a mother only, have a mother who works for pay. For every child who lives in a "traditional" family where

the father is a full-time worker and the mother a full-time homemaker, four children live in "nontraditional" two-parent families. Even at age 1, only one-sixth of us live in "traditional" two-parent families.

The proportion of us living in families with high incomes increased during the 1980's, and the proportion with low and poverty level incomes also increased during the 1980's. Children living with two parents have high family incomes compared with children living with one parent.

Whether we have high or low family incomes also depends on the amount of time our parents work. Children in "traditional" two-parent families and children living in mother-only families where the mother works full time are similar in their chances of having a low family income and living in poverty. Whether we live with two parents or only our mother, Black and Hispanic children experience much higher poverty rates than White children.

Since 1940, a minority of us have lived in "traditional" families with a full-time working father and a homemaker mother.

In 1940, only 43 percent of children lived in "traditional" families with a father who worked full time year round and a mother who was not in the labor force.

The proportion of children living in "traditional" families rose to 47 percent in 1950, but a majority of children

continued to live in "nontraditional" families.

After 1950, "traditional" family living declined, and by 1990 fewer than one-fifth of all children lived in families with fathers as full-time providers and homemaking mothers.

Between 1940 and 1960, only 45 to 50 percent of White

children lived in "traditional" families, and this declined to 20 percent in 1990.

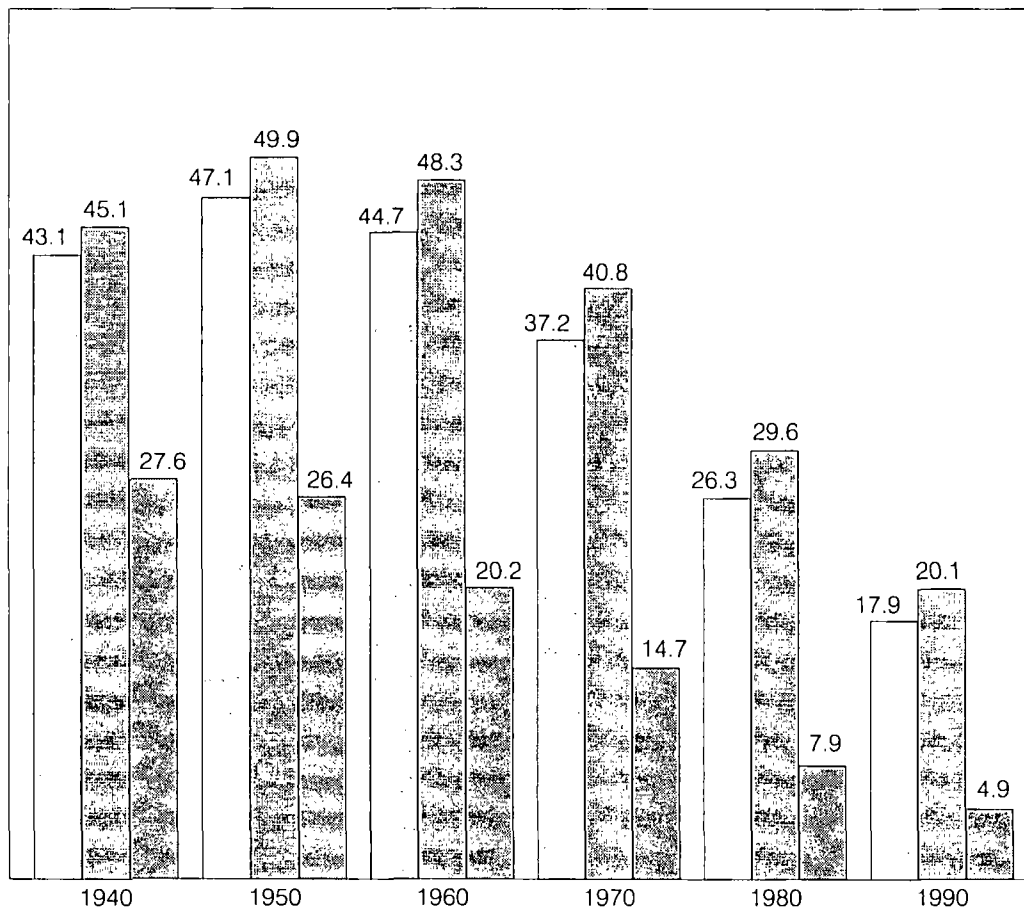
Since 1940, fewer than 30 percent of Black children lived with fathers who were full-time workers and mothers who were full-time homemakers, and this declined to only 5 percent in 1990.

Figure 1.

Children Living With a Father Working Full-Time and a Mother Not in the Labor Force: 1940 to 1990

(Percent of children under 18 years old)

All children
 White
 Black



Two-thirds of us are non-Hispanic Whites, while one-third of us belong to racial or ethnic groups.

The 1990 census counted 63,604,432 children under age 18.

About two-thirds of American children were White but not of Hispanic origin, while nearly one-third were non-White or Hispanic.

Non-Hispanic Black children were the largest non-White group (15 percent).

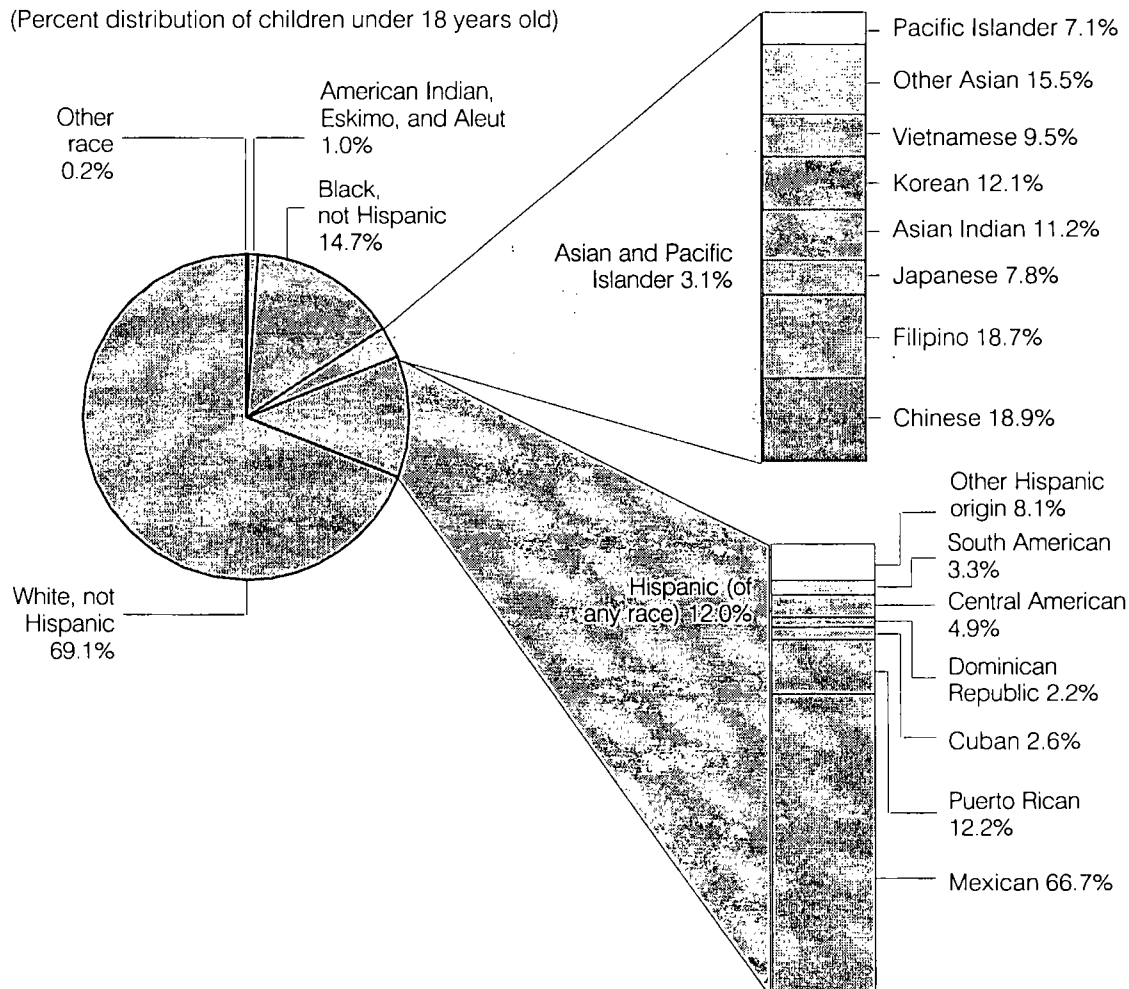
Hispanic children accounted for 12 percent of all children. Two-thirds of Hispanic children were of Mexican origin. But many Hispanic children traced their origins to Puerto Rico, Cuba, El Salvador, Colombia, Guatemala, Nicaragua, Ecuador, Peru, Honduras, or other Central and South American countries.

Three percent of American children belonged to Asian and Pacific Islander groups, including Chinese, Filipino, Japanese, Asian Indian, Korean, Vietnamese, Laotian, Cambodian, Thai, and Hmong.

Figure 2.

Race and Hispanic Origin of Children: 1990

(Percent distribution of children under 18 years old)



Most of us live with two parents, but our chances of living in a one-parent family rose during the 1980's.

Children living with two parents declined substantially from 77 percent in 1980 to 72 percent in 1990, while those living with one parent increased from 18 percent to 24 percent.

In 1990, the total proportion with one parent or no parent in the home was 20 percent for non-Hispanic Whites, 63 percent for non-Hispanic

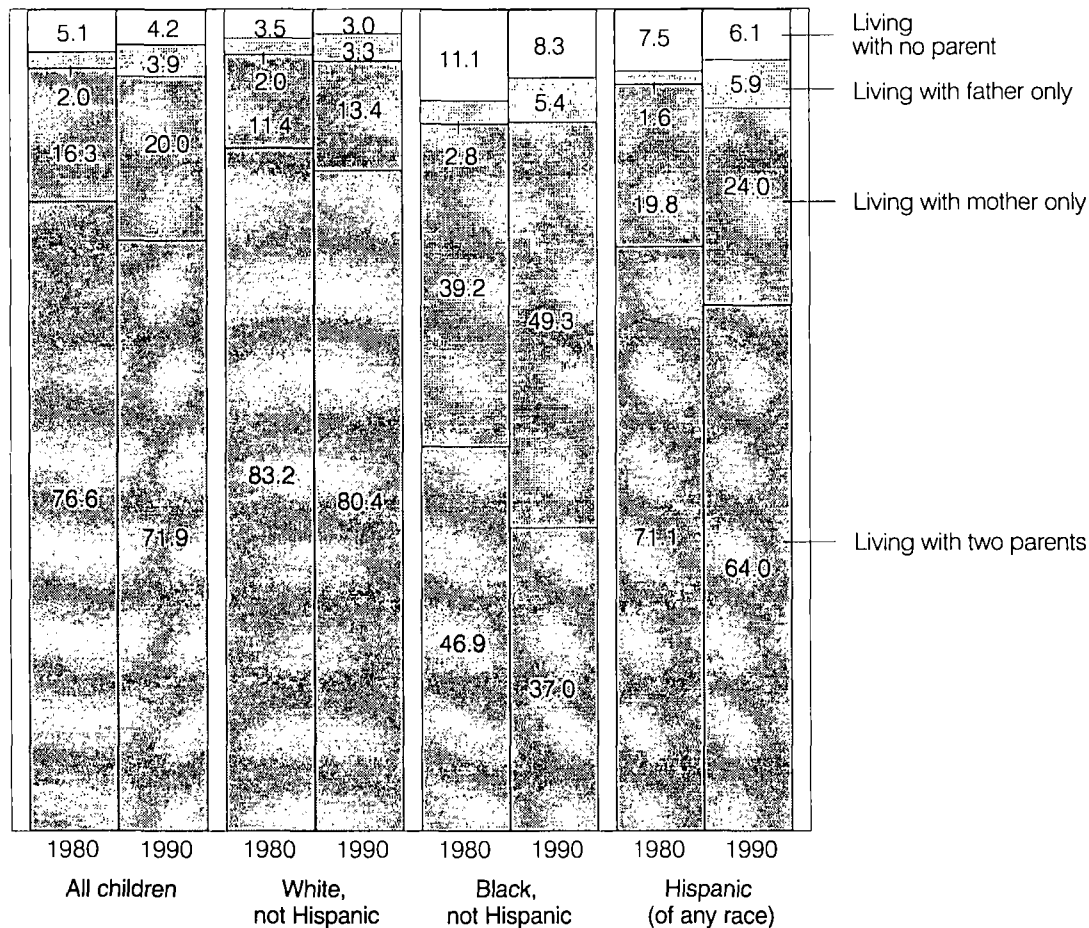
Blacks, and 36 percent for Hispanics.

During the 1980's, the proportion of children living with one parent rose by 3 percentage points for non-Hispanic Whites, by 13 percentage points for non-Hispanic Blacks, and by 9 percentage points for Hispanics.

More than 4 out of every 5 children living with one parent in 1980 and in 1990 lived with their mother.

Children living with only their father doubled from 2 percent to 4 percent during the 1980's, but the rise in mother-only families accounted for most of the increase in one-parent family living.

Figure 3.
Parental Living Arrangements of Children: 1980 and 1990
(Percent distribution of children under 18 years old)



Whether we live with two parents or one, few of us have a grandparent in the home.

Only 3 percent of children in two-parent families in 1990 had a grandparent in the home.

Non-Hispanic White children (2 percent), non-Hispanic Black children (3 percent),

and Hispanic children (5 percent) in two-parent families were about equally likely to live with a grandparent.

Children in one-parent families were more likely than those living with two parents

to have a grandparent in the home.

About 80 percent of children in one-parent families did not live with a grandparent compared with about 97 percent of children in two-parent families.

Figure 4.

Grandparents in the Homes of Children: 1990

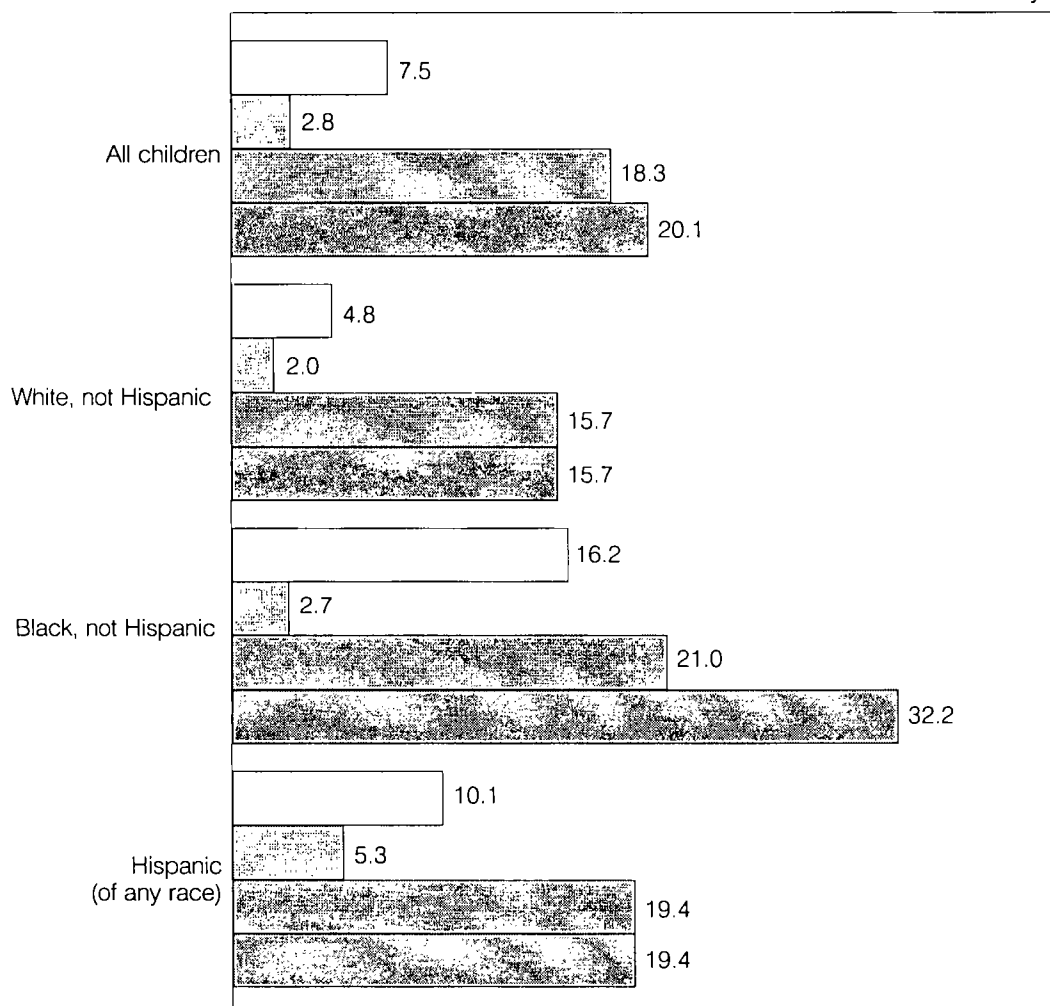
(Percent with grandparent)

Total

Living with two parents

Living with mother only

Living with father only



Most of us live in families with one, two, or three children.

The vast majority of preschool children under 6 years old in 1990 lived in families with one, two, or three children.

About 25 percent of preschoolers had no brothers or sisters, about 40 percent had only one sibling, and another 22 percent had two siblings.

Ninety percent of non-Hispanic White preschoolers lived in families with one to

three children, and about 80 percent of non-Hispanic Black and Hispanic preschoolers also lived in small families.

Adolescents had more brothers and sisters than preschool children, but most adolescents also lived in families with one, two, or three children.

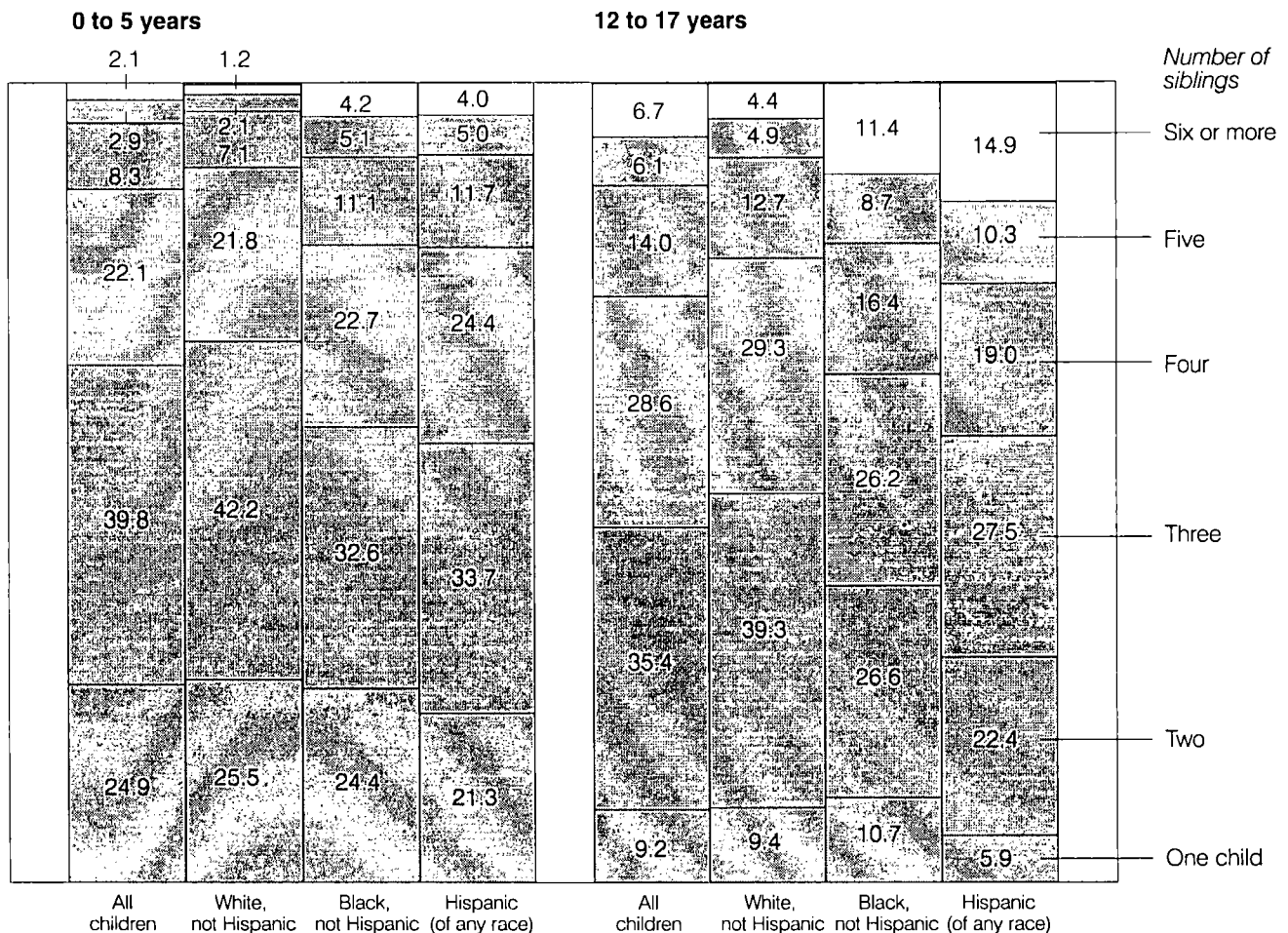
The proportion of adolescents in families with one

to three children was 78 percent for non-Hispanic Whites, 64 percent for non-Hispanic Blacks, and 56 percent for Hispanics.

No more than 15 percent of preschoolers and adolescents lived in large families with six or more children, regardless of their racial or ethnic heritage.

Figure 5
Number of Siblings in the Homes of Children 0 to 5 Years Old and 12 to 17 Years Old, by Race and Hispanic Origin: 1990

(Percent distribution by mother's number of children ever born for children living with mother)



The educational attainments of our parents rose during the past decade.

Children living with mothers who had at least a high school diploma increased from 74 percent in 1980 to 80 percent in 1990.

The proportion with mothers having a bachelor's degree rose from 11 percent to 18 percent.

In 1990, non-Hispanic Black children were one-half as

likely as non-Hispanic White children to have a mother with a bachelor's degree, and the proportion for Hispanics was much smaller.

Non-Hispanic Black children also were substantially less likely than non-Hispanic White children to have a mother with a high school diploma, and only 50 percent

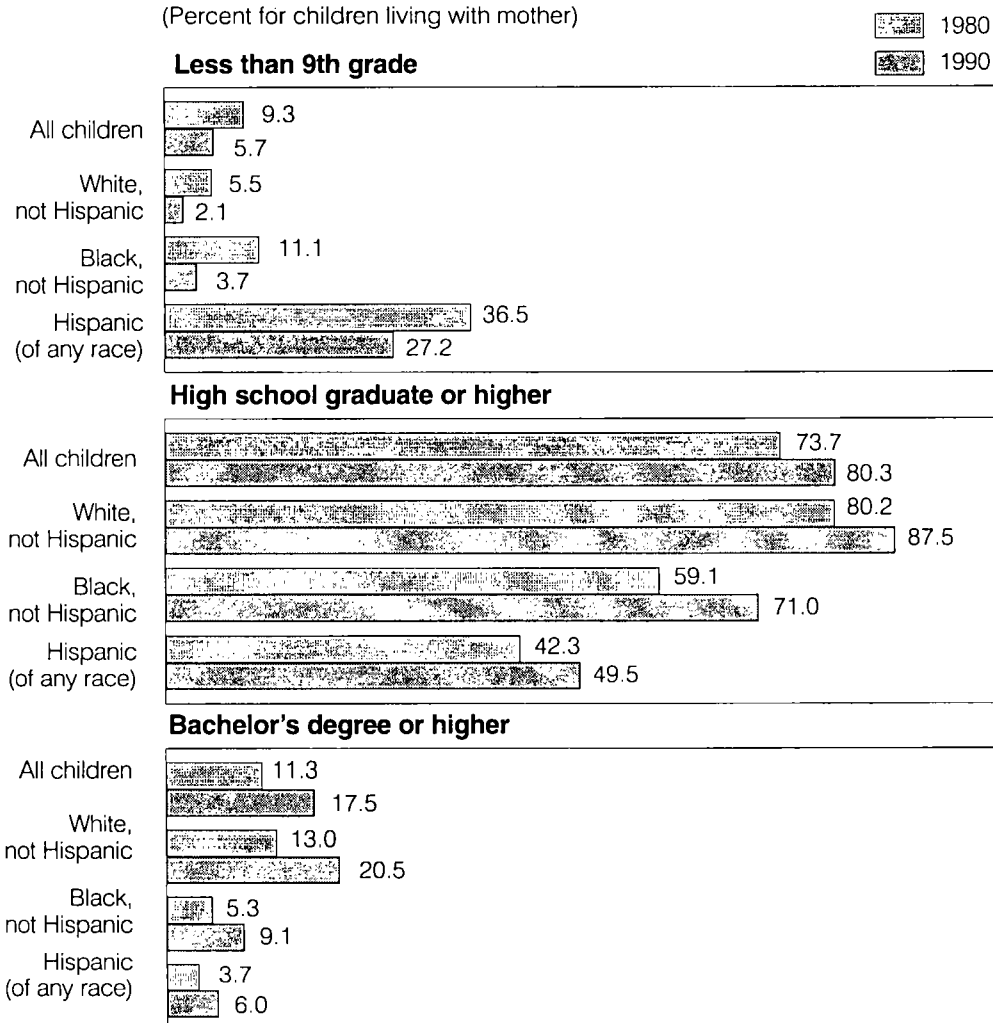
of Hispanic children had mothers with this much education.

One-fourth of Hispanic children had mothers with less than 9 years of education compared with fewer than 1 in 20 non-Hispanic White children and non-Hispanic Black children.

Figure 6.

Mother's Educational Attainment for Children: 1980 and 1990

(Percent for children living with mother)



Nearly all of us who live with our fathers have a father who is employed, but many fathers are part-time workers.

In 1990, 96 percent of children living with their fathers (in father-only or two-parent families) had fathers who worked for pay.

Seventy percent of children living with fathers had fathers who were full-time workers, while 26 percent had fathers who worked part time, and

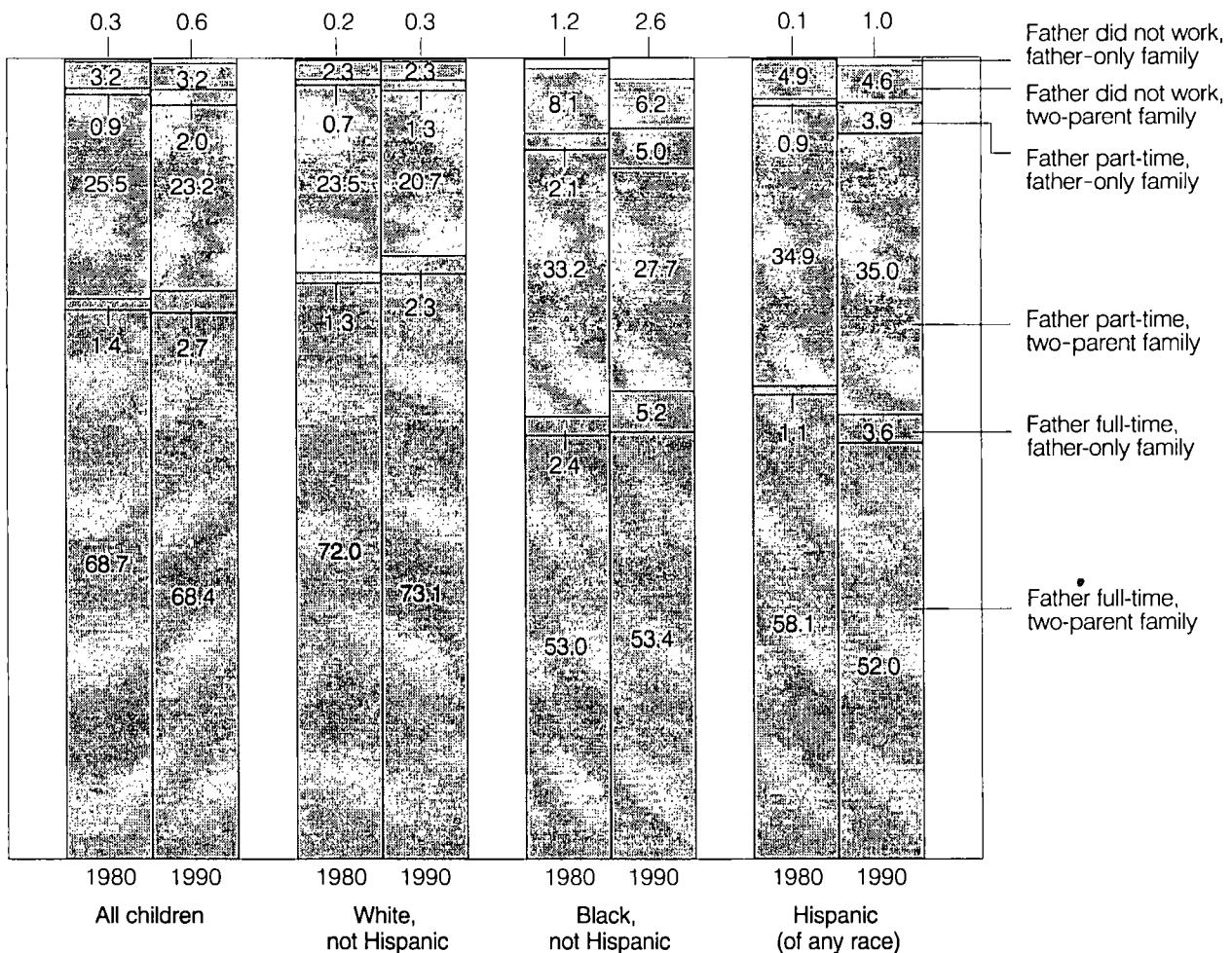
4 percent had fathers who did not work.

Both non-Hispanic Black children and Hispanic children living with fathers were somewhat less likely than non-Hispanic White children living with fathers to have a father who worked.

One-fourth of non-Hispanic White children living with their fathers had fathers who worked part time or not at all, but the proportion was more than 4 in 10 for non-Hispanic Black children and Hispanic children who lived with their fathers.

Figure 7.
Father's Amount of Work and Parental Living Arrangements for Children: 1980 and 1990

(Percent distribution for children under 18 years old living with father)



Most of us who live with our mothers have a mother who is employed.

Among children living with their mothers, the proportion with a working mother increased from 60 percent in 1980 to 72 percent in 1990.

Most of the increase in the proportion of children with working mothers occurred because of the

rise in mothers who were full-time workers.

By 1990, the proportion of children living with mothers whose mothers were full-time workers was 27 percent for non-Hispanic Whites, 30 percent for non-Hispanic

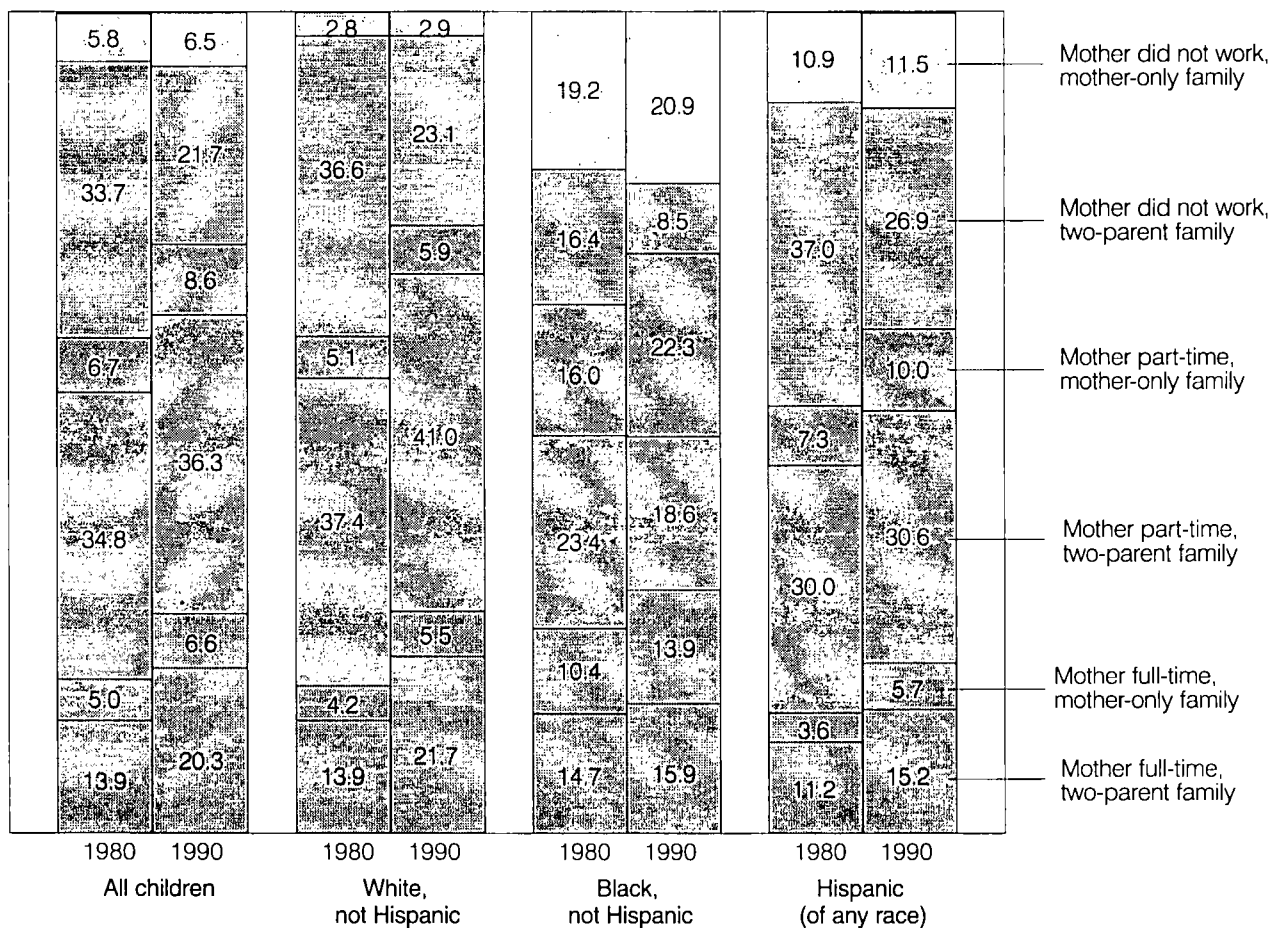
Blacks, and 21 percent for Hispanics.

The proportion living with mothers who were part-time workers was substantially larger, at 47 percent for non-Hispanic Whites and 41 percent for non-Hispanic Blacks, and for Hispanics.

Figure 8.

Mother's Amount of Work and Parental Living Arrangements for Children: 1980 and 1990

(Percent distribution for children under 18 years old living with mother)



For every one of us who lives in a "traditional" two-parent family, four of us live in "nontraditional" two-parent families.

In 1990, 14 percent of children lived in "traditional" families with fathers who worked full time year round and mothers who did not work during the year.

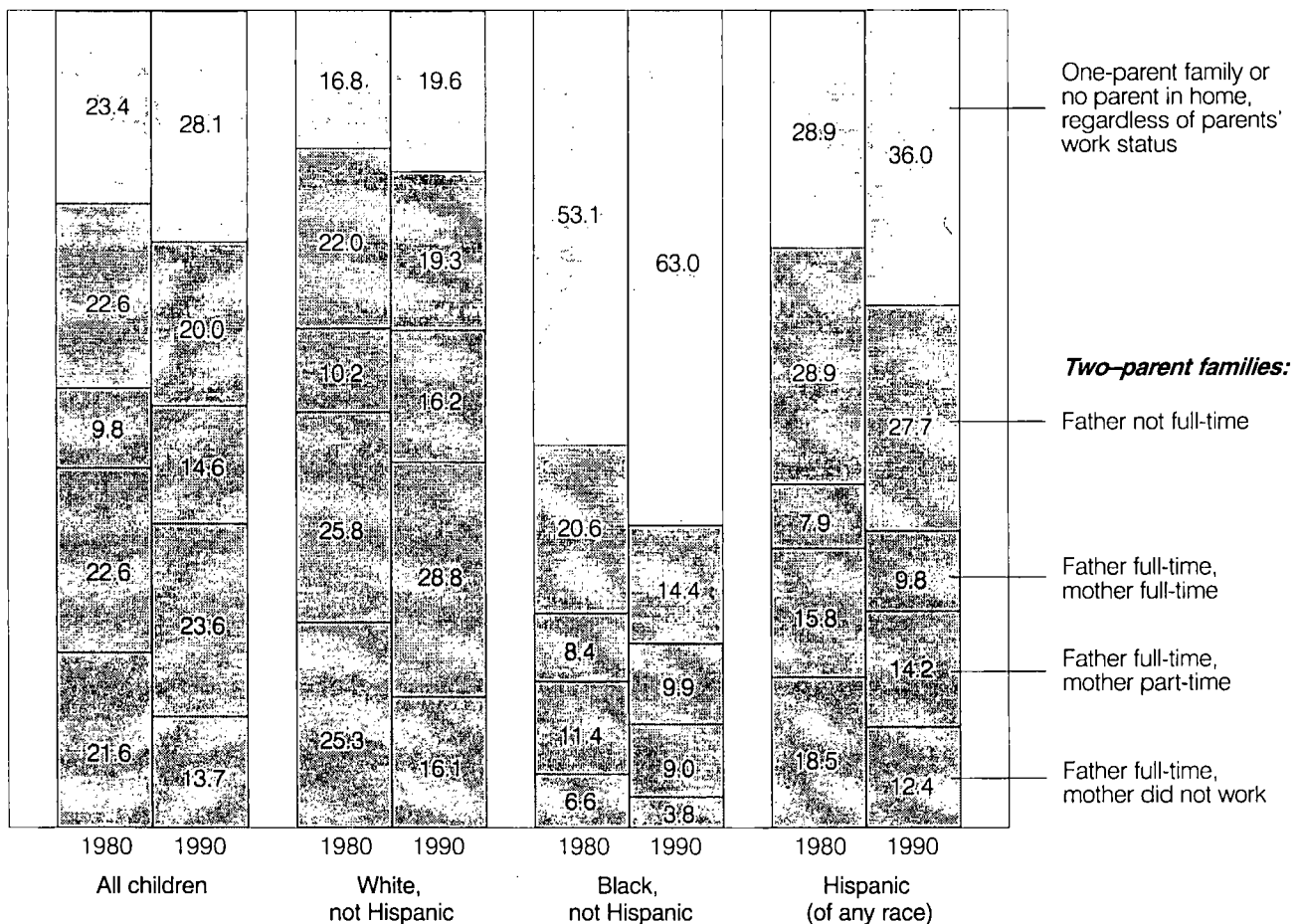
Four times as many children lived in "nontraditional" two-parent families, where the father was not a full-time

worker, or where the mother did work.

Children were about equally likely to live in a "traditional" family with a fully-employed father and homemaking mother or in a "nontraditional" family where both parents were full-time workers.

Children were substantially more likely to live in a "non-traditional" two-parent family where the father was a full-time worker and the mother a part-time worker or where the father was a part-time worker.

Figure 9.
Father's and Mother's Amount of Work and Parental Living Arrangements for Children: 1980 and 1990
(Percent distribution for children under 18 years old)



At age 1 year, for every one of us who lives in "traditional" two-parent families, more than three of us live in "non-traditional" two-parent families.

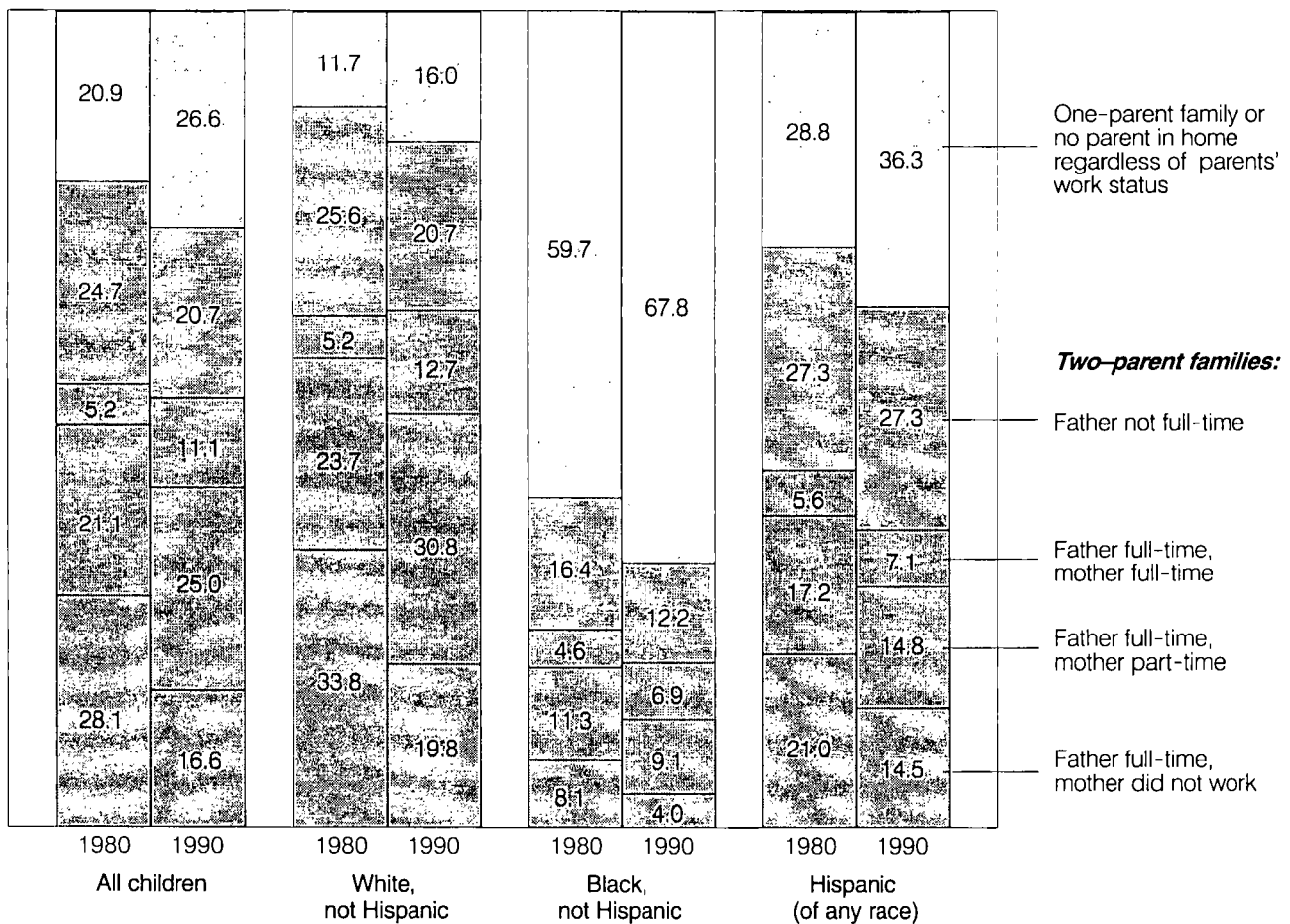
For children age 1, the proportion living with a father who worked full time year round and a mother who was a full-time homemaker declined from 28 percent in 1980 to 17 percent in 1990. The proportion living in such "traditional" families declined

from 34 percent to 20 percent for non-Hispanic Whites, from 8 percent to 4 percent for non-Hispanic Blacks, and from 21 percent to 15 percent for Hispanics.

In 1990, for every child age 1 living in "traditional" families with a fully-employed father

and homemaking mother, there were more than three children who lived in "non-traditional" two-parent families with a father who was not a full-time worker or a mother who worked.

Figure 10.
Father's and Mother's Amount of Work and Parental Living Arrangements for Children 1 Year Old: 1980 and 1990
(Percent distribution)



The proportion of us in high and low income families increased during the 1980's.

Children in low income families increased from 24 percent in 1980 to 26 percent in 1990, while the proportion in high income families increased from 18 percent to 21 percent.

Between 1980 and 1990, the proportion of children with comfortable or prosperous

family incomes declined from 42 percent to 37 percent.

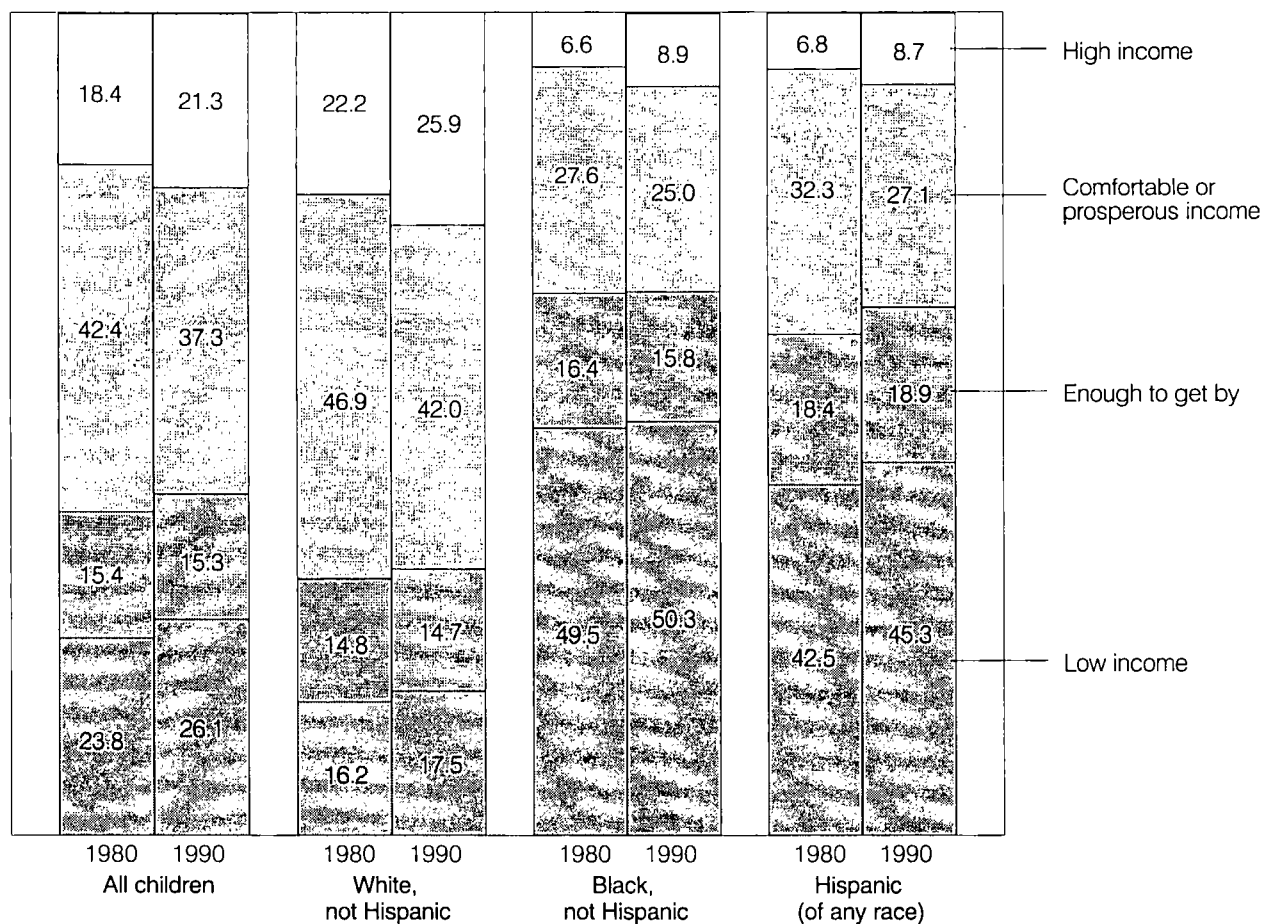
Non-Hispanic White children in 1990 were about three times more likely than non-Hispanic Black children and Hispanic children to live in families with high incomes.

Comfortable or prosperous family incomes were also

more often experienced by non-Hispanic White children than by non-Hispanic Black children or Hispanic children.

The proportion living in a family with low income was more than 2 1/2 times larger for non-Hispanic Blacks and Hispanics than for non-Hispanic Whites.

Figure 11.
Family Income Level for Children: 1980 and 1990
(Percent distribution)



Our family incomes are higher if we live with two parents.

In 1990, 69 percent of children in two-parent families had comfortable or high family incomes compared with 47 percent in father-only families and 27 percent in mother-only families.

About 58 percent of children in mother-only families were low-income families compared with 34

percent of children in father-only families and 16 percent of children in two-parent families.

For children in two-parent families, the chances of living at comfortable or high income levels reached 74 percent for non-Hispanic Whites, but only 57 percent

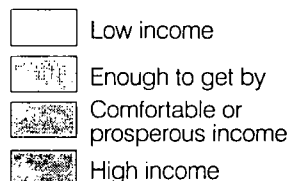
for non-Hispanic Blacks and 44 percent for Hispanics.

Among mother-only families, non-Hispanic Black and Hispanic children were most likely to be in low-income families, at 69 percent for each compared with 46 percent for non-Hispanic White children.

Figure 12.

Family Income Level for Children by Parental Living Arrangements: 1990

(Percent distribution)



Living with two parents				
All children	15.8	15.1	42.5	26.6
White, not Hispanic	11.8	14.0	44.7	29.5
Black, not Hispanic	24.8	18.6	38.7	17.9
Hispanic (of any race)	35.3	20.9	32.4	11.4
Living with mother only				
All children	58.0	15.3	21.3	5.2
White, not Hispanic	46.1	17.8	28.3	7.9
Black, not Hispanic	68.6	13.5	15.2	2.8
Hispanic (of any race)	69.0	13.4	14.8	2.8
Living with father only				
All children	33.9	18.8	33.7	13.6
White, not Hispanic	24.9	17.9	39.0	18.2
Black, not Hispanic	44.7	19.7	28.2	7.5
Hispanic (of any race)	47.7	21.4	25.1	5.8

Our official poverty rate is higher if we live with one parent.

The poverty rate for children in 1990 was 18 percent, but it was 3 or 4 times larger for non-Hispanic Blacks and Hispanics than for non-Hispanic Whites.

Nine percent of children in two-parent families were poor, but children in father-only families were more than

twice as likely to be poor, and children in mother-only families were more than 5 times as likely to be poor.

Among children in two-parent families, the Hispanic poverty rate was more than 3 times greater than for non-Hispanic White children, and the rate for non-Hispanic Blacks was

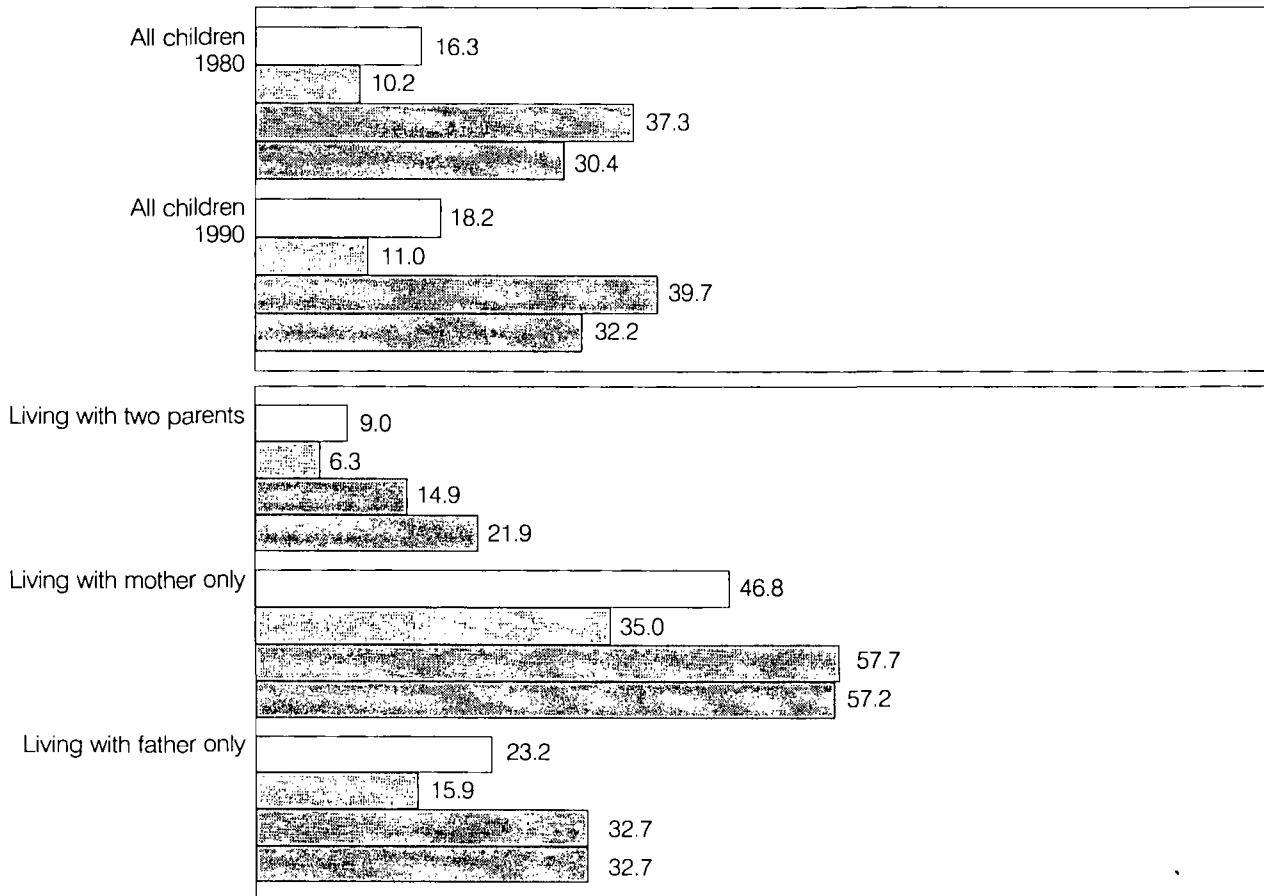
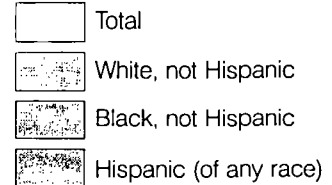
about 2 times the rate for non-Hispanic Whites.

The poverty rate for Hispanic and non-Hispanic Black children in mother-only families was much greater than for non-Hispanic Whites in mother-only families.

Figure 13.

Poverty Rate for Children by Parental Living Arrangements: 1980 and 1990

(Percent in poverty)



Our chances of having a comfortable, prosperous, or high family income depend on the amount of time our parents work.

For non-Hispanic White children in families with only one working parent, the proportion experiencing a comfortable, prosperous, or high standard of living was higher if the parent was working full time than if the parent was working part time.

For non-Hispanic Black children and for Hispanic children in families with only one employed parent, the proportions experiencing this standard of living were substantially lower than for non-Hispanic Whites.

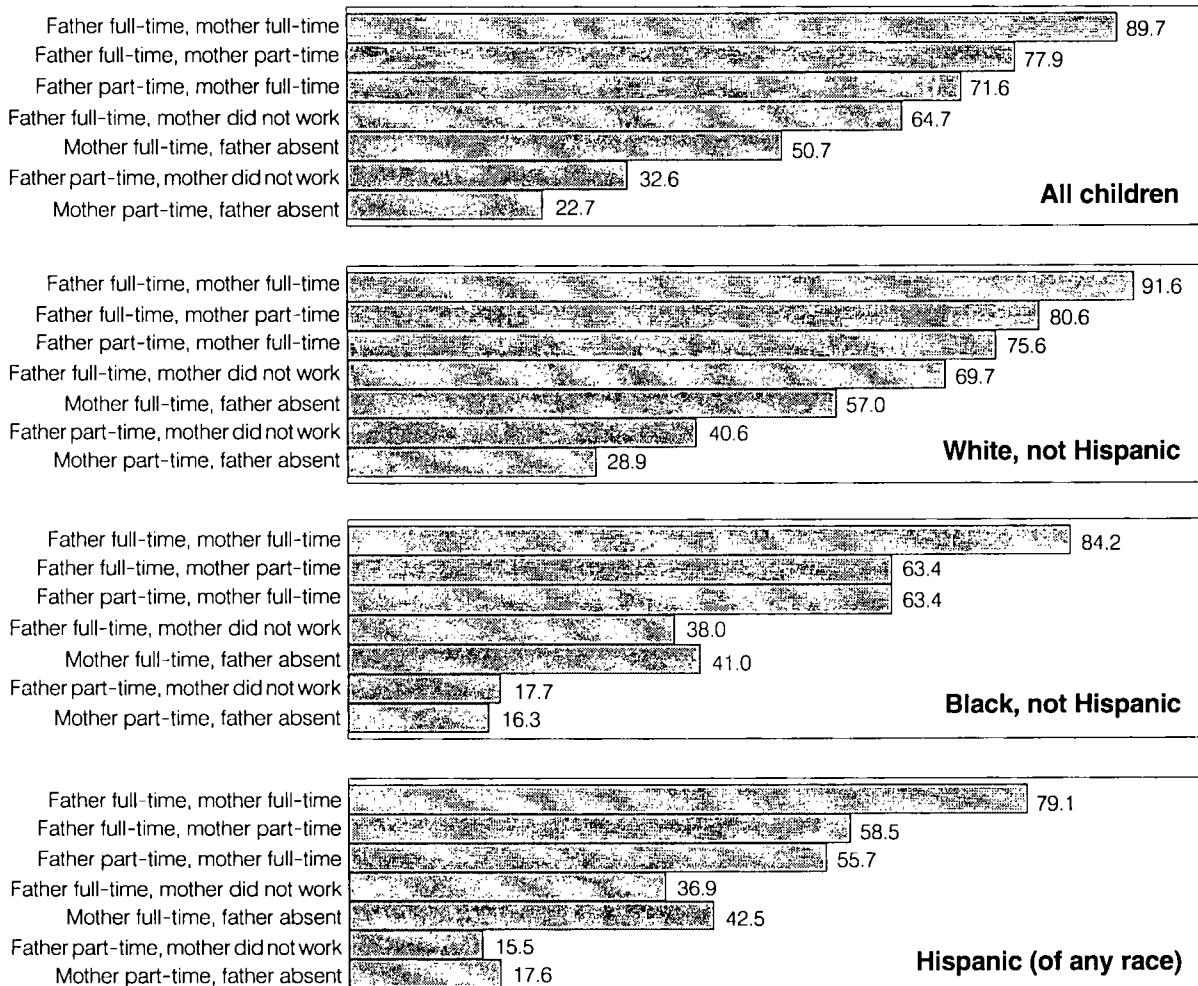
For children living with two employed parents, if one worked full time year round and the other worked part time, the proportion experiencing this economic level was higher than in families with parents who worked less.

Figure 14.

Percent With Comfortable, Prosperous, or High Family Income for Children by Parental Amount of Work and Living Arrangements: 1990

(Percent with comfortable, prosperous, or high family income)

Two parents work
One parent works



Our chances of having a low family income are similar in "traditional" families and in mother-only families where the mother is a full-time worker.

For non-Hispanic White children in "traditional" families where the father was a full-time worker and the mother a full-time homemaker and in mother-only families where the mother was a full-time worker, the chances of having a low family income were small.

Non-Hispanic White children in families where only one parent worked were 2 times more likely to have a low family income if the parent worked part time than if the parent worked full time.

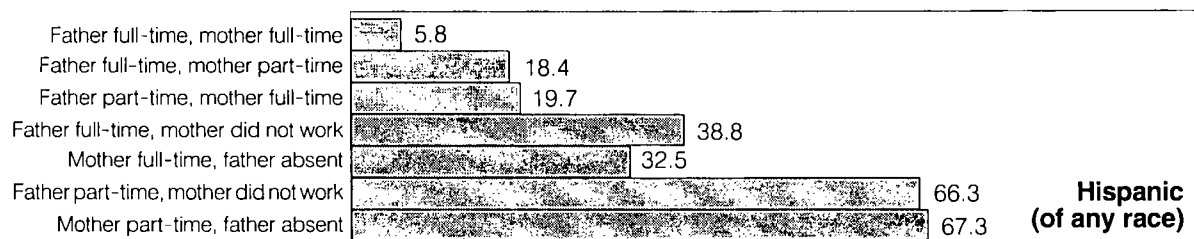
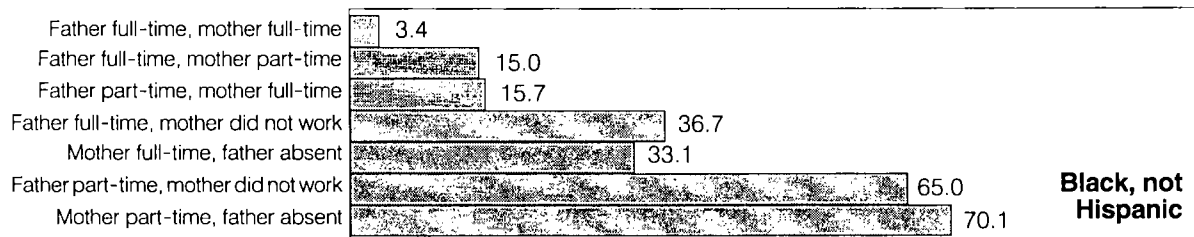
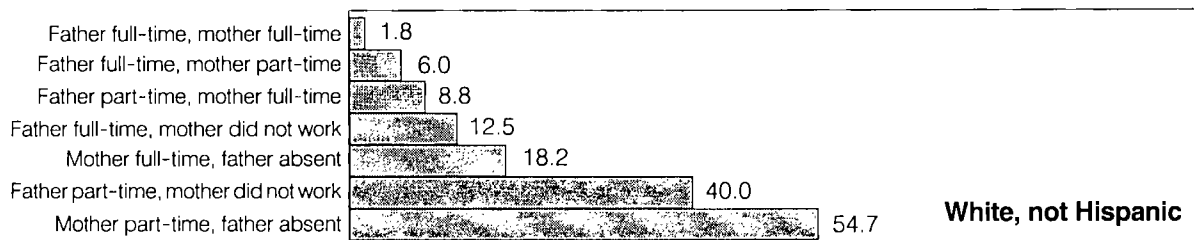
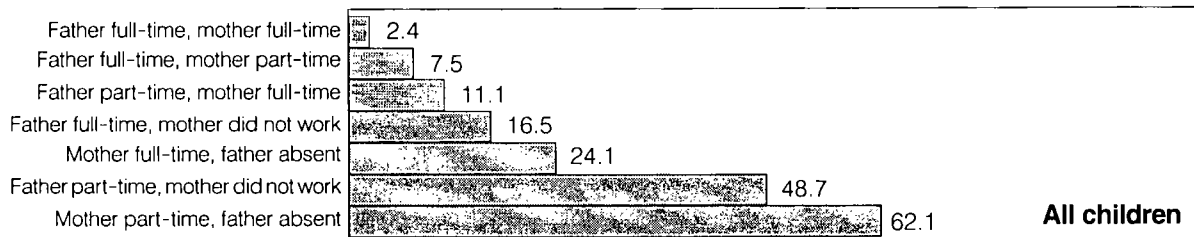
For non-Hispanic Black and Hispanic children, the

chances of having a low family income were much lower in "traditional" families and mother-only families where one parent worked full time year round than in those with one employed parent who worked part time.

Figure 15.
Percent With Low Family Income for Children by Parental Amount of Work and Living Arrangements: 1990

(Percent with low family income)

 Two parents work
 One parent works



Whether we live with two parents or only our mother, our official poverty rates are higher if we are Black or Hispanic.

Poverty rates were lower for non-Hispanic White, than for non-Hispanic Black, and Hispanic children, if they lived with two working parents.

Whether they lived with two parents or only their mother, if children had only one working parent and the parent was a full-time worker, the poverty rate was 2 to 4 times greater for non-Hispanic

Blacks and Hispanics than it was for non-Hispanic Whites.

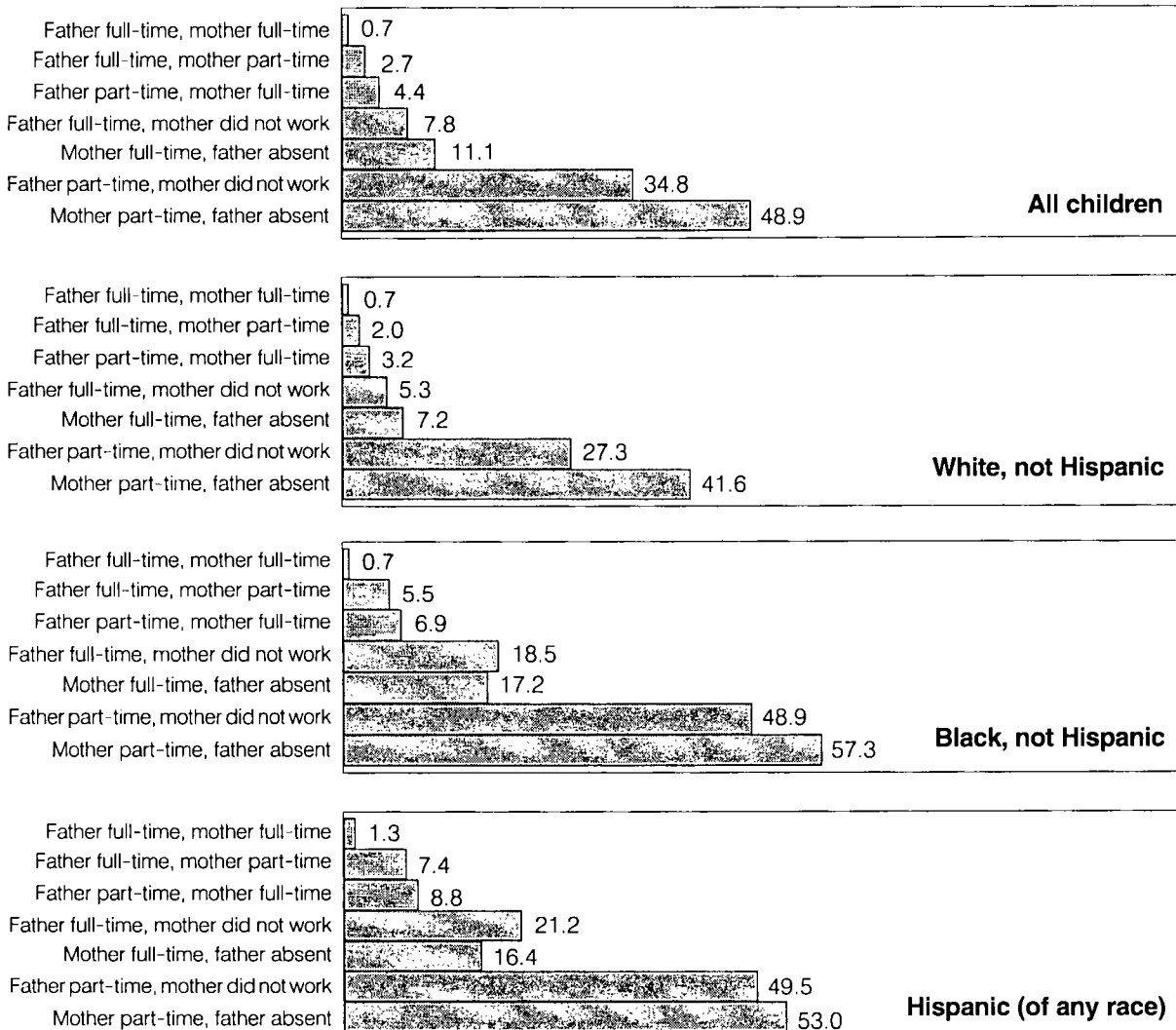
The poverty rates were higher still for children in two-parent and mother-only families with one working parent who was a part-time worker.

Figure 16.

Poverty Rate for Children by Parental Amount of Work and Living Arrangements: 1990

(Percent in poverty)

Two parents work
One parent works



Information in this report is based on the 1980 and 1990 Census of Population and Housing, Public Use Microdata Samples. Estimates are based on a subsample of the full census sample and may differ from the official 100-percent or sample census figures. The deviation of a sample estimate from the average of all possible samples is called the sampling error. Sampling error measures the variation among the estimates from all possible samples and is a measure of the precision with which an estimate from a particular sample approximates the average result. Differences also can occur because of the interview situation and the processing rules differing between the 100-percent and sample tabulations. These types of differences are referred to as nonsampling errors. Some estimates were drawn from Donald J. Hernandez, *America's Children: Resources From Family, Government, and the Economy*, Russell Sage Foundation, New York, 1993.

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NATIONAL CENTER FOR CHILDREN IN POVERTY

Identifying and promoting strategies to reduce the young child poverty rate, and
to improve the life chances of the millions of young children still living in poverty

News and Issues, Fall 1997 VOL 7, NO 2

FROM RHODE ISLAND TO HAWAII

"Starting Points" Sparks Programs to Help Young Children Start Right

Three years after the Carnegie Task Force on Meeting the Needs of Young Children sounded the alarm on a "quiet crisis" in the lives of very young children in the United States, its agenda for action is inspiring states and cities to address the challenges posed by its report—*Starting Points: Meeting the Needs of Our Youngest Children*.

Fourteen sites (eight states, four cities, and two city/state partnerships) won the Carnegie Corporation of New York's national grant competition, in 1996, to implement Starting Points recommendations to promote responsible parenthood, guarantee quality child care choices, ensure good health and protection, and mobilize communities to support young children and families. The initial two-year grant program has three goals:

- To test public-education and engagement strategies that result in greater attention to the developmental needs of young children and their families;
- To promote the widespread implementation of the Starting Points recommendations under varying circumstances and conditions; and
- To draw national attention to strategies being tried in Starting Points sites and to assist in their dissemination and adaptation in other states and communities.



Photo credit: Connecting the Dots for Boston Tots

Toddlers make friends while parents plan at a Connecting the Dots for Boston Tots Coalition meeting.

SIX KEY LESSONS IDENTIFIED BY THE SITE TEAMS

1. Building new state-community partnerships requires a delicate balance.
2. Starting with one strategy often leads to multiple strategies.
3. The view from the cities is different than that from the states.
4. Training and technical support that facilitates national, state, and local networking and peer-to-peer dialogue seems most effective.
5. Public-engagement and community mobilization strategies require careful tailoring and coordination, building on national momentum.
6. Improving opportunities and outcomes for young children and families takes time.

In the first report issued about the project, *Starting Points: Challenging the "Quiet Crisis:" A Description of the Starting Points Sites*, a research team from the National Center for Children in Poverty (NCCP), the Harvard Family Research Project (HFRP), and six strategic partners (selected from the sites to guide documentation and analytic activities) describe the sites, initiatives, and preliminary lessons learned.

Most of the sites are using the Starting Points initiative to strengthen service delivery systems for young children, and to focus on young children in the context of preexisting initiatives for all children. More than half of the sites are using the initiative to expand home-visiting programs, develop family resource centers, and improve the quality of early-care programs.

(continued on page 2)

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This is an abridged version of *Starting Points: Meeting the Needs of Our Youngest Children*, the report of the Carnegie Task Force on Meeting the Needs of Young Children. Copies of the 150-page full report, which includes illustrations, bibliographic references, and an index of programs, may be obtained from:

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Abridged Version
Starting Points
Meeting the Needs of Our Youngest Children

The Quiet Crisis



Across the United States, we are beginning to hear the rumblings of a quiet crisis. [See Quiet Crisis sidebar.] Our nation's children under the age of three and their families are in trouble, and their plight worsens every day.

To be sure, the children themselves are not quiet; they are crying out for help. And their parents' anxieties about inadequate child care and the high cost of their child's health care can be heard in kitchens, playgrounds, pediatricians' waiting rooms, and workplace cafeterias across the nation. But these sounds rarely become sound-bites. Babies seldom make the news: they do not commit crimes, do drugs, or drop out of school. We don't hear interviews with parents as they anguish over finding decent, affordable child care; we don't notice the unmet prenatal needs of expectant mothers. Policymakers are rarely forced to contend with these realities. And so, the problems of our youngest children and their parents remain a quiet crisis.

Consider the state of America's youngest children and their families. In 1993 the National Educational Goals Panel reported that nearly half of our infants and toddlers start life at a disadvantage and do not have the supports necessary to grow and thrive. A significant number of children under three confront one or more major risk factors:

- ***Inadequate prenatal care.*** Nearly a quarter of all pregnant women in America, many of whom are adolescents, receive little or no prenatal care. Many of these pregnancies are unintended: the United States has one of the highest rates of unintended pregnancy in the industrialized world. The risk of delivering a low-birthweight baby with physical, behavioral, or intellectual difficulties is greater when a pregnancy is unplanned or when a woman does not receive adequate prenatal care.
- ***Isolated parents.*** More divorces, more single-parent families, and less familial and community support have made parents feel more isolated than ever before in raising their young children.
- ***Substandard child care.*** More than half of all mothers return to the workforce within a year of the baby's birth; many of their infants and toddlers spend thirty-five or more hours per week in substandard child care.
- ***Poverty.*** A quarter of families with children under age three live in poverty. The large majority of these families are headed by one parent, usually the mother. These families often live in unsafe neighborhoods and have poor access to quality child care, health services, or family support programs.
- ***Insufficient attention.*** Only half of infants and toddlers are routinely read to by their parents, and many parents give insufficient attention to their children's intellectual development. Teachers report that one in three American kindergartners arrives in school unprepared to learn.

These numbers add up to a crisis that threatens not only the healthy development of children themselves but also our nation's well-being. The National Educational Goals Panel identified four key dimensions of school readiness, our nation's first education goal: physical well-being and motor development, social and emotional development, language usage, and the mastering of learning styles that allow children to approach new tasks and challenges effectively. Currently too many children are entering school not ready to learn, jeopardizing later academic achievement. If left unattended, this crisis will ultimately compromise our nation's economic strength and competitiveness.

The Carnegie Task Force on Meeting the Needs of Young Children urges a national response to this quiet crisis. These early years are perhaps the most neglected. There are no clearly defined institutions such as preschools or schools to serve young children and their families. Health, educational, and social service agencies work independently and sometimes at cross-purposes.

The problems are many, and massive; not one lends itself to a single solution. But the task force has proceeded from the assumption that, given sufficient focus and sufficient political will, America can begin to find its way toward solutions. Our nation can formulate and implement social policy that responds, over time, to the most urgent needs of our youngest children and their families. They need our compassion and our help, and we, as a nation, have an incalculable stake in their well-being.

The Critical Importance of the First Three Years

The first three years of life appear to be a crucial "starting point"--a period particularly sensitive to the protective mechanisms of parental and family support. [See Being Three sidebar.] Parents and experts have long known that how individuals function from the preschool years all the way through adolescence and even adulthood hinges, to a significant extent, on the experiences children have in their first three years. Babies raised by caring, attentive adults in safe, predictable environments are better learners than those raised with less attention in less secure settings. Recent scientific findings corroborate these observations. With the help of powerful new research tools, including sophisticated brain scans, scientists have studied the developing brain in greater detail than ever before.

This research points to five key findings that should inform our nation's efforts to provide our youngest children with a healthy start:

- First, the brain development that takes place during the prenatal period and in the first year of life is more rapid and extensive than we previously realized.
- Second, brain development is much more vulnerable to environmental influence than we ever suspected.
- Third, the influence of early environment on brain development is long lasting.
- Fourth, the environment affects not only the number of brain cells and number of connections among them, but also the way these connections are "wired."
- And fifth, we have new scientific evidence for the negative impact of early stress on brain function.

The risks are clearer than ever before: an adverse environment can compromise a young child's brain function and overall development, placing him or her at greater risk of developing a variety of cognitive, behavioral, and physical difficulties. In some cases these effects may be irreversible. But the opportunities are equally dramatic: a good start in life can do more to promote learning and prevent damage than we ever imagined.

Of course, brain development is only one of the variables that affect how children grow and that influence later school success. A range of "protective factors"--such as good nutrition and sensitive parenting--helps the child to achieve good outcomes and avoid bad ones. Researchers tell us that these protective factors fall into three broad categories:

- **Infant temperament and perinatal factors:** having characteristics such as full term and normal birthweight that attract and encourage caregiving
- **Dependable caregivers:** growing up in a family with one or two dependable adults whose childrearing practices are positive and appropriate
- **Community support:** living in a supportive and safe community

The interaction of these three factors largely influences the direction of children's development. Scientists have found that a major influence in the difference between good and poor outcomes is the quality of parent and family interactions. Infants thrive on one-to-one interactions with parents. Sensitive, nurturant parenting is thought to provide infants with a sense of basic trust that allows them to feel confident in exploring the world and forming positive relationships with other children and adults. Infants' early experiences also provide the building blocks for intellectual competence and language comprehension. Touching, holding, and rocking a baby, as well as talking and reading, seem most effective for later development.

Parents are also the primary instruments for a child's early socialization. By establishing consistent routines, teaching acceptable behaviors, guiding health habits, and helping children to control disruptive or overly impulsive behavior, parents lay the foundations for the child's capacity to behave in socially acceptable ways. Children are much less likely to be antisocial or delinquent when their parents show positive, appropriate child-rearing practices and have high levels of social support. For all these reasons, a well-functioning family during the first few years provides a particularly important building block for healthy development.

Just as protective factors help children avoid later problems, so do risk factors, such as low birthweight or growing up with parents who have poor parenting skills, lead to later problem behaviors. Risk factors are often *multiplicative*, not additive, in their effects. Research shows that when children show only one risk factor, their outcomes are no worse than those of children showing none of the identified risk factors. But when children have two or more risk factors, they are four times as likely to develop social and academic problems.

The importance of these early years to the future healthy development of children cannot be minimized. Although children are resilient and can benefit from later intervention, the costs of reversing the effects of a poor start in life increase as the child grows older, and the chances of success diminish.

Striking Changes in the American Family

In recent decades, America has been experiencing great change that has contributed to the quiet crisis of our families with infants and toddlers. Two of the most-often-cited causes of this crisis are changing values and the growing economic pressures on families. Parents increasingly feel the combined pressures of work and family life. Four key trends in American family life are contributing to these pressures:

More Working Mothers. Parents are finding that they must devote much more time to earning a living and that they have much less time for their children than their parents had a generation ago. This shift is largely due to the family's economic need to have mothers in the paid labor force. In the 1970s, few mothers of infants worked outside the home; today, more than half do. Many parents report that they are uncomfortable with the loss of family time, and that overload and exhaustion interfere with good parenting. The parental-time deficit is particularly stressful for mothers, who more frequently than fathers work a "second shift" at home, doing housework and caring for the children.

The large number of working mothers is a matter of concern because the American workplace is, by and large, not family-friendly, and arrangements for child care for children under three are often hard to find and of poor quality. In fact, two large, multisite studies have found that the child care they observed, whether center- or family-based, was of such substandard quality that it adversely affected infant and toddler development. The lack of quality child care not only deprives children of attention and undermines healthy development; it can also greatly intensify the strain on parents, especially mothers.

More Single-Parent Families. No change in American families should concern this nation more than the skyrocketing number of single-parent families. Since 1950, the percentage of children living in one-parent families has nearly tripled. This tripling is attributable to both increased divorce rates and to the tenfold increase since 1950 in the numbers of births outside marriage. One in four American children now lives in a single-parent home.

But even the term "single-parent family" is a misnomer, since the vast majority of these families--fully 90 percent--is headed by a woman. These mother-only families often receive little or no help from the child's father: nationwide, only 50 percent of divorced fathers contribute financially to their child's support, and most rarely see their children. The resulting economic deprivation and stress take their toll. Children in single-parent households score worse on measures of health, education, and behavioral problems than children living in two-parent families. Later on, these children are more likely to drop out of school, to become heads of single-parent families themselves, and to experience a lower socioeconomic status as adults. These conditions--during both early and later childhood--appear to persist even after one adjusts for family income, mother's education, and minority status.

Many single-parent families result from adolescent pregnancy. More than one million adolescent girls become pregnant in this country every year; approximately half of these pregnancies go to term. Compared with older women, most adolescent mothers are neither financially nor emotionally prepared for parenthood. Although certain programs help adolescent mothers, these mothers generally face higher risks of postponed education and of long-term welfare dependency. Children of adolescent parents more often suffer from poor health and poor scholastic performance.

More Family Isolation and Violence. Only a few decades ago, America's families lived in neighborhoods of extended family and friends. Most of today's families seem far more isolated from friends, kin, and community life. Because people move more often, young families are less likely to live near extended family networks. Greater numbers of working mothers and varied work schedules have interrupted the old rhythms of neighborhood life, making it more difficult for parents to connect with other parents, to support each other, and to build friendships.

When the fabric of community life unravels, parents and their young children suffer. In low-income neighborhoods, fear of crime and violence undermines parents' sense of security and increases their isolation as they struggle to keep their young children safe, healthy, and happy. Even very young children experience extreme violence and everyday aggression as both victims and witnesses.

Although violence is more prevalent in poor inner-city neighborhoods, no city or town is immune. Parents are feeling increasingly unable to protect their children. Nor are traditional protectors--teachers, clergy, youth organization workers, and child care staff members--able to ensure the safety of young children. All too many parents and other adults who care for young children feel vulnerable and helpless.

More Young Children in Poverty. By 1990, families with children under three years of age constituted the single largest group living in poverty in the United States: 25 percent of these families fall below the poverty line. The rates are higher still for African American and Hispanic families and single-parent families of young children. The poverty rate among young children has risen even though overall American poverty rates are no higher today than they were twenty years ago.

Most children growing up in poverty under the age of three have at least one working parent. But parents' wages are not enough. Housing, transportation, child care, and health care all cost families more today than twenty years ago. In addition, real wages have declined disproportionately for younger as compared to more experienced workers; the decline is even steeper among workers with little education.

Poverty undermines families and the well-being of children in many ways. These children are often hungry or inadequately nourished. Many live in overcrowded housing, in unsafe buildings or neighborhoods. Too many are homeless: studies estimate that, of the approximately 100,000 American children who are homeless each night, nearly half are under six years of age.

Such deprivation stacks the deck heavily against poor infants and toddlers. These children more often suffer poor health, maltreatment, and later academic failure. Poverty also seems intertwined with inadequate parenting skills and inconsistent parental behavior. Poor parents--often young, working, raising children alone, and having few supports--simply become overwhelmed, further lessening their infants' or toddlers' odds of developing normally.

A National Investment

As the United States approaches the twenty-first century, it faces unprecedented economic challenges at home and abroad. Once an innovator and leader in higher education, the United States today is making insufficient investments in its future workforce--its youngest children. In contrast to all the leading industrialized nations, the United States fails to give parents time to be with their newborns, it fails to ensure pre- and postnatal health care for mothers and infants, and it fails to provide adequate child care. [See America Lags Behind sidebar.] The result is significant losses in the quality of its future workforce, citizenry, and parents. [See The Costs of Societal Neglect sidebar.]

There are, of course, other than economic reasons for protecting young children and their families. Children need to be treasured for their own sake, not merely for what they do for the labor market when they are grown. But the issues of "human capital"--the combined skills, knowledge, and ideas of a nation's people--are real. For most of this century, increased productivity rates have been mainly attributable to improvements in human capital. In the electronic age, this is more true than ever.

America's business and political leaders are understandably worried about the nation's children and its educational system. Their concern is well founded, but school reform alone is not the answer. Any effort to strengthen the workforce must begin with the family, a key factor in the development of human capital. By supporting families during the child's earliest years, society ensures that children will enter school ready to learn and be ready, in time, to enter the workforce and be good parents. But the United States ranks low in supporting children under the age of three and their families; other nations, including high-wage competitors, invest heavily in early childhood programs and family support initiatives.

It is time to sound--and answer--the alarm about the neglect of our nation's young children and their families. The problems facing our youngest children and their families cannot be solved entirely through governmental programs and business initiatives. All Americans must take responsibility for reversing the quiet crisis. As the risks to our children intensify, so must our determination to enact family-centered programs and policies to ensure all of our youngest children the decent start that they deserve. The task force concluded that reversing the quiet crisis calls for action in four key areas that constitute vital starting points for our youngest children and their families. The nation must

- Promote opportunities for responsible parenthood
- Guarantee quality child care choices for children under three
- Ensure good health and protection for infants and toddlers
- Mobilize communities to support young children and their families

Sidebars from part 1

The Quiet Crisis

Of the 12 million children under the age of three in the United States today, a staggering number are affected by one or more risk factors that make healthy development more difficult.

Changes In Family Structure Are Troubling

- In 1960, only 5 percent of all births in the United States were to unmarried mothers; by 1988, the proportion had risen to 26 percent.

Infants And Toddlers Are Spending Less Time With Their Parents

- Pressures on both parents to work mean that they have less time with their young children; more than half of mothers of infants now work outside the home.
- More than 5 million children under the age of three are in the care of other adults while their

- About every minute, an American adolescent has a baby; every year, about 1 million adolescents become pregnant.
- Divorce rates are rising: In 1960, less than one percent of children experienced their parents' divorce each year; by 1986, the percentage had more than doubled, and by 1993 almost half of all children could expect to experience a divorce during childhood and to live an average of five years in a single-parent family.
- Children are increasingly likely to live with just one parent, usually the mother: In 1960, fewer than 10 percent of all children under the age of eighteen lived with one parent; by 1989 almost a quarter of all children lived with one parent. Fathers are increasingly absent from the home.

Many Young Children Live In Poverty

- One in four infants and toddlers under the age of three (nearly 3 million children) live in families with incomes below the federal poverty level.
- While the number of children under six increased by less than 10 percent between 1971 and 1991, the number of poor children under six increased by more than 60 percent.

More Children Live In Foster Homes

- In a mere five years, from 1987 to 1991, the number of children in foster care jumped by more than 50 percent--from 300,000 in 1987 to 460,000 in 1991.
- Babies under the age of one are the fastest growing category of children entering foster care, according to a study conducted in New York and Illinois.

parents work. Much child care for infants and toddlers is of substandard quality, whether it is provided by centers, family child care homes, or relatives.

Health Data Are Discouraging

- In the United States, nine out of every thousand infants die before age one--a mortality rate higher than that of 19 other nations.
- The mortality rate is higher for infants born in minority families: African American babies are twice as likely to die within the first year of life as white babies.
- In 1992, rates of immunization against common childhood diseases among two-year-olds were only 30 percent in some states; in most states, they were below 60 percent.

Physical Abuse, Neglect, And Unintentional Injury Are Common

- One in three victims of physical abuse is a baby--less than a year old. In 1990, more one-year-olds were maltreated than in any previous year for which we have data.
- Almost 90 percent of children who died of abuse and neglect in 1990 were under the age of five; 53 percent were less than a year old.
- The leading cause of death among children aged one to four is unintentional injury.

Being Three: Milestones for Early Growth and Development

For millennia, parents have recognized the newborn's basic need for safety, nourishment, warmth, and nurturing. Now science has added stunning revelations about human development from birth to age three, confirming that parents and other adult caregivers play a critical role in influencing the child's development.

The importance of the first three years of life lies in the pace at which the child is growing and learning. In no other period do such profound changes occur so rapidly: the newborn grows from a completely dependent human being into one who walks, talks, plays, and explores. The three-year-old is learning and, perhaps more important, is learning how to learn.

At age three, children can--given good care and sufficient stimulation--attain a high degree of "competency."

Competent three-year-olds are

- Self-confident and trusting
- Intellectually inquisitive
- Able to use language to communicate
- Physically and mentally healthy
- Able to relate well to others
- Empathic toward others

These attributes add up to a good start in life.

America Lags Behind

The United States:

- Is *not* one of 150 nations that have signed or ratified the UN Convention on the Rights of the Child (Cambodia, Iran, Iraq, Libya, and South Africa have also not signed).
- Is *not* one of 127 nations that permit employees to take paid parental leave after the birth of a baby (as do Canada, France, Germany, and Japan, among others).
- Has a *worse* low-birthweight rate than 30 other nations.
- Has a *smaller* proportion of babies immunized against polio than 16 other nations.
- Has one of the *highest* adolescent pregnancy rates in the developed world--twice as high as England and seven times as high as the Netherlands.

Our policies contrast sharply with those of most other industrialized countries, particularly those in Europe. European child care for children under age three varies significantly from country to country, but generally speaking, the Europeans are moving toward paid leaves for new parents and a range of subsidized child care options for

Here are some examples of countries that offer job protection and paid leaves to employed parents (usually, but not always, mothers) who have sufficient work histories:

- In Germany, a new parent can receive modest financial support while staying at home for up to one and a half years, or she can work part-time at her previous workplace.
- In France, she can count on modest compensation at home for as long as three years, or she can go back to work and take advantage of subsidized child care.
- In Sweden, she receives full pay while staying at home with a new baby for a year and a half, or she can opt to work part-time for a longer period and receive full pay.
- In Finland, she can stay home until her child is three, knowing that her job (or a comparable job) will be waiting for her when she returns. She receives her full salary for one year and a lesser amount for the next two years. Or she can take advantage of subsidized child care.
- In Austria, she can stay at home throughout her child's first two years, or work part-time until the child's third birthday, while receiving

and a range of subsidized child care options for toddlers.

until the child's third birthday, while receiving financial support equivalent to the wage of an unskilled worker.

The Costs of Societal Neglect

Each year, American taxpayers reach deep into their pockets to meet the costs, both direct and indirect, of policies that are based on remediation rather than prevention.

- In the six years between 1985 and 1990, estimated public outlays related to teenage childbearing totaled more than \$120 billion. More than \$48 billion could have been saved if these births had been postponed until the mother was age 20 or older.

- Of teens who give birth, 46 percent will go on welfare within four years; of unmarried teens who give birth, 73 percent will be on welfare within four years.

- In 1991, federal and state expenditures for Aid to Families with Dependent Children, the largest entitlement program for poor families, totaled \$20 billion plus administrative costs of \$2.6 billion.

- In 1991, the estimated annual cost of treating fetal alcohol syndrome was \$74.6 million.

- Initial hospital care for each low-birthweight infant averages \$20,000. Total lifetime medical costs for a low-birthweight infant average \$400,000.



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Abridged Version
Starting Points
Meeting the Needs of Our Youngest Children

Promote Responsible Parenthood



We begin with parenting--the most critical starting point. Perhaps nothing we humans do is more relentlessly demanding. To parent a child entails at least two decades of sustained attention; many see it as a lifetime commitment. It is difficult to think of an enterprise that is more deeply private. Childrearing is inseparable from daily domesticity--that messy accumulation of meals and rent payments, laughter and laundry, that fills a home. The kind of care parents give to children, the context they create for their growth, and the framework they create for later learning spring from the rhythms of that life and from the values that give it meaning.

At the same time, it is difficult to imagine an enterprise that has greater impact on public life--on the productivity of our citizenry, the vitality of our culture, and the strength of our public institutions. The time, resources, and energy that parents give to their children influence the children's success as students and their contributions as citizens.

Developing social policy related to early childhood means negotiating the middle ground between these private and public interests. The goal of the task force, in addressing the issue of responsible parenthood, was not to prescribe an approach to childrearing; rather, we sought to identify the kinds of information and services parents need for their own self-directed learning and growth, so that they can make sound choices for their children. [See Opportunities for Promoting Responsible Parenthood sidebar.]

We proceed from these assumptions: When women and men make a reasoned commitment to have children, they are more likely to parent well. Their growing children are more likely to meet life with optimism, competence, and compassion. And when women and men are unprepared for the opportunities and responsibilities of parenthood--as is the case all too often in America today--the risks to their children are many and serious.

How then can those who want children prepare themselves for the opportunities and responsibilities of parenthood? How can society help? The task force found that those undertaking parenthood would benefit from education, services, and support in three key areas:

- Planned childbearing
- Prenatal care and support
- Parent education and support

Promote Planned Childbearing

One of the most effective ways to promote healthy child development is to encourage women and men to plan childbearing so that it occurs under circumstances that minimize risk for the child. Too often in America, childbearing is not planned. Fully 56 percent of all pregnancies in this country are unintended--one of the highest rates of unintended pregnancy in the industrialized world. The risks of child abuse and neglect, low birthweight, and infant mortality are greater for unplanned children than for those actively planned and welcomed into the world.

The rising rate of adolescent pregnancies, 80 percent of which are unplanned, is a particular cause for concern. The costs to society of adolescent pregnancy are immense. In the six years from 1985 to 1990, public outlays related to adolescent childbearing totaled more than \$120 billion. It has been estimated

that more than \$48 billion could have been saved if these births had been postponed until the women were at least twenty years old.

Efforts to promote planned childbearing must be a part of widely available preventive health services, and they will be most effective when they occur in the context of better life options and increased economic opportunities for both men and women. If young women and men are to delay parenthood, they need to have available to them other life options more appropriate to their age.

Increasing the proportion of planned, low-risk births requires a national commitment to making family planning services and information widely and easily accessible, making new forms of contraception more readily available, and involving men in family planning efforts. A full range of family planning services must be accessible so that when birth control efforts fail, other services are obtainable, including comprehensive prenatal services and, in some circumstances, abortion and adoption services.

Public investment in family planning is known to be cost-effective. According to one set of calculations, every public dollar spent to provide contraceptive services saves an average of \$4.40 that would have to be spent on medical care, welfare, and other social services for women who would qualify for such services if they became pregnant. In this way, public investment in family planning saves taxpayers over \$3 million each year.

Despite the clear financial benefits of family planning services, the available funds have been drastically reduced. The task force recommends a substantial increase in the resources for family planning services so that they are funded at a level high enough to meet documented needs. Additionally, we recommend that family planning services be included among the preventive health services required as part of a minimum benefits package in health care reform.

Research confirms the lessons of common sense: it is unwise to isolate planning for a family from general health and social services and education about parenting. The task force concurs with the U.S. Public Health Service in recommending that, by the year 2000, all parents-to-be make a pre-conception health visit that would provide comprehensive information about nutrition, contraception, and healthy behaviors, as well as identify existing problems and refer them for treatment.

The task force also recommends a substantial expansion of efforts to educate young people about parenthood. Families should be the first source of such education, but schools, places of worship, and community-based youth development organizations also have parts to play. Age-appropriate, culturally sensitive education about parenthood can begin in elementary school, but no later than early adolescence, and should cover

- The development of infants, young children, and adolescents, and how parents, families, and communities can meet their needs
- Models of childrearing, parenting skills, and the significance of family composition and environment on child development
- The impact of childbearing and childrearing on the educational and occupational choices of parents, especially mothers
- Human reproduction, including the role of overall health in reproductive outcomes; methods of birth control, including abstinence; and the importance of health protection and promotion in the prenatal period
- The causes of sexually transmitted diseases and ways of avoiding them
- The effect of behavioral and environmental threats on the health of pregnant women and of children and families
- The availability of social services and other neighborhood supports

Ensure Comprehensive Prenatal Care and Support

The benefits of prenatal care, particularly in the first trimester, have been repeatedly documented: women who receive a full course of such care stand a much better chance of delivering healthy, full-term, normal-weight babies than women who do not. More than physical health is at stake during the prenatal period. An infant's capacity for learning in the critical years following birth is intimately tied to brain development *in utero* and thus to the prenatal environment that the mother provides.

Research shows that for every instance of low birthweight averted by earlier and more frequent prenatal care, the U.S. health care system saves between \$14,000 and \$30,000. But the evidence is also mounting that millions of American children are coming into the world without benefit of this care, and their numbers are increasing:

- About one-fourth of pregnant women do not receive the recommended level of prenatal care.
- The percentage of pregnant women who receive virtually no prenatal care has increased in recent years.
- Mothers are less likely to obtain adequate or prompt prenatal care if they are young, poor, unmarried, relatively uneducated, uninsured, or living in inner cities or rural areas.

The task force recommends that all pregnant women have universal access to comprehensive prenatal care as a core component of any health care reform package that this nation adopts. The task force concurs that all pregnant women must be drawn, early in pregnancy, into comprehensive prenatal care that includes at least four components:

- Early and continuing risk assessment
- Health education and promotion
- Medical and social support services
- Medical treatment for existing conditions

Meeting this goal requires the intensification of national, state, and local efforts to improve the availability and use of prenatal services. Specifically we recommend the removal of the barriers that now stop women from receiving comprehensive prenatal care, including inadequate financing, the absence of local services, cultural and language barriers, and the lack of child care, transportation, and translation services.

Provide Opportunities for Parent Education and Support

No job is more important to our nation's future than that of a parent, and no job is more challenging. But while society readily acknowledges the value of job training in other areas, it tends to act as if parenting skills should come naturally.

The task force notes that many parents could benefit from parent education and support--especially parents of infants and toddlers. Even in the best of circumstances, the newness of the parental role, coupled with the child's rapid physical, intellectual, and emotional development, make the parents' job demanding and at times overwhelming. As a result, parent education and support programs have appeared, ranging from grassroots, community-based efforts staffed with volunteers to statewide programs that are available on a universal and voluntary basis.

Families vary tremendously in their structure, values, needs, and resources, as well as in their ability to seek and use parent education and support. Still, certain key elements define successful parent education and support. Successful programs

- Establish an ongoing relationship with parents
- Are geared to the strengths, styles, and needs of individual families
- Increase understanding of child development and parent-child relationships
- Provide models of parenting
- Teach new parenting skills
- Provide a network of social support with other parents
- Facilitate access to community resources

The task force finds that parent education and support can be effective. A variety of programs have been found to have consistent and persistent influence on both parental behavior and the intellectual development of the young children. At the same time, we recognize that families with high levels of stress and severe economic hardship have urgent needs that clearly cannot be met through education alone. To serve these families, parent education and support programs must be built into a coordinated array of services such as health care, child care, literacy classes, and job training. Some communities have formed coalitions to coordinate services.

Appropriate staffing and training are key to successful parent education and support programs. Many programs enthusiastically recruit local community members as key staff contacts with parents. This approach has the advantages of providing training and employment for members of the community, drawing on the insights of people who have lived in similar social situations, and avoiding disparities in culture, language, and values between clients and practitioners.

The task force recommends that parent education and support, an effective preventive strategy, be made available on a voluntary basis to all parents with children under age three. The task force encourages all states and communities to use funds from existing sources and from new sources, such as the federal Family Preservation and Support Service Program, to initiate and expand community-based parent education and support programs for families with infants and toddlers. [See How States Can Support Parenting Education sidebar.]

Part II Chapter 1 Sidebars

Opportunities for Promoting Responsible Parenthood

Across the nation, innovative approaches are being designed and implemented to help prepare young people as well as parents with children under the age of three for the opportunities and responsibilities of parenthood.

Comprehensive Human Biology Curriculum

Early adolescence provides unprecedented opportunities for educators and health professionals to capitalize on young people's natural curiosity about bodily changes to promote healthier lifestyles that will have long-lasting benefits. It is this same curiosity, however, that may lead young people to engage in self-damaging behaviors that may shorten life or impair its quality.

The Human Biology Middle Grades Life Science Project at Stanford University has developed a comprehensive two-year human biology curriculum that should help adolescents understand and cope with the social, behavioral, and health problems they encounter. The curriculum covers adolescent development and physiology, genetics, and environmental science. Units such as "Your Community Culture," "Youth and Family," and "Become an Adult" help students to learn about human development and to develop the responsible attitudes and behaviors that are the foundations of effective parenthood.

School-Based Two-Generation Program

Many communities are taking a two-generation approach to changing life outcomes for pregnant adolescents by offering programs that serve both mothers and their babies. The Polly T. McCabe Center in New Haven, Connecticut, for example, is a short-term public school for pregnant students and new mothers, who otherwise might be forced to drop out of school. In addition to education, the center offers social and medical services. It features small class sizes, high-quality individually paced instruction, personalized guidance, and mentoring. Students are encouraged to consider long-term life options as they make progress toward completing their high school education. The goal of the program is to help the students plan for eventual self-sufficiency—including delaying subsequent childbearing, which has been shown to be a major predictor of greater success in life.

The most surprising finding of this program's evaluation was that students who remained seven weeks or longer postnatally were almost three times less likely to deliver a new baby within the next two years than students who left McCabe sooner. Five years after the birth of their first child, those same students still showed the effects of their stay at McCabe: 70 percent of the short-stay mothers had delivered one or more children, while only 45 percent of those who stayed seven weeks or more had done so.

Community-Based Family Support and Education

A widely acclaimed program begun in Texas in 1973 demonstrates that parent education and support can improve parents' childrearing skills. Each year Avance serves 2,000 Mexican American families with young children in Houston, San Antonio, and the Rio Grande Valley. Avance operates in public housing centers, in elementary schools, and through its family service centers. Its Parent/Child Education Program conducts home visits by trained staff members, presents weekly classes on child growth and development, and disseminates information about community services, English classes, and high school and employment preparation courses.

Avance provides free child care so that mothers can attend classes; when their children are older, some mothers serve as volunteer aides at the child care center, thus learning more about child development. Avance staff members emphasize individual attention to the child and support for the mother. Avance also involves fathers: staff encourage fathers to participate at the centers and connect them with job training initiatives, parenting education, and social support networks.

Evaluations show that Avance programs improve families' ability to provide an emotionally stimulating and nurturing environment for their young children, positively influence mothers' childrearing attitudes and knowledge, and expand mother's use of community resources.

How States Can Support Parenting Education

State initiation and financing of family support programs is still relatively new. Many states have developed successful programs designed to meet various needs: to prepare children for school (Missouri), to teach parenting techniques (Minnesota), to improve family literacy (Kentucky), and to support teenage parents (Maryland).

Missouri's Parents as Teachers (PAT) program sends certified parent educators to visit expectant families at home and teach them how to be "their child's first teacher." PAT staff members set up group meetings for parents, screen children for early detection of problems, and link parents with other community resources, such as child care, health, and social services. Because this state-legislated program crosses all socioeconomic and educational boundaries, it attracts both high-risk families and those who need less intensive services and supports. Evaluations show that PAT children score well above national norms on measures of school-related achievement and that parents like the program. PAT had grown from four pilot sites in Missouri in 1981 to 1,233 programs in forty-two states, the District of Columbia, and four foreign countries by late 1993.

Minnesota's Early Childhood Family Education program is a statewide, state-funded effort operating in more than 300 school districts. It offers child development information and parenting techniques, encourages healthy communication between parent and child, and promotes positive parental attitudes. The program is open to all families with children from birth to kindergarten. Parents and children spend an average of two hours a week at the center: parents spend time with their children and talk with other parents while their children, overseen by trained early childhood educators, engage in discovery and cooperative play, learn to separate from parents, and develop cognitive and motor skills.

Centers employ licensed early childhood and parent educators, as well as aides and volunteers from local communities.

Kentucky enacted the Kentucky Education Reform Act of 1990 to reduce barriers to learning. Family Resource Centers (for families with children up to age five) operate out of elementary schools. Within two years, 223 centers, funded through a competitive grant process, opened throughout the state; a total of 378 centers now serve 57 percent of the state's families with children under the age of five. The Family Resource Centers offer before- and after-school child care, child development education for pregnant women and mothers, literacy training for mothers who are earning their GED, training and supervision for child care providers, and health and social services referrals. The program receives local and private funding.

Maryland's Friends of the Family is a statewide network of family support centers administered by an independent agency established with state assistance in 1985 to address high rates of teenage pregnancy and child abuse and neglect. Today, this public-private agency oversees thirteen family support centers that primarily serve mothers younger than twenty-five with children younger than three. All centers provide social support services, assistance in child development and parenting education, and assistance for those completing their GED. The centers emphasize close community ties through their policy advisory boards, which include parents, community leaders, and social service agency representatives. They also find hard-to-reach families and provide supplementary services such as child care and transportation.



**Abridged Version
Starting Points
Meeting the Needs of Our Youngest Children**

Guarantee Quality Child Care Choices

In a very real sense, parents and child care providers are jointly raising many of this nation's youngest children. In 1965, only 17 percent of mothers of one-year-olds were in the labor force; in 1991, fully 53 percent worked outside the home. More than five million infants and toddlers are now in the care of other adults while their parents work. More than a third of these young children are looked after by relatives, either at home or elsewhere. A quarter spend their days in child care centers; close to another quarter in family child care. A relatively small percentage of infants and toddlers are in the care of in-home providers or spend their days in other situations.

How well is the current system of child care meeting the needs of our youngest children and their families? In some well-run settings, competent child care providers attend to small numbers of children, and infants and toddlers experience a happy and stimulating day. But in many other settings, each provider looks after five, six, or even seven infants. Children (and adults) in these settings--which probably constitute the majority--are overstressed and unhappy.

Many parents of infants and toddlers have few child care choices. Many would like to stay home longer after their baby is born, but someone must pay the bills, and the United States stands alone among major industrialized nations in not ensuring income protection for parental leave. When they do go back to work, too many parents are forced to "make do"--to accept care that is safe and affordable but that falls short of the quality they would like for their young child. Many find themselves searching again and again for new arrangements as their initial "choices" prove unreliable or unsatisfactory. The disruption to the child, the family, and the parents' working life is immense and costly.

This child care crisis means that many of our youngest children miss early experiences that are necessary to the development of healthy intellectual and social capacities. Their well-being is jeopardized not only by poor-quality care and the lack of affordable care, but also by a fragmented system of delivery and high turnover among providers due to inadequate compensation and working conditions.

The task force strongly recommends that our nation make the availability of quality child care choices to all parents of infants and toddlers a high priority. Parents need options about when to begin child care, and they need child care arrangements that are high-quality, accessible, and affordable. These options include a continuum of parental and nonparental forms of care throughout the first three years. This nation will ensure that parents have genuine choices about the care of their young children when we

- Improve parental leave benefits
- Ensure quality child care for infants and toddlers
- Provide parents with affordable quality child care options
- Develop networks of family-centered child care programs for infants and toddlers

Improve Parental Leave Benefits

Infants' early experiences are critical to healthy development. Experts can now substantiate the benefits of allowing ample time for the mother to recover from childbirth and for the parents to be with their new baby during the first months of life. Infants have a better chance at a healthy start in life when parents are able to stay at home during the early months. Breastfeeding and in-home care offer protection from

infection before the infant has developed a mature immune system.

Parents and families also need time to adjust. The birth or adoption of an infant is a sensitive moment in the family's life. Parents need time to get to know their infants, to understand their babies' rhythms, patterns, and preferences. Mothers and fathers learn to respond appropriately through these earliest interactions, and early success helps parents to become confident in their new roles. Such success is especially difficult to achieve when both parents have demanding work schedules. When adequate parental leave benefits enable infants and parents to have sufficient time together, everyone profits.

When new mothers are surveyed on how long a parental leave they would prefer, they say six months. They want time to get to know the baby, time to adjust to the baby's schedule, to find quality child care, and to phase in their return to work. Experts generally recommend a four- to six-month parental leave as critical to fostering healthy infant development.

As employment rates have soared among women with young children, public support has grown for parental leave policies, and this support has gradually influenced many sectors of our society. Some employers now voluntarily offer parental leave, albeit usually unpaid. Many states require employers to provide basic parental leave benefits. The Family and Medical Leave Act (FMLA)--the nation's first family leave legislation, enacted in 1993--requires employers of fifty or more people to provide to all eligible employees twelve weeks of unpaid, job-guaranteed leave with existing health benefits.

The task force recommends that the next step should be to strengthen existing legislation in three ways:

- First, by including employers with fewer than fifty employees under the legislation. Currently 50 to 60 percent of the workforce is excluded.
- Second, by extending parental leave. A twelve-week leave, while helpful, is far less than the four to six months preferred by parents and recommended by child development experts.
- Third, by providing partial wage replacement. Because the Family and Medical Leave Act and current employer leave policies do not include wage replacement, many parents--especially women from low-income households--must return to work much sooner than they wish.

Financing a paid national leave policy is not impossible, if it is phased in. The costs should be shared by employers, government, and employees. Possible policy options for financial support are

- Expanded temporary disability insurance
- A modified unemployment compensation system
- A special benefit for parents with newborn or newly adopted children

The private sector has an important role to play in improving family benefits and policies. Employers, especially those in the Fortune 1000 group, are increasingly finding it good business to respond to parents' needs. And smaller companies complying with state parental leave policies incur no greater costs than larger employers.

The task force recommends that all employers assist parents in ways that are consistent with the needs of both the workplace *and* the family, by implementing a range of policies such as improved parental leave, flexible work schedules, job sharing, child care information and referral assistance, and on-site or nearby child care.

Ensure Quality Child Care

For healthy development, infants and toddlers need close relationships with a small number of caring people, beginning with their parents and later including other adults in child care settings. Quality child care programs offer care to young children in small groups, in environments that are safe and

comfortable. Each adult worker is responsible for only a few children, and personnel are well prepared and adequately paid. The program encourages parent involvement and is linked to comprehensive health and nutrition services. Unfortunately, these programs are the exception rather than the rule.

Most parents describe quality child care as "good parenting"; they believe that caregivers, not regulations, ensure high quality. But child care professionals emphasize the enforcement of consistent standards as the key to high quality. A few consistent standards--appropriately monitored and enforced--can help achieve exactly what parents want. For example, a program that assigns a small number of children to a sensitive and trained staff member goes far toward achieving individualized attention for every child.

Despite the evidence that standards establish the preconditions for quality child care, government policy lags behind. At present, regulation of child care rests largely with state governments; the standards are varied, weak, or even nonexistent. For example, most states allow infants and toddlers to be cared for by providers who have not completed high school and who have no specialized training whatsoever.

The task force recommends that states review, upgrade, and implement consistent child care standards. Regardless of funding sources, the standards should ensure quality by addressing

- Child:staff ratios
- Group size
- Preparation and qualifications of staff
- Health and safety
- Linkage to parents and community services

In working toward better quality child care, many partners must work together to specify and support these baseline standards: community groups, professional groups, states, and the federal government. In supporting consistent standards for group child care, it is not our intention to impose hardships on informal arrangements that are working well in communities and neighborhoods. Rather, we encourage communities to develop mechanisms to include these informal providers in local child care networks and to facilitate their compliance with the standards.

In many cases, child care providers are the only adults other than parents who have daily contact with infants and toddlers. They thus play a critical role in fostering the child's healthy development. Currently, however, many providers of child care lack specific preparation for their jobs; moreover, few incentives exist to encourage training. To ensure that child care settings nurture children, protect their health and safety, and prepare them for later school success, better-qualified staff are essential. [See New Careers for Childcare Professionals sidebar.]

The task force recommends that providers of group care for infants and toddlers be required to receive specific training to meet the needs of children in this age group; it also recommends that federal, state, and community funds facilitate such training efforts. Better training cannot resolve all the complex problems of child care, but research shows that it is an effective, relatively inexpensive strategy for improving quality, particularly if training initiatives are linked to career development, with trainees receiving credit toward associate and bachelor's degrees. The implementation of statewide training systems and the dissemination of training materials would go a long way toward improving child care services to young children throughout the United States. However, the task force recognizes that attracting and retaining high-quality individuals to the child care field will always be difficult as long as salaries are so low.

Experienced child care providers who love their jobs leave them in large numbers because of low salaries and inadequate benefits. Studies show that annual turnover for child care providers is nearly three times the rate reported by U.S. companies, and nearly five times the rate reported for public school

teachers. High turnover rates compromise the quality of care.

To maintain quality child care services, we must improve the compensation of child care providers. In 1990 the average annual salary for providers in centers was about \$11,000. Half of family child care providers earned less than \$8,000 per year, and nonregulated providers received less than \$2,000 per year. Even providers with college training or degrees are woefully underpaid. The goal should be to establish pay levels that are competitive across professions that call for equivalent educational qualifications and job responsibilities. Staff also need to receive such benefits as health insurance, sick leave, retirement, paid vacation, and workers' compensation. The task force recommends two strategies for improving provider compensation:

- First, tie higher salaries and better benefits to the completion of specialized training.
- Second, provide incentive or salary enhancement grants to child care centers and family child care networks that provide quality care as defined by state standards or by professional organizations if state standards are inadequate.

Business and government are beginning to turn their attention to child care, but a larger, more sustained commitment is necessary. Corporations can help by creating public-private partnerships to sponsor individual child care providers or centers that serve the communities from which they draw their labor force. Federal, state, and local governments all need to contribute to narrowing the gap between the costs of quality care and what is now affordable for many families. They can do so through incentives and innovative partnerships with nonprofit agencies and the private sector.

Provide Parents with Affordable Child Care Options

This country is just beginning to realize just how expensive quality child care actually is. Estimates of the value of the services and goods devoted to the care and education of young children range from \$120 billion to \$240 billion annually. In the past, these costs were covered largely by mothers' unpaid labor. In recent years, as mothers more often work, parents have increasingly paid--in actual dollars--for nonparental child care services.

When they realize how much child care costs, most parents are astonished. Costs for one child range from \$40 to \$200 per week. All families want to give their children the best care possible, but these outlays are too high for most. Overall, the less families earn, the higher the proportion of their income that is spent for child care. Families with incomes under \$15,000 per year spend 23 percent of their income on child care, whereas families with annual incomes of \$50,000 or more devote 6 percent to child care.

Overwhelmingly, today's parents would like to see both government and business assist all families by ensuring access to an adequate supply of affordable child care. Parents want businesses to offer benefit plans that include on-site or nearby child care and flexible work schedules. [See Tapping New Resources for Quality Child Care sidebar.]

The federal government already offers some assistance with child care to families at all income levels. Middle- and upper-income families receive assistance largely through the Dependent Care Tax Credit (DCTC); lower-income and poor families receive subsidies through the Child Care Development Block Grant (CCDBG), the Social Services Block Grant, and the Family Support Act. But these measures are not enough.

In today's difficult economic climate, the task force recommends that preference be given to providing financial support to poor and moderate-income families so that they can choose quality child care. We propose two strategies.

- First, the federal government should channel substantial new money into child care in order to make it more affordable for parents, possibly through supplementary block grants to the states for child care. This money should go to child care programs, especially those caring for children under age three,

permitting them to expand facilities, adopt sliding fee schedules, and improve quality. To promote quality, we recommend that all new and reauthorized federal funding for child care be modeled after the 1990 Head Start reauthorization, which mandates that 25 percent of new funds be spent on quality enhancements. This money should be coordinated at the state level and dedicated to promoting quality child care programs for infants and toddlers through investments in stronger standards, improved training, better facilities, and higher staff compensation.

- Second, the federal government should make the Dependent Care Tax Credit refundable in order to provide greater financial benefits to low-income families. The additional costs of refundability could be made up by lowering the income levels at which the DCTC phases out or by decreasing the benefit levels for high-income families.

Develop Networks of Family-Centered Child Care Programs

Virtually every American community has produced a patchwork of child care, including licensed centers, regulated family child care, unregulated family child care, and informal care by relatives. Yet all too often the seams that hold this quilt together are frayed. In most communities, providers function in almost total isolation--they have little opportunity to share ideas, learn new skills, or provide support and guidance to one another. This isolation is particularly apparent in family child care and care by relatives--the types of care most popular for infants and toddlers.

The many patches of American child care can and must be stitched together. Local child care networks have proven effective, alleviating the isolation experienced by many child care providers, offering them significant professional development opportunities, and linking them with a wide variety of related health, educational, and social services. At the same time, these networks give parents a well-known, accessible, unbiased source of information and advice as they sort through various child care options. This is especially important for parents who may be new to a community or to the country.

This concept is already working successfully in France, where family child care networks link from six to as many as thirty-five homes. Each network is directed by a specially trained pediatric nurse who coordinates services, hires qualified child care providers, supervises their training, matches each provider with two or three children, and facilitates parents' and providers' access to other services and supports. Similar efforts are under way in the United States. For instance, some areas of Los Angeles have a network system that connects center and family child care.

The task force recommends that every community develop a comprehensive child care network linking all child care programs and offering consumers a variety of child care settings. In order to be effective, a child care network should have three key features:

- It should be comprehensive, encompassing all existing child care services and enabling children with disabilities to participate fully.
- It must be developed and operated locally and funded through a combination of public and private sources.
- It should have as its hub an institution that is central to its particular community.

Clearly, to be effective, the network must draw on the energy of the community, involving people who know best what its parents and children need.

Part II Chapter 2 Sidebars

New Careers for Child Care Professionals

Those who enter the child care field find few opportunities for training and career development:

- Funding for training is limited and sporadic. As a result, most caregivers have no access to training.
- Where training programs exist, incentives to participate are few or nonexistent. Beyond the entry level, few programs offer a sequence of training activities linked to career advancement steps.
- Most training situations fail to prepare caregivers to work with a wide range of children and families. They do not offer specialized training needed to care for children at particular developmental stages, or with particular life experiences.
- Caregivers in general cannot earn college credits by enrolling in a training program.

There are signs of progress, such as financial support for training under the federal Child Care and Development Block Grant program enacted in 1991. Federal and state policymakers are beginning to show interest in caregiver training, and planning to improve training has begun in several states.

Fortunately, examples of promising practices do exist:

- Since 1985, the California Child Care Initiative has been recruiting and training family child care providers. As of March 1993, it has generated 3,600 new licensed family child care homes, making 14,100 child care spaces available to children of all ages.

More than 22,000 providers have received basic and advanced training at thirty-four sites across the state. The program offers incentives such as paying providers' membership fees to join professional associations, paying stipends for transportation to training, supplying vouchers for toys and equipment, and placing providers' names in local referral pools. The initiative has recently made more family child care materials available in Spanish and has developed a new recruitment initiative responding to the crisis in infant and toddler care.

- Families of children with disabilities who live in rural settings face particular difficulties in finding appropriate child care. In Montana, the Educational Home Model Outreach Program provides training and technical assistance to child care centers and family child care homes that care for children with and without disabilities. The program offers the particular skills needed to care for children with motor impairments. The project offers advice to other providers via a toll-free telephone line and a newsletter.

- In 1989, Delaware inaugurated the nation's first comprehensive statewide plan for career development in early care and education. The program has opened a resource center for child care providers in each of the state's three counties. It has involved the eight colleges in Delaware that offer early childhood curriculum in a pilot project that enables caregivers to earn college credits.

Tapping New Resources for Quality Child Care

New partners are beginning to take the lead in helping parents to find quality, affordable child care. These new initiatives may foretell dramatic shifts in the way America's vital institutions accommodate family and workplace responsibilities in the future. The following initiatives represent important new ways of promoting quality child care.

- **Corporations** can provide for their own employees and become models for approaches that the business community can take in creating more family-friendly working conditions. For example, in 1988, the Dayton Hudson Corporation began "Family-to-Family" as a collaboration with local nonprofit child care resource and referral agencies to train and accredit family child care providers. By 1992, Dayton Hudson recognized the value of a nationwide public awareness and consumer education campaign on quality child care, and launched "Child Care Aware" in collaboration with leading child care organizations. Child Care Aware encourages parents to consider quality issues in selecting child care services through innovative marketing techniques such as shopping bags that explain the value of quality child care. It helps them locate such services with advice from local resource and referral agencies, helps develop strong parent/caregiver partnerships, builds recognition of child care as a profession, and educates the public about the importance of quality child care for society.

- **State** governments can support innovative financing arrangements to provide capital to child care providers. For example, the State of Illinois has entered into an arrangement to issue tax-exempt bonds, repayable in ten years, with a philanthropic guarantee as collateral. The resulting Illinois Facilities Fund will provide capital to develop ten centers run by child care providers, who will lease the facilities for ten years and will assume ownership when the bond issue is paid off. The financing is expected to strengthen and improve child care centers in disadvantaged neighborhoods. The ten large centers will be fully equipped and curriculum-based and will have support for staff development and training; they should serve as laboratories for further understanding of the economic growth of child care and the needs of families.

- **Banks** can add child care programs to their activities under the Community Reinvestment Act (CRA). The act requires federally insured mortgage-lending institutions to make funds available for community and neighborhood reinvestment at affordable interest rates. If banks identify child care as a "community need" under the CRA, they can make loans to providers as part of their obligations to assist low- and moderate-income neighborhoods. Affordable capital is chronically short in many such neighborhoods.

- **Philanthropic** and nonprofit organizations, including private and community foundations, can take the lead in identifying child care as a critical community issue. They can bring together representatives of employers and employees, persuade local governments and grantmakers to take an interest, and underwrite pilot programs. In 1987, for example, United Way of Massachusetts Bay formed the Child Care Initiative with other foundations and corporations to capitalize a loan fund. The loan fund is intended, in the short term, to provide capital to child care providers for expansion and stabilization of their operations, to ensure investment in centers serving low-income children, and to encourage more businesslike management practices among nonprofit providers. In the longer term, the fund is expected to draw attention to the facilities and capital needs of child care providers, who are often undercapitalized.



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**Abridged Version
Starting Points
Meeting the Needs of Our Youngest Children**

Ensure Good Health and Protection



ew social programs offer greater long-term benefits for American society than guaranteeing good health care for all infants and toddlers. We realize the return on that investment when fewer children suffer from preventable illnesses and disabilities, when fewer parents bear the burden of caring for sick children and paying their medical bills, when more healthy children and adolescents succeed in school and, in time, form a more productive workforce and become better parents. We don't have to guess about the benefits of early health care; indeed, in no other area of social policy can costs and benefits be calculated so precisely. For example, every dollar spent on childhood immunizations saves ten dollars in later medical costs.

Being healthy also means being safe. At present, many infants and toddlers are not safe. Some grow up in neighborhoods where a walk to the grocery store or an afternoon in the playground may be fraught with danger. Some spend long stretches, while their parents work, in substandard child care, under the supervision of underpaid, distracted babysitters, or in the care of brothers or sisters who themselves need more adult attention. And too many are at risk even when cared for by their own parents: some may suffer neglect or outright abuse; others may have parents who do not realize that their practices, or the setting they've provided, are unsafe.

To ensure good health and protection to our youngest children, this nation must

- Provide needed health care services for all infants and toddlers
- Protect infants and toddlers from injury and promote their health
- Create safe environments for infants and toddlers

Provide Needed Health Care Services for All Infants and Toddlers

Unfortunately, not all young children now receive adequate health care. The American Academy of Pediatrics recommends nine well-child visits by age two, but fewer than 50 percent of all two-year-olds have visited the pediatrician that often. Immunization remains haphazard, with predictable consequences. In 1992, more than 60 percent of children in most states had not received a complete sequence of recommended immunizations by age two.

The supply of health professionals and the quality of child health care vary significantly by community: the most inadequate prenatal and child health services are found in low-income, minority, and transient communities. As a result, our poorest communities are plagued by high rates of infant mortality, low-birthweight babies, communicable childhood diseases, and child abuse. Children growing up in poverty suffer from higher rates of malnutrition and anemia than do other children. Many of the tragedies represented by these statistics are preventable.

Children in poverty are not alone in receiving inadequate health care; nearly 13 percent of America's children do not have access to the health care services they need to grow up healthy. In 1992, 8.4 million children lacked access to health care services because they had no insurance, and millions more were insured for only part of the year. Most children rely on working parents for health care coverage, yet nearly 80 percent of uninsured children are dependents of working parents.

In 1979, the Select Panel for the Promotion of Child Health--a federal group composed of leading health

care professionals--undertook a thorough review of children's health care. Fifteen years later, the task force agrees with the panel's conclusions:

- Health care services for all children must be comprehensive, preventive, and primary.
- The 10 percent of children who have chronic or disabling conditions need, in addition, specially designed services and support.
- Comprehensive services include parental education and counseling.
- Access to health care must be ensured through services such as transportation to health facilities and translators who can speak with parents and children in their own language.

The task force identified two elements that would go farthest toward ensuring that children under three receive needed health care services. First, pregnant women, infants, and toddlers must be explicitly included in health care reform. Second, home visiting services should be available as part of comprehensive health services.

Reform Health Care. Health care reform should result in comprehensive health care services for all our nation's children. The task force recommends that pregnant women and all children under three be the first to be included in a universal system. Moreover, the task force agrees that the health care needs of infants and toddlers call for services that are broader in scope than those designed for older children and adults, and in certain instances they must be of greater intensity and duration than would be possible under a more general standard.

Young children need comprehensive health care because their needs differ markedly from those of older children and adults. Infants' and toddlers' unique needs arise from their developmental vulnerability and the degree to which they are dependent on others--on their parents and on social and governmental institutions--for their health care.

Attempts at cost control may have unintended adverse effects on the quality of health care. The design or revision of a benefits package must take into account not only budgetary considerations and national priorities, but also scientific criteria for adequate health and medical care. Meaningful grievance procedures must enable consumers and providers to protest unfair practices or unintended consequences. To achieve this, consumers and clinicians must work with policymakers in defining what constitutes a child health care service.

Clearly, money is the main barrier between America's young children and the health services they require; but other *nonfinancial* barriers must also be surmounted. These include

- **Capacity shortages.** Many communities do not have enough providers, especially pediatricians, family practitioners, and nurse practitioners.
- **Unfriendly services.** Even parents who are motivated to seek out health services sometimes find them unfriendly and hard to access.
- **Undervaluing of preventive services.** Many parents who obtain health care when their children are sick are unlikely to use preventive services like well-child visits or immunizations, particularly when these services are not easily available.
- **Lack of continuity.** Many young children do not have a primary health care provider.

Other barriers include the violence, drugs, and social isolation found in some impoverished inner-city neighborhoods--conditions associated with low levels of health care. Expectant mothers in these neighborhoods are far less likely to receive adequate prenatal care than those in more affluent locales; and preschool immunization rates are also low in these areas. Already overstressed, these children and their families should not have to add inadequate health care to their list of everyday life problems.

Provide Home Visiting. One promising way of improving health outcomes among families with young children is home visiting. For more than a century, home visiting has existed in the United States as a strategy for delivering health care, information, and support services to pregnant woman and families with young children. Today, home visiting services are drawing attention as a promising preventive strategy. [See Healthy Families America sidebar.]

The current practice of early hospital discharge after the birth of the newborn makes home visiting an attractive strategy during the first six weeks of life. In addition to providing education and advice, the home visitor can be an important link between the family and community services and supports. Some states now offer voluntary home visiting services to all new parents and provide more intensive services to at-risk families with young children.

Especially effective are comprehensive prenatal and infant services, in which trained nurses or paraprofessionals visit unmarried, adolescent, uneducated, or low-income mothers and their children. These programs have successfully encouraged expectant mothers to stop smoking, eat a balanced diet, use the WIC nutrition supplementation program, and seek childbirth education. In families that have been visited, the incidence of low-birthweight babies, child abuse and neglect, and childhood injuries has decreased. Home visiting programs are also cost-effective. In one study, by the time the children had reached the age of four, the government had saved \$1,722 per child for the entire sample and \$3,488 per child for low-income families.

The task force recommends that home visiting services be offered on a voluntary basis as part of comprehensive health services to all first-time parents and their newborns. More intensive home visiting services would have the greatest benefit if offered to all families in communities with high rates of poverty and large numbers of single, young mothers. These voluntary services could help those most likely to benefit without singling out any particular mother or child in the neighborhood.

Protect Young Children from Injury and Promote Their Health

Unintentional injuries remain the leading cause of death among children aged one to four. Children growing up in poverty are more likely to die from an unintentional injury than children from better-off families. While many childhood injuries do not result in death, they may result in disability or disfigurement and may compromise a child's future development, well-being, and achievement. Because most of these injuries are preventable, the task force recommends new public strategies to reduce the incidence of unintentional injuries to young children. These strategies must include broad-based community efforts to encourage the use of child safety seats, fire alarms, window guards, and flame-retardant sleepwear, and to reduce the temperature of tap water in homes and child care settings.

Promoting young children's health is a responsibility shared by parents, other caregivers, educators, the community, and health officials at all levels of government. But how can we best support parents' own efforts to promote their children's health? First, community leaders can identify what needs to be known by parents and others in the community. Second, programs to teach health-promoting behaviors to parents can be started in accessible settings at convenient hours. Third, religious, civic, business, and other community organizations can communicate information about children's health, setting as their highest priority the good health of every neighborhood child. [See Safeguarding Children sidebar.]

Create Safe Environments for Young Children

Although most research and public debate about violence have focused on school-aged children and adolescents, violence also affects pregnant women, infants, and toddlers. Women face the highest risk of violence by a male partner during their childbearing years, and most particularly during pregnancy. The abuse of pregnant women leads to serious risks for the infant, including low birthweight, birth defects, prematurity, and even such grave consequences as stillbirths and infant mortality.

Very young children are also victims of abuse. Of the two million children who experience physical

abuse or neglect each year, more than a third are infants under one year of age. In 1990, almost 90 percent of those children who died as a result of abuse were under the age of five; 53 percent were less than a year old.

There is no doubt that repeated exposure to violence threatens children's healthy physical, intellectual, and emotional development. Parents, too, are affected by a climate of violence; they often lose confidence and are so traumatized that they find it difficult to be emotionally responsive to their children. The task force concludes that this nation must make a clear commitment to the right of all young children to grow up in safe homes and neighborhoods. Parents would benefit from family-centered approaches to help them understand the profound effects of violence in the home and in the community on young children. Energy and resources must be directed toward preventing violence in children's lives and dealing with the damage that has already occurred. The task force recommends these interventions:

- ***Adopt family-centered approaches.*** The strongest buffer for young children living in dangerous environments is a supportive relationship with parents. Parent education and family support programs can help parents understand their critical role in the lives of their children. Parents should have access to proven programs that prevent child abuse and neglect and must be taught skills in nonviolent conflict resolution. Supportive networks and individual counseling should be available to parents when necessary.
- ***Initiate community-based efforts.*** Increased funding must be made available for community programs that address violence prevention, such as partnerships between child and family services and law enforcement agencies. For maximum effectiveness programs must be implemented locally. Such efforts convey to families that they are not alone--that society is committed to addressing violence in their communities.
- ***Control access to guns.*** Ridding our communities of violence requires nothing less than the removal of all guns, except those lawfully registered under stringent controls. Parents must be made to understand that possession of a gun for protection actually increases the chances of their children being injured or killed. Clearly, however, before parents can accept this understanding and act on it, they must be confident that their communities are safe.

Part II Chapter 3 Sidebars

Healthy Families America

In 1992, more than 2.9 million cases of suspected child abuse were reported, many of them among children from birth to three years of age. Research indicates that the best way to promote healthy child development, to strengthen families, and to prevent child abuse is to provide parents with education and support beginning with the birth of their first baby, ideally by means of a voluntary program of home visits.

Hawaii's Healthy Start Program is an effective model. This initiative provides an initial home visit and assessment of all families with newborns. "At-risk" families are identified and provided with family support, family crisis resolution strategies, and mental health services. Based on Healthy Start, Healthy Families America was launched in 1992 to lay the foundation for a nationwide neonatal home visiting program. Initiated by the National Committee to Prevent Child Abuse,

in partnership with the Ronald McDonald Children's Charities, Healthy Families proposes to establish intensive home visitor programs in areas where parents lack education and support programs and to build onto existing programs wherever possible.

The need for such programs is particularly great where children are at greatest risk for abuse or neglect (that is, in communities with high percentages of low-birthweight babies, births to unmarried adolescents, and children living in poverty).

Community-based parent education and support programs exist in the United States, but few are statewide, comprehensive, and well-coordinated with other federal, state, and local programs. Healthy Families America intends to improve this situation. Efforts are under way in all fifty states to build a Healthy Families America system, and eleven states are operating small pilot programs.

Safeguarding Children

A napping baby sprawled on the back seat of a car; a toddler who picks at the paint on the kitchen wall and then eats it; an infant teething on a sharp-edged toy--they're all in danger. Many young children risk injury or illness all day long without venturing far from their normal routines.

The good news is that concerted efforts to childproof homes and reduce risks in the car and the neighborhood do work. Risk reduction requires parent education, so that new mothers and fathers (and other caregivers) can learn to spot possible hazards and prevent injuries; at the same time, policymakers, manufacturers, and community groups, must take a proactive approach to safeguarding children.

One effort to create injury-free environments for children is Communities for Child Safety, a program administered by the National 4-H Council. This program defines injury broadly to include intentional, unintentional, physical, and emotional harm. It brings together people who work in injury control and those who work in child abuse and neglect.

Begun in 1987 in Chicago, Communities for Child Safety sends two-person teams into neighborhoods to collect information on hazards, to develop networks with key organizations and support groups, to educate local residents, and to persuade local government and organizations to change their policies and approaches.

Teams urge communities to hold child safety fairs, to assess home safety, to offer infant/child CPR classes for parents, to educate parents in child safety, to establish fire safety programs, to work to prevent child abuse and neglect, and to clean up vacant lots and playgrounds. The goal is a community injury prevention plan.



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Abridged Version
Starting Points
Meeting the Needs of Our Youngest Children

Mobilize Communities to Support Young Children and Their Families

Take a walk around the neighborhood, virtually any neighborhood, in the late morning, when most Americans are at school or work. That's when infants and toddlers seem to be out in force--lifted from car seat to shopping cart, carried or wheeled down Main Street, or set loose in a sandbox. The adults who care for them have ventured out to do errands, visit the doctor, calm a fussy baby, or perhaps just to escape the isolation of solitary child care.

Some find themselves in a community that responds to their needs and those of their children; its institutions, both public and private, are designed in ways that weave young children and their caregivers into the social fabric. But most communities are far more responsive to the needs of their "working" residents--those who hold jobs outside the home--than to the needs of adults caring for small children. This is no accident. For the most part, new parents tend to have less influence than other community members; overwhelmed and isolated by the demands of home and work responsibilities, they often have less financial clout, less involvement in community affairs, and less say in setting priorities.

For these and other reasons, the community services available to most families with young children are few and fragmentary. Most communities do not adequately support a healthy start for our youngest children, and our nation has not mobilized the resources or the will to meet their needs. This is the quiet crisis that threatens the stability of community and family life across this nation.

A growing body of research supports the premise that community characteristics do indeed affect individual outcomes for children. We can now say with more confidence that a family's effectiveness as a childrearing system is bolstered by the existence of a supportive social network that includes people outside the immediate family. There is also increasing evidence that when people feel responsible for what happens in their neighborhoods, children benefit. At the same time, social disorganization, in combination with urban poverty, can lead to low birthweight, child abuse and neglect, intellectual impairment, and adjustment problems.

These findings strengthen the task force's conviction that families can benefit from improved community supports--in particular, when communities are able to develop a broad, coherent approach that makes sense for their population of families with young children. This a daunting challenge, requiring the good ideas and hard work of people across the nation: government officials, business leaders, agency staff, the media, community workers, religious organizations, parents, and volunteers. But the long-term payoffs will be substantial. A good start in life measurably decreases the risk that individuals will drop out of school, swell the welfare rolls, or shuttle in and out of the criminal justice system.

To help communities meet the needs of families with young children, our nation must

- Promote a culture of responsibility in communities
- Move toward family-centered communities
- Reinvent government in ways that strengthen families and communities

Promote a Culture of Responsibility

The task force recommends that every community in America focus attention on the needs of children

under three and their families, beginning in the prenatal period. We urge leaders to marshal resources on their behalf, to learn from effective, innovative models, to plan carefully, and to measure and report the results of these efforts to the public. Because many American families with young children face multiple risk factors—including poverty, unemployment, inadequate housing, and violence—we recommend that special attention be given to services and supports that benefit those most in need.

The problems of young children and their families do not lend themselves to one-size-fits-all solutions. Communities need to develop their own approaches to creating family-centered communities, based on a strategic planning process that involves all sectors of the community. This kind of broad-based effort demands strong local leadership. In some communities, a citizens group or a private/public partnership may already be addressing issues of education, health care, or family services, and can broaden or refocus its agenda to address the specific needs of very young children and their families. In other communities, forming such a group will be the first step.

The process should begin with a community assessment, examining the needs of young children and families, especially those with multiple risk factors, and the capacity of existing programs to meet those needs. Planners should ask such questions as

- What kinds of preparation for parenthood, parent education and support, and family planning services are available?
- What kinds of prenatal care are available, and how many expectant mothers do they reach?
- How much infant and toddler child care is available in the community, and what is its quality?
- Which public and voluntary agencies serve families with young children? Are they meeting local needs? To what extent are their services coordinated?
- Which factors and resources in the community promote or inhibit the development of social networks among families with young children?
- What funds are available from public and private sources? How are they being expended to serve families with young children? How can we improve funding mechanisms and achieve greater cost-effectiveness?
- What additional resources can be leveraged from business, volunteers, and the private, nonprofit sector?

As they look at existing resources, communities are likely to find that some programs are effective, or would be with relatively minor adjustments. It is important not to dismantle programs that work or to disrupt networks that have been painstakingly established. Other programs will prove to be less effective. Many are understaffed or are staffed by individuals who lack sufficient experience or training.

Perhaps the most serious weakness the community planning process will uncover is insufficient coordination among programs serving the same families. Forging links among these programs should be a top priority. These linkages provide a more comprehensive, family-centered system of supports for young children and their families, and can help to seal the cracks through which many young children now slip.

Once the assessment is completed and documented, the leadership group needs to reach consensus on goals, and to define the specific interventions that will meet those goals. A strong plan will probably include elements that benefit families with young children directly and those that benefit them indirectly by reinforcing social cohesion within the community. A key challenge at this stage is establishing credibility by building program performance measures into the plans. These measures would define quantitative and qualitative results. [See Setting Goals for Effective Community Planning sidebar.]

Move Toward Family-Centered Communities

The task force envisions a strategic planning process that would move communities toward a family-centered approach--a cluster of resources and services linked together so that more parents can, with efficiency and dignity, gain access to essential information and services and fulfill their responsibilities to their children.

Each community or neighborhood would evolve a network of services geared to the needs of its families. This network of services can and will take many forms, but we anticipate that in each community, a single institution would become the hub of the network, offering support, information, and referrals to families and providers. The task force encourages broad experimentation with a comprehensive approach through the development of neighborhood family and child centers. Two approaches appear to be particularly promising: creating or strengthening neighborhood family and child centers; and adapting and expanding Head Start to meet the needs of families with children under age three.

Neighborhood family and child centers can move toward providing a full spectrum of services, including

- Parenthood education and ongoing family support groups
- One-stop access to information about child care, schools, health care, social services, and a wide range of other community resources
- Outreach to families with multiple risk factors
- Professional development and technical assistance for caregivers and service providers

Some communities may establish new family and child centers; others may choose to expand an existing program. In fact, a family and child center could be built on any credible community institution and could be financed through the expansion and redirection of government funds, private support, and parent fees. Each community should establish its own strategy for administering these centers, but it is essential that parents and other neighborhood residents be involved in their development and management.

In many communities, existing Head Start programs are a logical starting point for the provision of comprehensive services and supports for infants and toddlers and their families. Historically, Head Start has served primarily three- to five-year-old children from low-income families. In 1992, Head Start served only one out of every twenty economically eligible children under age three.

We recommend that the comprehensive, family-friendly, and community-based services that have characterized Head Start now be expanded to provide appropriate services and supports for younger children and to be a source of consistent support between the prenatal period and school entry. Beginning with the most disadvantaged families, the new program for children under three should include home visits, immunizations, linkages to prenatal and other health care, parent education and support, and developmentally sound child care, as well as nutrition and social services. This new program would equip parents to be the effective first teachers of their young children, and could link up with adult job training, drug treatment, housing, and economic development programs. Head Start programs for younger children could be associated with schools, settlement houses, existing Head Start programs, or other community institutions. We concur with the Advisory Committee on Head Start Quality and Expansion, formed in 1993, that the quality of services must be a first priority. The passage of federal legislation in May 1994 to strengthen the quality of the Head Start program and expand services to families is a very promising development.

Reinvent Government to Strengthen Families and Communities

Federal and state governments can help communities improve their services and supports to families with young children by mounting systematic efforts to support local change, by removing obstacles created by outmoded funding patterns and cumbersome regulations, and by mobilizing other sectors,

including business and the media, to make the needs of families with young children a high priority.

In order to focus the leadership and resources of the federal government much more sharply on the needs of young children and their families, we urge the President to appoint a high-level group to coordinate federal agency support for programs for families with young children. In addition, current efforts to "reinvent government," through such federal mechanisms as the National Performance Review and the newly established Community Enterprise Board, represent opportunities to create a more coherent, more efficient delivery system for human services, including those directed at families with young children.

States play a critical role by establishing a framework for community action. They provide support for key services such as child care, health care, family life education, and staff training. States also play a vital role in establishing program regulations, collecting data, and allocating funds. The task force recommends that governors and state legislatures establish mechanisms, such as those in Colorado, North Carolina, New Mexico, West Virginia, and several other states, to implement comprehensive program plans that focus on the prenatal period and the first three years of life. [See State Councils Lead Action for Families and Young Children sidebar.]

The changes in community planning and government initiative envisioned by the task force will take time. Our hope rests with the spirit and commitment that the American people demonstrate whenever a crisis threatens to block our path toward an important goal. We size up the problem, mobilize our citizenry, and get to work. In the next chapter, the task force offers recommendations and a detailed action plan through which all sectors of society can work together to support families with young children.

Part II Chapter 4 Sidebars

Setting Goals for Effective Community Planning

By undertaking a comprehensive assessment or "audit" of the status of families with children under the age of three, a community-based planning group can document not only a community's problems, but also its strengths. During the planning process, this group should actively encourage public input and discussion in a variety of community forums. Reports summarizing major findings should be issued periodically to inform the community, inspire voluntary commitment, and influence public policy.

During the planning process, the group should

- Gather data that answer basic questions about the characteristics and needs of families with young children, including their numbers, geographic distribution, income, family composition, ethnicity and race, and environmental risks. What trends are observable over the past several years?
- Interview parents, program staff, service providers, and public school teachers to pinpoint key challenges in their particular community.
- Determine the scope and accessibility of services and supports now available to families, including family planning, parenting and family life education, child care, and pre- and postnatal health care.
- Analyze the public and private sector policies that affect parents' ability to balance work and family commitments.
- Survey community resources available to families with young children, including housing, parks, libraries, recreation and drop-in centers, health care and child care facilities, voluntary agencies, places of worship, and informal assistance.
- Establish clear goals and priorities, and recommend interventions that meet those goals.
- Create an ongoing mechanism to monitor the implementation of its recommendations.
- Throughout the process, promote collaboration among the many institutions and individuals who work with families and young children.

State Councils Lead Action for Families and Young Children

Today, a growing number of states are emphasizing early childhood development as a significant new "front-end" investment. Most states have embraced the importance of getting children "ready for school" and are now emphasizing ways to prevent social, health, and educational problems before they have serious and costly consequences. State coordinating councils can be an effective way to focus resources and attention on these issues. With sustained gubernatorial or legislative leadership, a state council can provide impetus for community action.

- In 1987, Colorado's governor Roy Romer established a pioneering early childhood initiative called "First Impressions." The initiative's purpose was to ensure that all of Colorado's children enter kindergarten ready to learn. The state has developed a comprehensive plan and has established statewide and community councils. The initiative takes advantage of the public education power of Colorado's First Lady, Bea Romer, who has attended numerous community events and meetings. Technical assistance is provided to local communities to help them develop new programs, pool existing funding to achieve better results, and build local leadership capacity among parents and advocates.

The governor has also created a Families and Children Cabinet Council that has broad authority over program planning for young children. The group consists of high-level representatives from the departments of education, social services, health, and mental health. As part of Colorado's Strategic Plan for Families and Children, neighborhood family centers that combine health, education, and human services in a single location are now being established. Local planning teams select the programs and services to be offered at the center and work with state agencies to combine their resources to implement the plan. A dozen communities have organized comprehensive centers, and an evaluation is under way to determine how well they work.

- In West Virginia, the Governor's Cabinet on Children and Families was created in 1990 to enhance the ability of families to "protect, nurture, educate, and support the development of their children." Chaired by the governor, the cabinet includes directors of relevant executive agencies, state legislators, and representatives from higher education. Its mission is to "reinvent government" by changing the current service delivery system from "deficit models to ones that promote health, development, and well-being within the family," and by shifting from "crisis oriented services to those that focus on prevention and early intervention." The cabinet forges partnerships among citizens, community organizations, business, labor groups, local and state government bodies, advocacy groups, and members of the religious, education, and legal communities.

The primary vehicle used by the cabinet to reform services and supports for young families is the local family resource network. Operating with the support of a broadly representative leadership group, these networks serve thirty-four of West Virginia's fifty-five counties. They direct the planning and implementation of an improved system of services and supports geared to the specific needs of local children and families.

While the cabinet coordinates day-to-day improvements in children and family services, the Governor's Early Childhood Implementation Commission is developing a long-term plan to ensure the availability of high-quality early childhood services to all children, from before birth through age five. These services include health and nutrition, family support, and early childhood development and education. Working with professional groups, child advocates, business leaders, and the media, the commission is also charged with rallying broad public and professional support for the plan through periodic reports.

**Abridged Version
Starting Points
Meeting the Needs of Our Youngest Children**

Recommendations and Call to Action



The quiet crisis of families with children under age three requires immediate and far-reaching action. Persuaded that strong families and communities are essential to the healthy development of our youngest children, the task force calls for action in four key areas. These four areas constitute vital starting points for both children and their families.

Promote Responsible Parenthood

Our nation must foster both personal and societal responsibility for having and raising children. To enable women and men to plan and act responsibly, the task force recommends

- Expanding education about parenthood in families, schools, and communities, beginning in the elementary school years but no later than early adolescence
- Providing comprehensive family planning, pre-conception, prenatal, and postpartum services and support as part of a minimum health care reform package
- Delaying adolescent pregnancy through the provision of services, counseling, support and age-appropriate life options
- Ensuring that all couples, when considering the possibility of having children, assess their age, health, and resources in order to avoid unnecessary risks and to provide a healthy environment for raising a child
- Directing state and local funds to initiate and expand community-based parent education and support programs for families with infants and toddlers

Guarantee Quality Child Care Choices

For healthy development, infants and toddlers need a continuing relationship with a few caring people in safe and predictable settings. To guarantee good child care choices in children's homes and child care settings, the task force recommends

- Strengthening the Family and Medical Leave Act of 1993 by expanding coverage to include employers with fewer than fifty employees, extending the twelve-week leave to four to six months, and providing partial wage replacement
- Adopting family-friendly workplace policies such as flexible work schedules and assistance with child care
- Channeling substantial new federal funds into child care to ensure quality and affordability for families with children under three and making the Dependent Care Tax Credit refundable for low- and moderate-income families
- Providing greater federal incentives to states to adopt and monitor child care standards of quality
- Developing community-based networks linking all child care programs and providers offering parents a variety of child care settings

- Allocating federal and state funds to provide training opportunities so that all child care providers have a grounding in the care and development of children under three
- Improving salary and benefits for child care providers

Ensure Good Health and Protection

When young children are healthy, they are more likely to succeed in school and in time form a more productive workforce and become better parents. Being healthy means young children are able to grow up in safe homes and neighborhoods. To ensure good health and protection, the task force recommends

- Making comprehensive primary and preventive care services, including immunizations, available to infants and toddlers as part of a minimum benefits package in health care reform
- Offering home visiting services to all first-time parents with a newborn and providing comprehensive home visiting services by trained professionals to all families who are at risk for poor maternal and child health outcomes
- Expanding the Women, Infants and Children (WIC) nutritional supplementation program to serve all eligible women and children
- Making the reduction of unintentional injuries to infants and toddlers a national priority
- Expanding proven parent education, support, and counseling programs to teach parents nonviolent conflict resolution in order to prevent child abuse and neglect, and implementing community-based programs to help families and children cope with the effects of living in unsafe and violent communities
- Enacting stringent national, state, and local laws to control possession of guns

Mobilize Communities to Support Young Children and Their Families

Broad-based community supports and services are necessary to ensure that every family with a child under three is linked to a source of comprehensive health care, quality child care, and parenting support. To mobilize communities to support young children and their families, the task force recommends

- Focusing the attention of every community in America on the needs of children under three and their families, by initiating a community-based strategic planning process
- Experimenting broadly with the creation of family-centered communities through two promising approaches: creating family and child centers to provide services and supports for all families; and expanding and adapting the Head Start model to meet the needs of low-income families with infants and toddlers
- Creating a high-level federal group, directed by the President to coordinate federal agency support on behalf of young children and to remove the obstacles faced by states and communities in their attempts to provide more effective services and supports to families with young children
- Funding family-centered programs through the Community Enterprise Board in order to strengthen families with infants and toddlers
- Establishing mechanisms, at the state level, to adopt comprehensive policy and program plans that focus on the period from before birth through the first three years of a child's life

A Call to Action

The task force calls upon all sectors of American society to join together to offer a decent start in life to all children under the age of three.

- We ask the **President** to direct a high-level federal group to review the findings of this report, and to ensure the adequacy, coherence, and coordination of federal programs for families with young children. We urge him to introduce legislation to strengthen the Family and Medical Leave Act, to include pregnant women and young children in health care reform, and to channel new money into quality child care for families with children under three.

- We call upon **Congress** to enact legislation that focuses resources more sharply on the needs of children under age three and their families. We urge Congress to enact legislation that strengthens the Family and Medical Leave Act and that provides increased resources for quality child care and parent education and support. Congress should ensure that pregnant women and all children under three are the first to be included in health care reform.

- In the spirit of "reinventing government," we urge **federal agencies** to identify and remove the obstacles that states and communities encounter as they implement federally funded programs or test innovative solutions.

- We call upon **states** to convene or form child and family councils to review this report and consider its implications for children under age three in each state and its communities. We urge every state to review its legislative and regulatory framework, particularly standards in child care, with a view toward raising the quality of existing services and creating incentives for local innovation.

- We call upon **community leaders** to assess the adequacy of existing services for families with young children (especially those with multiple risks), to recommend specific steps to improve and coordinate services, and to introduce mechanisms for monitoring results. We ask them to create or strengthen existing neighborhood family and child centers in order to meet the needs of families with young children. We urge community leaders to work toward creating communities that are safe and healthy for young children and their families.

- We call upon the **private and philanthropic sectors**, including foundations, to pay more attention to families with children under three, and to expand their support of initiatives that give our youngest children a decent start in life. We urge community foundations to support local efforts to direct attention and resources to meet the needs of children under three.

- We urge **educators**, working with other community agencies, to incorporate services to children under age three in their plans for the schools of the twenty-first century. We urge a substantial expansion of efforts to educate young people about parenthood. We ask educators in secondary schools and community colleges to provide more training and technical assistance to child care providers.

- We call upon **health care decision makers** to include, in any plan for national health care reform, family planning services, comprehensive prenatal care for expectant mothers and universal primary and preventive care for young children. We ask them to give serious consideration to a specific standard of coverage and service for young children.

- We urge **service providers** in child care, health, and social services to take a family-centered approach to meeting the needs of young children and the adults who care for them. We ask them to offer staff, parents, and other caregivers opportunities to learn more about the needs of families with young children, about child development, and about promoting children's health and safety.

- We call upon **business leaders** to support policies that result in family-friendly workplaces, in particular strengthening the Family and Medical Leave Act of 1993, introducing flexible work schedules, and providing assistance with child care. We ask corporate leaders who are on the cutting edge of these policy innovations to help businesses of every size to adopt family-friendly policies. We ask them to participate in local efforts to promote family-centered communities.

- We call upon the *media* to deliver strong messages about responsible motherhood and fatherhood and to portray family life in ways that further society's understanding of the importance of the first three years. We urge them to expand coverage of the quiet crisis and of the requirements for healthy development in these early years. We urge the media to publicize information about preventing injuries--the leading cause of death and disability of children under age four.

- Perhaps most important, we call upon *mothers and fathers* to do everything in their power to secure the knowledge and resources they need to plan and raise children responsibly. When these resources are not available, we urge them to make their needs known to government representatives, community leaders, and service providers. We urge parents to participate in community child and family councils.

All Americans must work together, in their homes, workplaces, and communities, to ensure that children under the age of three--our most vulnerable citizens--are given the care and protection they need and deserve. Nothing less than the well-being of our society and its vital institutions is at stake.



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Abridged Version
Starting Points
Meeting the Needs of Our Youngest Children

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Summary Report

Working Poor Families with Children

Richard F. Wertheimer, Ph.D.

EMBARGOED UNTIL 12:01 A.M. FEBRUARY 25, 1999

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Introduction

"Increasing employment and earnings of needy families . . . [and] decreasing . . . child poverty" are two explicit objectives of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA).¹ However, imposing a stringent work requirement does not guarantee that a family will escape poverty. In 1996, over 2.7 million children (19 percent of all poor children) lived in families with incomes below the official poverty threshold, although the head of the household worked full-time, full-year.

The existence of a substantial number of children who remain poor in spite of considerable work effort by their parents represents a possible scenario for what we can expect when families leave the welfare rolls. However, relatively little research has focused on children in working poor families. Indeed, no generally accepted way of even defining them exists.

The primary purpose of this project is to develop a reasonable definition of working poor families and to provide a baseline of descriptive information about them. Trends can then be tracked over time, as welfare reform proceeds. Currently, we can use this descriptive information to address four important issues:

1. How likely is it for children in working families to be poor?
2. How common is it for children in poverty to have working parents?
3. How are working poor families different from poor families not making a substantial work effort?
4. How are working poor families different from other working families?

Who are working poor families?

We have used the official definition of poverty to determine if a family unit is poor. In 1996, the poverty threshold was \$16,036 for a family of four.²

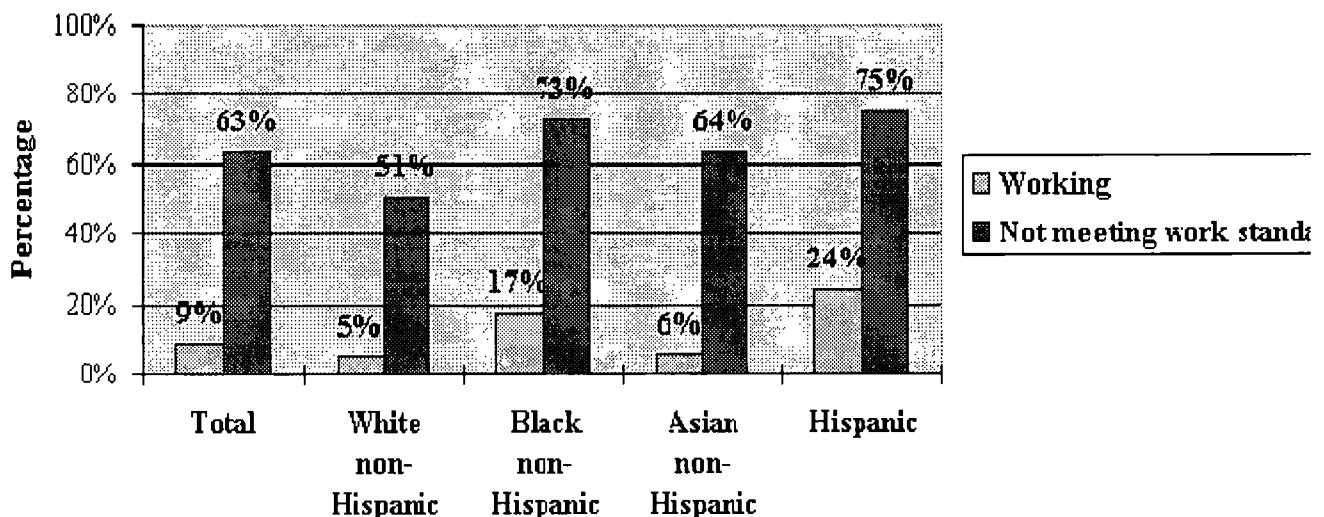
Setting the standard for counting a family as a "working" family is a judgment call. Since poverty is defined based on annual income, we measure work effort as total hours worked annually. Because our study is focused on children, we use a family-based definition of work effort. Consequently, for two-parent families, we add together the hours worked per year for both parents.

The working poor have become a focus of increasing attention due primarily to welfare reform and its focus on encouraging increased work effort. Therefore, we have based our standard on the work requirement imposed upon states by the 1996 welfare legislation. The work required of single-parent families with children under age 6 is 20 hours per week, while the work required of two-parent families is 35 hours per week. We have translated this into a work standard of 1,820 hours per year for two-parent families and 1,040 hours per year for single-parent families. Thus, we have defined any family with income below the poverty line and with at least these many hours of work during a calendar year as "working poor." Any family with income below the poverty line and not enough hours of work to meet this annual work standard is defined as "poor---not meeting work standard."

How Likely is it for children in working families to be poor?

Children are much less likely to be poor if they are living in a *working* family. According to 1996 estimates from the March 1997 Current Population Survey, 20 percent of all children (13.8 million) lived in families whose incomes were below the official poverty threshold. However, as shown in Figure 1, among children living in families that meet the work standard, only 9 percent were poor. In contrast, among children in families not meeting the

Figure 1. Of all children, percentage living in poor families by work standard and race/ethnicity, 1996



Source: March 1997 Current Population Survey

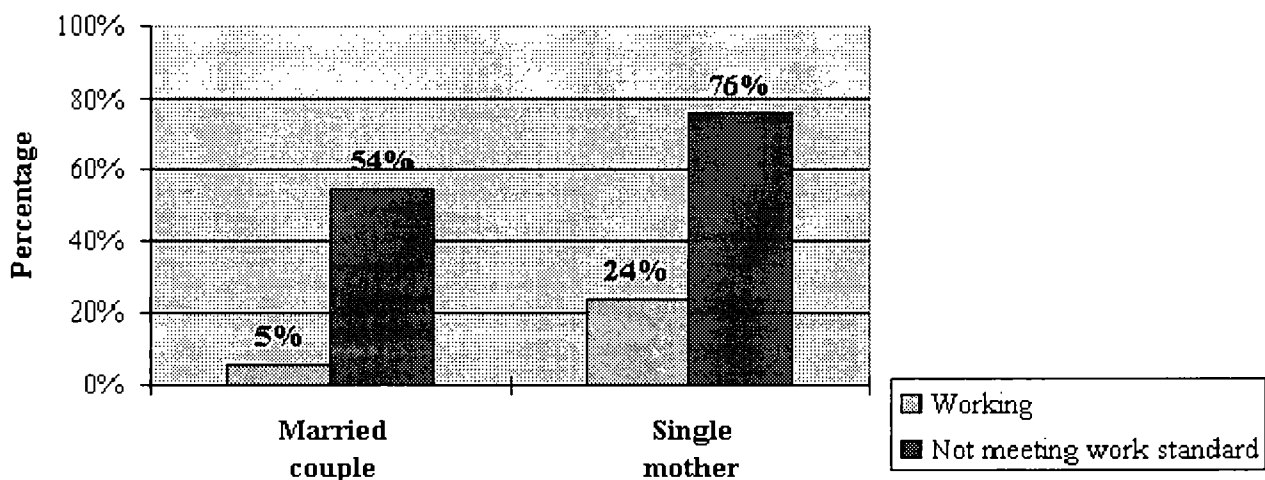
work standard, 63 percent were poor. Thus, in 1996, children living in families not meeting the work standard were seven times as likely to be poor as children living in working families.

This difference in the likelihood of poverty also holds for the four racial/ethnic groups in Figure 1. Although black and Hispanic children in working families have a higher likelihood of poverty than comparable white or Asian children, work is consistently associated with dramatically lower levels of poverty.

The likelihood of poverty for children in working families is also lower when children in married-couple families are considered separately from those in single-mother families. As shown in Figure 2, among children living in married-couple families meeting the work standard, only 5 percent were poor. In contrast, among children in married-couple families not meeting the work standard, 54 percent were poor. Among children living in single-mother families meeting the work standard, only 24 percent were poor. In contrast, among children in single-mother families not meeting the work standard, 76 percent were poor.

In short, the likelihood of poverty is lower if a child has one or more working parents reduces the risk of poverty for children. However, as we shall demonstrate in the next section, it provides no guarantee of escaping poverty.

Figure 2. Of all children, percentage living in poor families by work standard and family structure, 1996



Source: March 1997 Current Population Survey

Moving in and out of poverty: effect of work

Over time, there is a rough balance between the number of children entering and leaving poverty. For example, according to analysis of the Survey of Income and Program Participation (SIPP), 2.6 million children who were poor in 1991 left poverty in 1992, and 2.6 million children previously in families above the poverty line entered poverty in 1992.³ Since about 12.7 million children were in poverty in 1991 (according to analysis of SIPP), about one in five children left poverty between 1991 and 1992 and were replaced by a different group but equal number of children.

For children living in poor families not meeting the work standard, increasing parental work effort to meet or exceed the work standard is successful at removing the children from poverty about half the time.

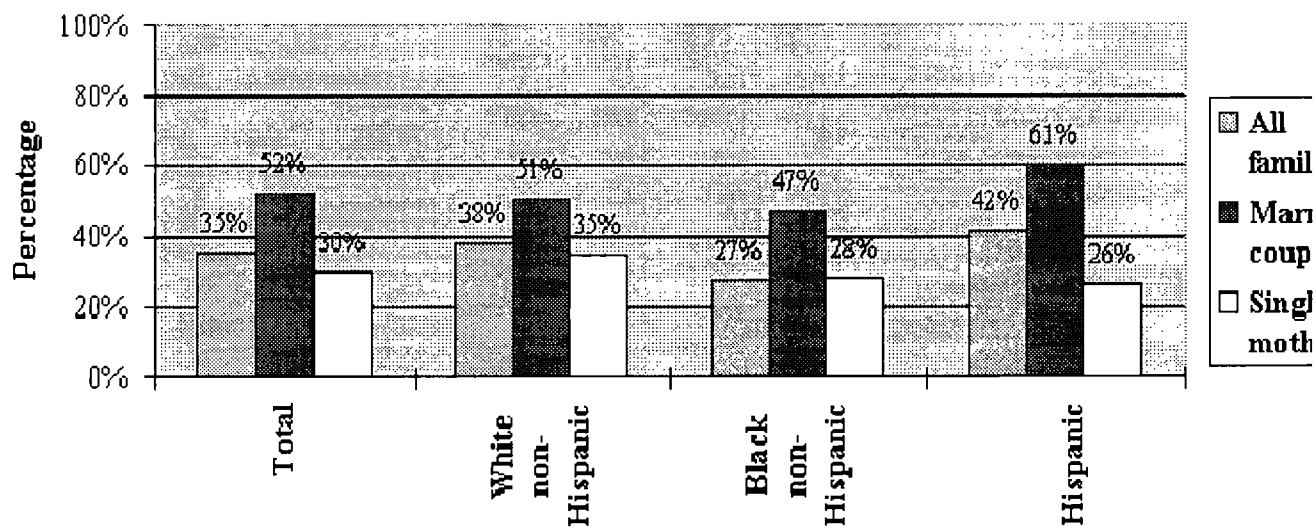
Conversely, having one's parents meeting the work standard for two consecutive years helps nonpoor children avoid falling into poverty. According to analyses of SIPP, for children who were not poor in 1993 and whose parents met the work standard in both 1993 and 1994, the likelihood of moving into poverty in the second year was only 2 percent. In contrast, if nonpoor children's parents met the work standard in 1993 but not in 1994, the likelihood of moving into poverty was 15 percent.

In short, while there is substantial movement of children into and out of poverty, children whose parents meet the work standard have higher odds of leaving poverty and lower odds of entering poverty.

How common is it for children in poverty to have working parents?

Although children living in a working family have a substantially lower likelihood of a child being poor, 5.0 million children lived in poor families that met the work standard in 1996. As shown in Figure 3, 52 percent of children in poor, married-couple families had parents who met the work standard. Meeting the work standard is significantly less common for children in poor, single-mother families. In 1996, only 30 percent of children in poor, single-mother families had a parent who met the work standard.

Figure 3. Percentage of poor children whose families meet the work standard, by race/ethnicity, 1996



Source: March 1997 Current Population Survey

Among the three largest racial/ethnic groups,⁴ poor Hispanic children living in married-couple families were the most likely (61 percent) to have parents meeting the work standard. In contrast, poor Hispanic children living in single-mother families were the least likely (26 percent) to have their parent meet the work standard.

How are working poor families different from poor families not meeting the work standard?

There are substantial differences between working poor families and poor families not meeting the work

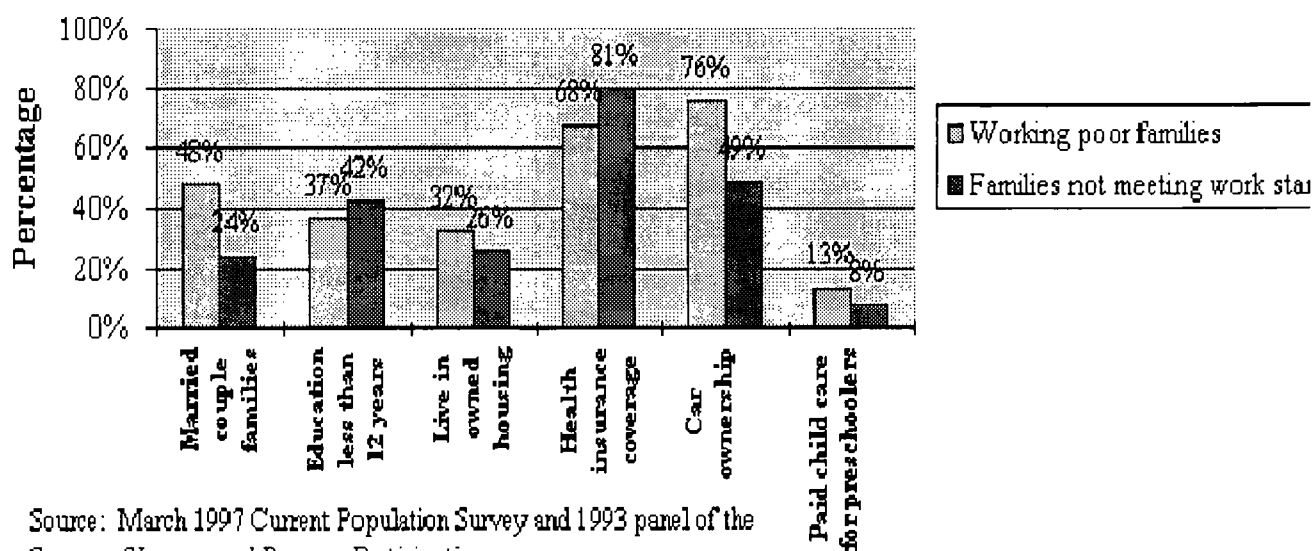
standard with respect to family structure, education, home-ownership, health insurance coverage, car ownership, and child care costs. As shown in Figure 4, 48 percent of children living in working poor families lived with both parents, while only 24

percent of children living in poor families not meeting the work standard lived with both parents.

Compared with children in poor families not meeting the work standard, children in working poor families are:

- more likely to have at least one parent who has completed 12 years of education;
- more likely to live in owner-occupied housing;
- more likely to live in a family that owns a car;
- more likely to be in preschool child care paid for by parents; and
- less likely to be covered by health insurance.

Figure 4. Percentage of children with selected characteristics in working poor and poor families not meeting work standard, 1996¹



Source: March 1997 Current Population Survey and 1993 panel of the Survey of Income and Program Participation

¹Car ownership statistics are for 1994, child care statistics are for 1993

These differences illustrate some of the obstacles to meeting the objectives of welfare reform. First, 42 percent of the parents of children in poor families not meeting the work standard lack a high school diploma, and about half do not own a car. This may put them at a serious disadvantage in finding and holding a job--especially in a labor market that is less vibrant than today's.⁵

Unfortunately, providing the financial assistance and the time needed to help these parents complete their

high school education conflicts with the goal of immediately increasing these parents' work effort. Given the already heavy demands on the time of working single mothers, it would seem unlikely that many of them would be able to devote time to obtaining a high school diploma or a post-secondary education.

This suggests that policy makers should continue to explore the payoff from adult education. Analysis of the JOBS program by the Manpower Development Research Corporation (MDRC) may provide a definitive answer to this question over the next two years. Regardless of the payoff to *remedial* education, these findings underscore the importance of encouraging students who are still in school to earn a high school diploma and consider post-secondary education.

Second, a significantly higher percentage of preschool age children in working poor families are in child care arrangements paid for by their parents. This suggests that some parents not currently meeting the work standard and not currently paying for child care may have to obtain paid child care when they increase their work effort. Since child care costs are likely to consume a substantial percentage of working poor families' income, on-going subsidization of child care costs may be necessary. Welfare reform legislation increased federal spending on child care assistance in 1997 by an estimated 27 percent over prior law (Long and Clark, 1997). However, it did so by consolidating several key federal child care assistance programs for low income families into a single block grant entitled the Child Care and Development Fund (CCDF). CCDF give states much more autonomy in both setting total child care spending and in how both the federal and state money is spent. Under CCDF, states could either increase or decrease total child care subsidies and could either increase or decrease the percentage of a family's child care expenses that are subsidized.

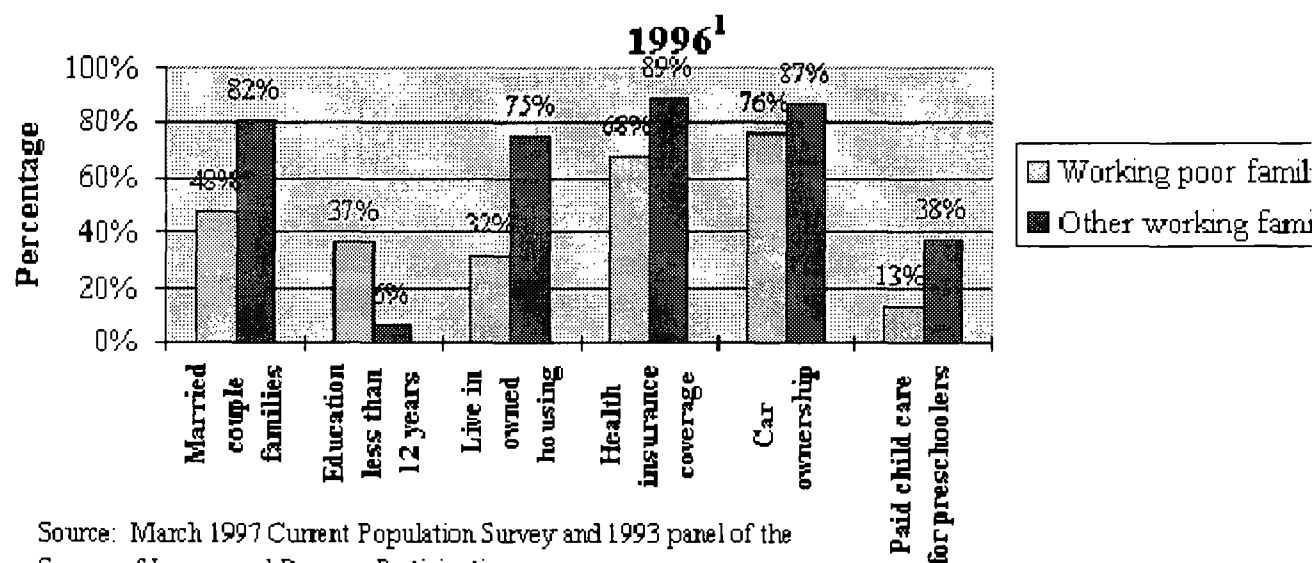
Third, the low health insurance coverage rate for children in working poor families suggests that coverage rates for children may fall as poor families not meeting the work standard make the transition into work. The newly enacted State Child Health Insurance Program (CHIP) is providing block grants to states that provide coverage to children not covered by health insurance and whose family income is below 200 percent of the poverty threshold.

How are working poor families different from other, more prosperous, working families?

While there are substantial differences between working poor families and poor families not meeting the work standard, there are also important differences between working poor families and other, more prosperous, working families. As shown in Figure 5, a high school diploma is nearly universal for at least one parent in working families above the poverty line, and children are twice as likely to live in owner-occupied housing. Car ownership rates, participation by preschoolers in paid child care, and health insurance coverage rates are higher as well. The low rate of participation in paid child care by preschoolers in working poor families may be due to the high cost of child care relative to family income for families in poverty. Of those working poor families paying for child care for their preschoolers in 1993, half paid more than 20 percent of their family income, and one out of five paid more than 40 percent of their family income.

These findings suggest that moving children from the ranks of the working poor families to above the poverty line may require a substantial investment in the human capital of their parents. As noted in the previous section, this investment may be very difficult to undertake if we are expecting these parents to be making a substantial work effort at the same time.

Figure 5. Percentage of children with selected characteristics in working poor and other working families,



Source: March 1997 Current Population Survey and 1993 panel of the Survey of Income and Program Participation

¹Car ownership statistics are for 1994; child care statistics are for 1993

Another alternative is further expansion of the earned income tax credit (EITC).⁶ Until the EITC reaches the phase-out point, its incentives are completely consistent with welfare reform. It encourages expanded work effort by increasing the amount of disposable income received for each hour of employment. A recent study credits the EITC with moving the families of 2.4 million children above the poverty threshold (Center on Budget and Policy Priorities, 1998).

A third plausible way to help the children in working poor families to escape poverty is to encourage marriage for single parents. Marriage provides a family with at least the potential for two earners, and two parents working full-time can generally escape poverty as measured by the official standard.

However, many of the programs that have been set up to provide assistance to low-income families with children weaken the economic incentive for a single parent to get married. Both the EITC and many needs-tested transfer programs phase out benefits as income increases, and these phase-out provisions often apply at or near the poverty threshold.⁷ These phase-out features also reduce the incentive for parents to increase their hours worked or invest in education or training to increase their wage rates.

Although it is impossible to eliminate altogether these "phase-out" problems, it is possible (at a substantial cost to the federal treasury) to adjust upwardly the ranges at which they apply or to reduce the "tax rates" they implicitly impose.

Summary

Although having one or more working parents reduces the likelihood that children will live in poverty, it does not provide a guarantee of escaping poverty. Thus, if welfare reform succeeds in moving more parents into the labor market, more working poor families may be a consequence.

We can expect the transition from welfare to working poor to be difficult (especially in a labor market that is less robust than today's), because poor parents not meeting the work standard are at a competitive disadvantage in the labor market compared with working poor parents. More specifically, parents not meeting the work standard are less likely to have graduated from high school and less likely to own a car.

Moving children from working poor families above the poverty line may be even more difficult since working poor parents are at a similar competitive disadvantage in the labor market compared with other working parents. In short, if eradicating child poverty is the objective, welfare reform is only the first step in a long and difficult process.

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Endnotes

¹ U.S. Congress, Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Sec. 411.

² The official poverty standard has many deficiencies that have been carefully described elsewhere. The most important deficiencies for purposes of this study are that refunded Earned Income Tax Credit (EITC) payments and non-cash benefits (*e.g.*, Food Stamps) are not included as economic resources, income and payroll taxes are not deducted from income, and work-related expenses (especially child care) are not deducted from income.

³ When the economy is growing rapidly, the balance shifts in favor of children leaving poverty; when the economy is in recession, the balance shifts the other way.

⁴ Statistics for Asian children are not shown due to small sample.

⁵ During 1998, about 28 percent of adults on the welfare rolls were engaged in work-related activities as defined by the TANF rules (Pear, 1998). This provides evidence that welfare reform is promoting increased work activity on the part of welfare recipients, in spite of their disadvantages in competing in the labor market. It should be noted, however, that this increase in work is occurring in the context of an unusually robust economy with unemployment rates lower than they have been since 1969 (during Vietnam War) and the lowest unemployment rates for blacks and Hispanics since statistics first began to be published for these groups.

⁶ As of 1997, working families with at least two children could qualify for EITC as large as \$3,656, compared with only \$851 ten years earlier.

⁷ For example, in 1997, for a family with two children earnings between \$11,930 and \$29,290, the EITC was reduced by 21 cents for every dollar of additional earnings. This phaseout "tax" is imposed on top of the federal payroll tax rate, the federal income tax rate, and the marginal state income tax rate.

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Economic Report of the President

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February 1998

CHAPTER 3

The Economic Well-Being of Children

AFTER DROPPING SHARPLY IN THE 1960s, the official poverty rate among children trended upward from 1969 to 1993, reflecting increases in the share of children in single-parent families and declines in real wages at the bottom of the income distribution. Recently, however, the picture has improved, as the child poverty rate declined by 2.2 percentage points from 1993 to 1996.

Other measures of children's material well-being have improved recently as well. Since the early 1990s the share of children in households reporting that they did not have enough food to eat has decreased, the share of households with children living in inadequate housing has fallen, and children's use of basic health services has increased. Continued declines have also been recorded in infant and child mortality rates, and some measures of children's educational achievement have improved.

Nevertheless, many children remain economically vulnerable. In 1996 one in five children was officially poor; in 1995 one in nine lived in households paying more than half of their income for housing, and one in seven did not have health insurance; and in 1994 one in 56 lived in households where children experienced hunger due to inadequate resources for food. These factors place children at risk of both current and future hardship, as many of these factors may be critical to children's long-term development.

This Administration has adopted a range of strategies to improve the economic and social well-being of children. The first of these is to put in place a system that guarantees that children's basic needs are met. For this reason the Administration has supported major initiatives to expand health insurance, child care, and subsidized housing and has substantially strengthened the child support enforcement system. The second strategy is to provide financial support to needy families in a way that promotes work and personal responsibility. To achieve these goals the Administration proposed and the Congress enacted increases in the minimum wage, an expansion in the earned income tax credit (EITC), and a major restructuring of the welfare system. The third strategy is to invest in programs that enrich children's educational opportunities, by expanding the Head Start program and encouraging higher standards for elementary and secondary schools.

This chapter begins by describing recent economic and demographic trends that have influenced the economic well-being of children, and recent programs designed to improve the economic status of families with children. The second section reports on changes in two key components of children's material well-being: food sufficiency and housing conditions. The third section describes recent changes in children's health outcomes, access to health care, and health insurance coverage rates. The concluding section discusses child care and educational programs for children.

TRENDS IN THE ECONOMIC WELL-BEING OF CHILDREN

THE LINK BETWEEN INCOME AND CHILDREN'S WELL-BEING

The adequacy of family income is a critical predictor of both the present and the future well-being of children. Children who grow up in low-income families score lower on standardized academic achievement tests, are less likely to complete high school, complete fewer years of school, and are likely to have lower earnings when they enter the labor market than children who grow up in higher income families. Most studies find that family income is more strongly correlated with children's achievement than parental schooling or family structure.

Low family income might affect children's well-being for any of several reasons. One is that low-income parents may not be able to afford to invest as much in the things that improve their children's well-being, such as food, shelter, medical care, and education. A second is that the poor are more likely to live in neighborhoods with a high concentration of poverty and thus may face higher crime rates, poorer quality schools, and more limited connections to mainstream economic activity. A third is that low-income families may experience higher levels of emotional distress, due to the economic pressures of living on a limited income.

Finally, income may be highly correlated with children's achievement not because income directly affects child well-being, but because income is associated with some other, hard-to-measure factor that does affect child well-being, such as the value that parents place on education. For example, children from high-income families may perform better on standardized academic tests than children from low-income families not because they have higher incomes but because their parents encouraged them to work harder in school. If this is so, increasing family income will not necessarily increase children's academic achievement unless it also increases parents' commitment to their children's education. A recent study found that more sophisticated techniques that control for potential differences

across families produced lower estimated impacts of family income on child well-being than suggested by simple correlations of family income and child well-being.

MEASURING TRENDS IN CHILD POVERTY RATES

One of the most commonly used measures of the adequacy of family income is the poverty rate. The poverty rate is the percentage of the population who live in families with before-tax cash incomes below a defined level of need, called the poverty line. The official poverty line in use today was devised in the early 1960s and based on the minimum cost of a nutritionally adequate diet. This amount was multiplied by three, because data from the late 1950s suggested that the typical family spent one-third of its income on food. Since then the poverty line has been updated annually for inflation using the consumer price index for all urban consumers. In 1996 the poverty line for a family of two adults and two children was \$15,911. Many people have argued that the official poverty measure should be modified to account for family income and family income requirements differently. Box 3-1 describes a recent proposal by the National Research Council to change the way we measure poverty.

Box 3-1.—How Does Our Poverty Measure Affect Our Conception of Poverty?

A 1995 report by the National Research Council (NRC) recommended a number of changes in the way we measure poverty. Its recommendations include the following:

- *Defining income.* On the one hand, the definition of family income should be expanded to include other important sources of purchasing power, such as the EITC, food stamps, and housing subsidies. On the other hand, some necessary expenditures that reduce a family's resources available for basic consumption needs should be subtracted from income, such as taxes, necessary child care and other work-related expenditures, child support payments, and out-of-pocket medical expenditures.
- *Setting a threshold.* Poverty thresholds should be adjusted to provide a more accurate measure of family income requirements. First, the consumption bundle used to derive thresholds should be based on food, clothing, and shelter, not food consumption alone. Second, thresholds should reflect regional variations in housing costs. Third, thresholds should be adjusted for family size in a more consistent way than currently. Finally, thresholds should be updated to reflect changes in expenditure patterns over time.

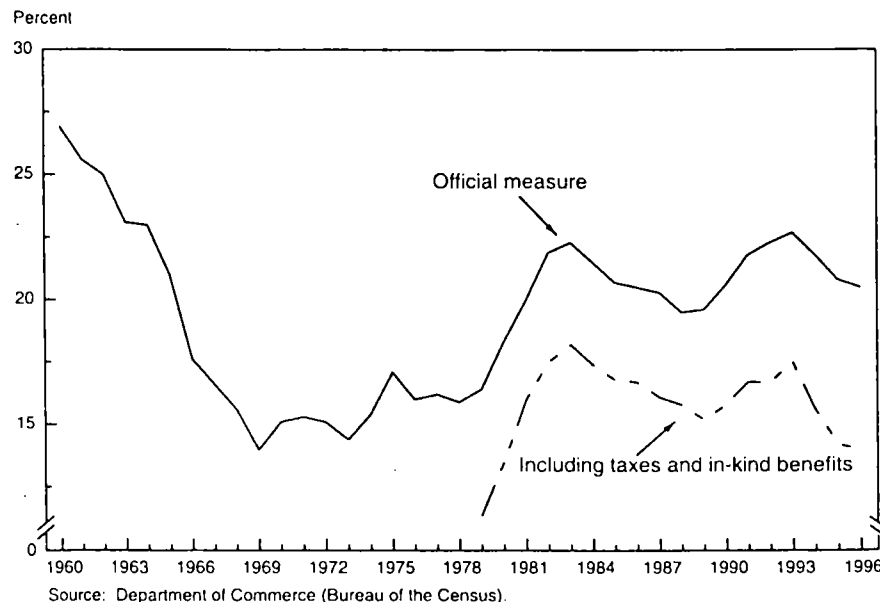
Box 3-1.—continued

A recent study used key elements of the NRC proposal to estimate alternative poverty rates from 1991 to 1996. These estimates produced increases in poverty from 1991 to 1993 similar to, and decreases in poverty from 1993 to 1996 somewhat larger than, those under the official measure. In addition, under the alternative measure a smaller proportion of the poor are children, black, or members of female-headed households. These changes reflect the fact that the new measure more completely accounts for in-kind transfers, such as food stamps and housing benefits, and for work-related expenditures. As a result, the new measure tends to decrease the relative poverty rate of persons who are more likely to receive in-kind transfers, and to increase the relative poverty rate of employed low-income persons with higher work-related expenses.

Chart 3-1 shows that the poverty rate for children declined sharply from 1960 to 1969 and has since trended upward, with peaks in 1983 and 1993. (Throughout this chapter "children" refers to persons under age 18 except where stated to the contrary.) Chart 3-1 also illustrates an experimental poverty measure developed by the Bureau of the

Chart 3-1 Poverty Rates of Children

The child poverty rate rose between 1978 and 1993 after falling steeply in the 1960s. It has declined again since 1993, especially after including taxes and in-kind benefits.



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Table 3-1
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TABL

Age of child.¹

Under 6
6-17

Race/ethnicity of child

White
Black
Hispanic

Family status:

Female-headed
Married couple

All children

¹ Children in families

Note.—Income is be

Source: Department

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Census, which includes taxes and in-kind transfers in family income. Including taxes and transfers reduces the estimated poverty rate in each year but does not substantially affect the trend in poverty from 1979 to 1993. Since 1993, poverty rates have declined more rapidly under the experimental than under the official measure. This is largely attributable to recent expansions in the EITC, which affect the experimental but not the official measure of poverty.

Estimates of changes in the poverty rate are sensitive to the method used to adjust the poverty line for inflation. Some have argued that the price index used in the official poverty measure has overestimated the actual level of inflation. (See the *1997 Economic Report of the President* for a discussion of this issue.) Under some alternative estimates of poverty that incorporate different inflation estimates, poverty trends for children are flat or down over the last several decades.

Table 3-1 shows poverty rates for children of different ages, races, family status, and incomes in 1996. In that year 20.5 percent of all children were poor, 9.0 percent were in extreme poverty (defined here

TABLE 3-1.—*Children with Family Incomes Below Different Income Cutoffs, 1996*
[Percent of children in each category]

Demographic category	Family income		
	Less than half of poverty line	Less than poverty line	Less than twice poverty line
Age of child: ¹			
Under 6	10.5	22.7	46.2
6-17	7.4	18.3	40.7
Race/ethnicity of child:			
White	6.6	16.3	38.2
Black	20.6	39.9	68.0
Hispanic	14.7	40.3	72.0
Family status:			
Female-headed	25.8	49.3	76.3
Married couple	2.8	10.1	31.0
All children	9.0	20.5	43.2

¹ Children in families.

Note.—Income is before-tax cash income.

Source: Department of Commerce (Bureau of the Census).

as family income less than half the poverty line), and 43.2 percent were poor or near poor (defined here as family income less than twice the poverty line). The poverty rate for children under age 6 was 1.25 times that for children aged 6-17, the rate for black and Hispanic children was 2.5 times that for white children, and the rate for children in female-headed households with no husband present was nearly five times that for children in married-couple families. Over one-quar-

ter of children in female-headed families lived in families with incomes below half the poverty line, and over three-quarters of this group lived in families with incomes below twice the poverty line.

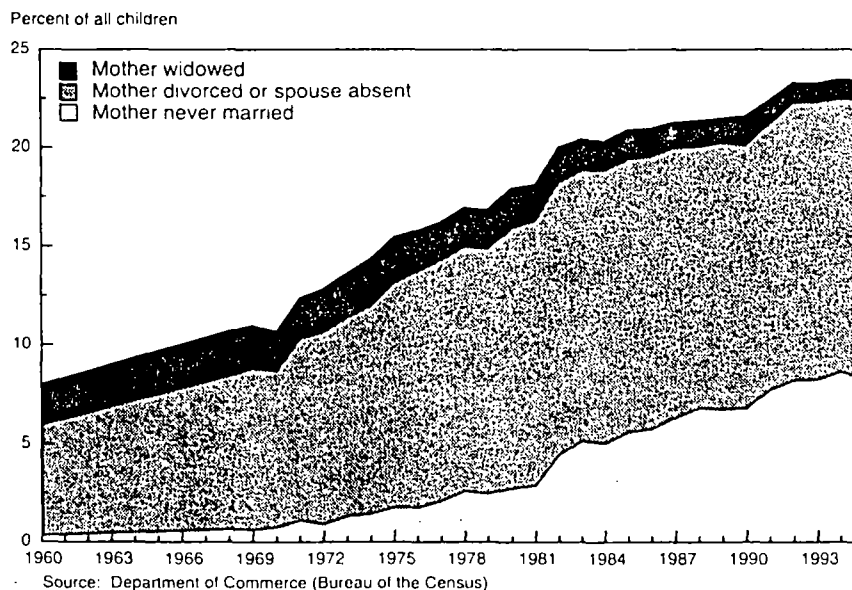
EXPLAINING RECENT CHANGES IN CHILD POVERTY

Changes in family structure, labor market opportunities, and transfers are all likely to have an important influence on child poverty. This section briefly describes each of these three factors. It then estimates the relative influence of these factors on changes in child poverty since 1979.

Family Structure

Changes in family structure are likely to have had a substantial influence on child poverty rates over the past few decades. The percentage of children living with their mother only has nearly tripled since 1960. This reflects increases both in the percentage of children living with a mother who is divorced or who is married but not currently living with her husband and in the percentage living with a never-married mother (Chart 3-2). Because children in female-headed households have poverty rates nearly five times those of children in married-couple households, an increase in the percentage of children in female-headed households is likely to increase child poverty.

Chart 3-2 Children Living with Their Mother Only, by Marital Status of Mother
The percent of children living with their mother only has nearly tripled since 1960.



Children in female-headed households have a higher risk of living in poverty for two reasons. First, most single mothers do not receive

child support and must therefore rely on a single income. Nearly two-thirds of all divorced, separated, or never-married women with children did not receive child support payments in 1991. Second, that single income is likely to be lower in a female-headed than in a male-headed household, because women typically earn less in the labor market than men. In 1996 the median earnings of full-time, year-round workers were about 25 percent lower for women than for men.

Macroeconomic and Labor Market Conditions

Both macroeconomic and labor market conditions can affect child poverty because they influence the quality and quantity of jobs available to parents. Table 3-2 shows how changes in child poverty rates are related to two key indicators of macroeconomic performance: the unemployment rate and the economic growth rate, as measured by annual growth in real gross domestic product per capita. The marked decline in child poverty from 1959 to 1969 coincided with both high economic growth rates and decreases in unemployment. Some studies have attributed the decline in poverty over this period to these strong macroeconomic conditions.

TABLE 3-2.—*Changes in Child Poverty Rate and Selected Macroeconomic Indicators*

Period	Change in official poverty rate of children (percentage points)	Average annual growth rate in real GDP per capita (percent)	Change in unemployment rate (percentage points)
1959-69	-13.3	3.0	-2.0
1969-79	2.4	2.1	2.3
1979-89	3.2	1.8	-1.5
1989-93	3.1	.3	1.6
1993-96	-2.2	1.8	-1.5

Sources: Department of Commerce (Bureau of the Census and Bureau of Economic Analysis) and Department of Labor (Bureau of Labor Statistics).

Despite continued strong rates of economic growth, the child poverty rate increased during the 1970s and 1980s. This was partly a result of the increase in the unemployment rate from 1969 to 1979, and partly attributable to an increase in wage inequality since the 1970s. (See Chapter 4 of the 1997 *Economic Report of the President* for a discussion of these trends.) Two recent studies have concluded that the increases in overall poverty in the 1980s were largely attributable to increases in wage inequality and to decreases in the real wages of low-wage workers.

During the 1990s changes in child poverty have been more closely aligned with changes in unemployment and economic growth rates. The increase in child poverty from 1989 to 1993 coincided with increases in unemployment and low economic growth rates, whereas

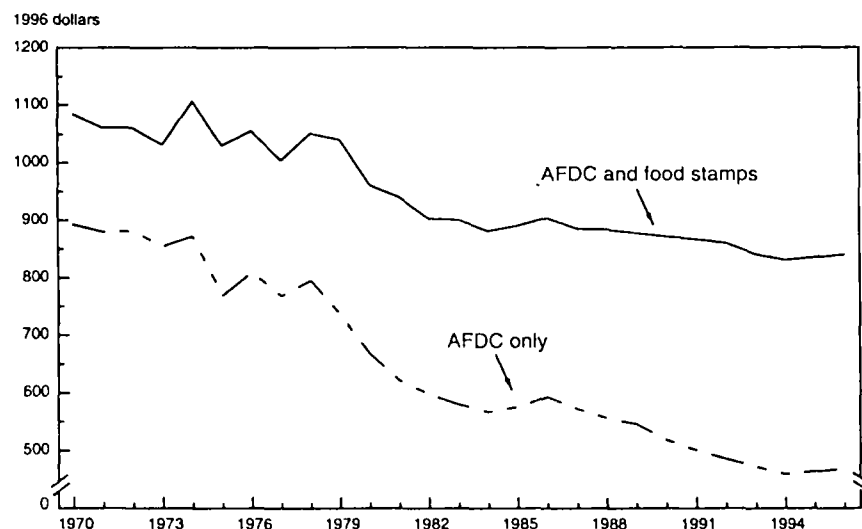
the decrease from 1993 to 1996 coincided with lower unemployment and higher rates of economic growth.

Changes in Transfer Policy

One other factor that has had an important influence on child poverty is changes in the generosity of the tax-and-transfer system. The real value of cash transfers available to low-income families with children has deteriorated significantly since the 1970s. This reflects a decline in the real value of benefits under the Aid to Families with Dependent Children (AFDC) program, the main cash assistance program for low-income families with children until 1996. Although this decline was offset somewhat by expansions in food stamps, combined benefits from both AFDC and food stamps have also decreased (Chart 3-3).

Since 1993, expansions of the EITC have increased the transfers available to low-income working families. In addition, the welfare system has been restructured to promote work and family responsibility. These changes are described further below.

Chart 3-3 Monthly AFDC and Food Stamp Benefits for a Family of Four
The purchasing power of AFDC and food stamp benefits has eroded since 1970. AFDC payments alone have lost nearly half their real value.



Note: Each data point represents the maximum benefit paid by the median State.
Sources: U.S. House of Representatives (Committee on Ways and Means), Department of Health and Human Services, and Department of Agriculture.

Assessing Relative Magnitudes—A Decomposition

Table 3-3 presents estimates of the impact of changes in family composition, earnings and other before-tax-and-transfer income, and taxes and transfers on the change in child poverty since 1979. It presents two measures of poverty: the official measure, which is based on before-tax cash income, and an alternative measure, which includes

both taxes and means-tested food and housing transfers. These estimates may not accurately reflect the full impact of each of these factors on poverty over this period, because they assume that the observed changes in family composition have not been influenced by changes in underlying poverty rates for married couples and single-parent families. These estimates may also be sensitive to the order in which each income source is accounted for in the analysis.

The first line of the table shows the impact of changes in family structure on changes in the child poverty rate for various periods since 1979. It shows how changes in the percentage of children living in each of three family types—married couples, female householders with no husband present, and male householders with no wife present—would have affected child poverty in each period, if the poverty rates of each group had not changed. The second line shows the impact of market earnings. It shows the effect of changes in before-tax-and-transfer poverty rates of children in each family category. The third line shows the impact of cash transfers (social insurance and welfare payments). It shows the effect of changes in the percentage of children within each family category whose incomes are brought above the poverty line when cash transfers are included in income. The fifth and sixth lines show similar calculations for means-tested food and housing transfers and for taxes.

TABLE 3-3.—*Accounting for Changes in Child Poverty*
(Percentage points)

Factor	1979-89	1989-93	1993-96	1979-96
Change in official poverty measure attributable to changes in:				
Family structure	1.2	0.8	0.3	2.3
Earnings and other before-tax-and-transfer income	1.1	3.5	-3.0	1.6
Social insurance and welfare payments	1.0	-1.1	.5	.4
Total change in official poverty measure	3.2	3.1	-2.2	4.1
Change in extended poverty measure attributable to changes in:				
Means-tested food and housing transfers	.4	-.3	.0	.1
Taxes	.3	.0	-2.5	-2.2
Total change in extended poverty measure	4.0	2.9	-4.7	2.2

Note.—A positive number indicates an increase, and a negative number a decrease, in the child poverty rate resulting from that factor.

Detail may not add to totals because of rounding.

Sources: Department of Commerce (Bureau of the Census) and Office of Management and Budget.

These calculations imply that the increase of 3.2 percentage points in the official poverty rate from 1979 to 1989 is attributable to changes in family structure (1.2 percentage points), increases in before-tax-and-transfer poverty (1.1 percentage points), and decreases in social insurance and welfare payments (1.0 percentage point).

Changes in food and housing transfer payments further increased the extended poverty measure by 0.7 percentage point.

By contrast, the 2.9-percentage-point increase in the extended child poverty measure from 1989 to 1993 is mainly attributable to an increase in before-tax-and-transfer poverty (3.5 percentage points) and to changes in family composition (0.8 percentage point). These factors were offset by transfers, which tended to decrease poverty over this period.

Finally, the table suggests that the 4.7-percentage-point decline in the after-tax-and-transfer extended child poverty measure from 1993 to 1996 is attributable to both a 3.0-percentage-point decrease in before-tax-and-transfer poverty and a 2.0-percentage-point increase in the proportion of children moved out of poverty by taxes and transfers (primarily the EITC). Changes in family structure had a small impact on child poverty during this period, increasing the poverty rate by 0.3 percentage point from 1993 to 1996.

Overall, this table suggests that changes in family structure have put upward pressure on child poverty rates since 1979. The long-term increase in wage inequality has been reflected in an increase in before-tax-and-transfer poverty since 1979, although there have also been cyclical fluctuations in before-tax-and-transfer poverty in the 1980s and 1990s. Finally, the tax-and-transfer system did more to reduce child poverty in 1996 than in 1979. This largely reflects the recent expansion of the EITC.

POLICY INITIATIVES TO SUPPORT FAMILY INCOMES

This Administration has established a number of initiatives to expand the resources available to families with children in a way that creates positive incentives for work and personal responsibility. Recent policy initiatives include:

- *A higher minimum wage.* The Congress and the Administration increased the minimum wage from \$4.25 to \$4.75 per hour in October 1996, and to \$5.15 per hour in September 1997, bringing the minimum wage to its highest level in real terms since 1984.
- *An expanded EITC.* In 1993 the Congress approved the Administration's proposal to expand the EITC. The EITC is a refundable tax credit designed primarily for low-income working families with children. In 1997 the maximum credit for a family with one child was \$2,210 (a 54-percent increase since 1993), and that for a family with two or more children was \$3,656 (a 140-percent increase since 1993).
- *Welfare reform.* The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 dramatically restructured the welfare system to promote work and personal responsibility, and to allow States greater flexibility in designing welfare assistance programs. The law converted the Aid to Families with Dependent Children program into a new block grant, called Temporary Assistance for

Needy Families. To promote work and personal responsibility, the law includes new work requirements, a 5-year limit on the length of time that families can receive assistance, and new measures to strengthen child support enforcement. The law also expands funding for child care to make it easier for families to move from welfare to work. Even before the new welfare law was enacted, the Administration had granted waivers to 43 States to allow them to reform their welfare systems to require work, make work pay, and encourage parental responsibility.

- *Increased child support enforcement.* Federal legislation in 1993, 1994, and 1996 included measures designed to make the child support enforcement system more effective. Key reforms include streamlined procedures to establish paternity, a new-hire reporting system to track delinquent parents across State lines, uniform interstate child support laws, computerized registries of statewide child support collections, and tough new penalties, such as revocation of the driver's licenses of delinquents.

These initiatives have already had noticeable effects. The combination of a higher minimum wage with an expanded EITC guarantees a more adequate income to working families with children. A single mother with two children can now earn enough, if she works full-time, to bring her income with the EITC above the poverty line. In addition, because the EITC benefit increases the financial reward to working, it encourages parents to enter the labor market. Research has shown that expansions in the EITC have been associated with increases in the employment rate of single mothers with children.

The changes to the welfare system have already been associated with a large decline in welfare caseloads. The number of children on welfare declined by 23 percent from January 1993 to June 1997. Research suggests that the decline in welfare caseloads from January 1993 to January 1997 was due to a strong economy and to recent State welfare reforms that the Federal waiver process facilitated.

Finally, the child support enforcement system has become more effective in guaranteeing that absent parents fulfill their obligations to pay child support. From 1992 to 1996, child support collections increased by 50 percent, to a record \$12 billion. In addition, the number of paternities established for children born to unmarried women rose to 1 million in 1996, almost double the number in 1992. These changes are reflected in a substantial increase from 1992 to 1996 in the percentage of never-married mothers who received child support payments.

OTHER MEASURES OF CHILDREN'S MATERIAL WELL-BEING

Two alternative measures of the adequacy of housing conditions and the sufficiency of household food supply suggest that the material well-being of children has improved since 1989. These trends are consistent with the reduction in child poverty over this period, under the extended measure of child poverty that includes taxes and means-tested food and housing benefits.

AVAILABILITY OF FOOD

One alternative measure of children's material well-being is the adequacy of household food supply. It has been shown that households that report having an insufficient food supply consume smaller quantities of essential nutrients than other households.

Estimates from the Department of Agriculture's Continuing Survey of Food Intakes by Individuals (CSFII) provide information on the percentage of children living in households where there sometimes or often was not enough to eat in the last 3 months. These estimates may overstate the prevalence of hunger among children, if many adults typically go without food before they let their children go hungry. Estimates from the CSFII suggest that the percentage of children living in households without enough to eat has fallen from 4.1 percent in 1989-91 to 3.0 percent in 1994-96 for all children, and from 13.5 percent to 9.4 percent for children in households with incomes below 130 percent of the poverty line (Table 3-4).

TABLE 3-4.—*Children in Households Reporting That There Was
Sometimes or Often Not Enough to Eat During the Last 3 Months*
[Percent]

Category	1989-91	1994-96
Children in households at or below 130 percent of poverty line	13.5	9.4
Children in households above 130 percent of poverty line	.8	.6
All children	4.1	3.0

Source: Department of Agriculture.

The Department of Agriculture's Food and Nutrition Service has recently developed a detailed questionnaire that makes it possible to separately identify whether children or adults in the household experienced hunger. This questionnaire was incorporated into the April 1995 Current Population Survey. The survey found evidence that hunger is more likely among adults than among children: among households with children, 4.3 percent had adult members who had been hungry in the last year due to insufficient resources, but only 1.8

percent had children who had been hungry in the last 12 months because the parents could not afford to buy more food. This survey also suggests that it is unusual for children to go without food for an extended period: 0.9 percent of households with children reported that at least one of their children had skipped a meal in the past year, and 0.2 percent reported that their children had not eaten for a whole day at least once in the past year because of insufficient resources.

ADEQUACY OF HOUSING

Estimates from the Annual Housing Survey and the American Housing Survey present a mixed picture of the changes in housing conditions of households with children. On the one hand, the percentage of these households that have high rent burdens has increased substantially. The percentage of households with children that spend more than half their income on housing has increased from 6.5 percent in 1978 to 11.5 percent in 1995 (Table 3-5). For renters with very low incomes (defined as households with incomes below 50 percent of the median income for their area), this figure has increased from 31.0 percent to 37.6 percent.

TABLE 3-5.—*Housing Problems Among Households with Children*
(Percent of all households with children)

Housing cost or condition	1978	1989	1993	1995
All households with children:				
Housing costs more than 50 percent of income	6.5	8.7	10.9	11.5
Housing costs 31-50 percent of income	8.3	15.1	15.6	16.7
Severe physical problems with housing	3.1	3.2	2.0	2.2
Moderate physical problems with housing	5.6	5.5	5.1	5.0
Crowding (more than 1 person per room)	9.4	7.0	6.3	6.6
Very low income households with children:				
Housing costs more than 50 percent of income	31.0	36.1	38.2	37.6
Housing costs 31-50 percent of income	28.0	30.6	29.1	30.6
Severe physical problems with housing	7.5	5.8	3.6	3.4
Moderate physical problems with housing	10.5	12.0	10.1	9.5
Crowding (more than 1 person per room)	21.9	16.7	14.2	17.0

Note.—Income is before-tax cash income. Very low income is defined as family income below half the median for the area.
Source: Department of Housing and Urban Development (Office of Policy Development and Research).

On the other hand, measures of housing quality for households with children have shown improvement. The percentage of all households with children living in housing with either moderate or severe physical problems fell from 8.7 percent in 1978 to 7.2 percent in 1995, and from 18.0 percent to 12.9 percent for very low income renters. In addition, households with children were less likely to live in crowded

living situations in 1995 than in 1978: the percentage living in housing with more than one person per room dropped from 9.4 percent to 6.6 percent for all households and from 21.9 percent to 17.0 percent for very low income renters.

These findings are consistent with the results of a recent study which found that many measures of the housing quality of children in households in the bottom income quintile had improved since the early 1970s. These children were more likely to live in modern (that is, post-1940 vintage) housing and more likely to have air conditioning in the 1990s than in the early 1970s. On the other hand, this study also found that children in the bottom household income quintile were more likely to live in neighborhoods where their parents reported that crime was a serious problem in 1991-93 than in 1973-75.

NEW HOUSING POLICY INITIATIVES

This Administration will continue to make housing quality and affordability high priorities in fiscal 1999. Key initiatives include:

- *Expanding the low-income housing tax credit.* The low-income housing tax credit gives States the authority to allocate a fixed pool of tax credits to developers of affordable housing. For fiscal 1999 the President has proposed increasing the total amount of tax credits available to each State from \$1.25 to \$1.75 per State resident.
- *The HOME Investments Partnerships Program.* The Administration has expanded funding for the HOME program by 50 percent since 1993, to \$1.5 billion in fiscal 1999. This program offers funding to States, cities, and counties to develop affordable housing options for low-income families. These funds can be used for rehabilitation of existing housing, new housing development, and tenant-based rental subsidies. To date, almost 310,000 families have been awarded assistance through this program.

HEALTH STATUS AND HEALTH INSURANCE

HEALTH OUTCOMES

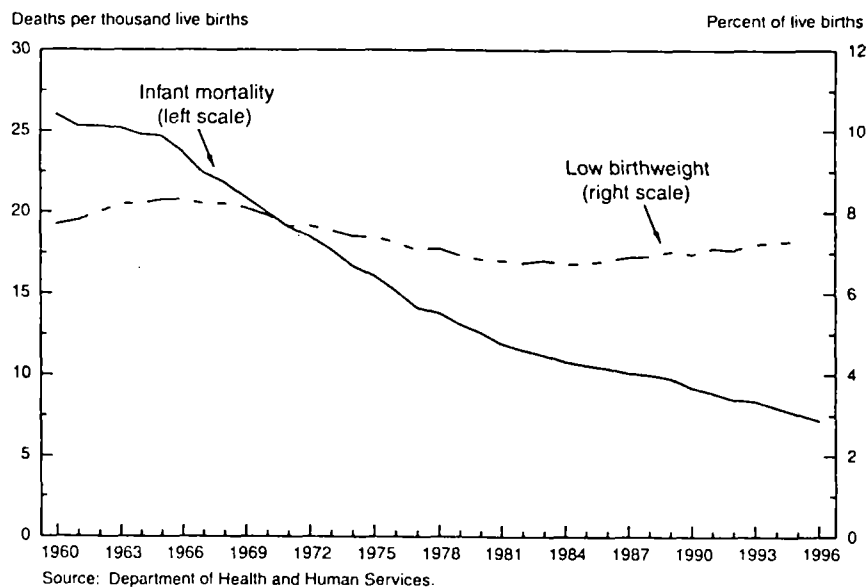
Over the past 10 years infant and child mortality rates have continued to decline. Other measures, however, such as the incidence of chronic health conditions and of low birthweight, are stable or increasing.

One of the most frequently cited measures of children's health status is the infant mortality rate. Infant mortality has continued its decades-long decline in the 1990s, falling from 9.8 deaths per thousand live births in 1989 to 7.2 per thousand in 1996 (Chart 3-4). During the same period the incidence of low birthweight (weight at birth below 2,500 grams, or about 5.5 pounds) has increased slightly,

from 7.0 percent of live births in 1989 to 7.3 percent in 1995. This shows that the improvement in infant mortality in the 1990s has been entirely due to factors other than reductions in low-birthweight births. This improvement has been attributed in part to two key interventions. First, new medical treatments have been developed for infant respiratory disorders, an important cause of mortality among preterm infants. Second, there has been a marked decline in sudden infant death syndrome since researchers discovered that these deaths could be prevented by placing babies on their backs to sleep.

The slightly increased incidence of low birthweight since the mid-1980s is due in part to an increase in multiple births and births to older women. Failure to prevent low-birthweight births is costly to society because many of these infants require more-expensive medical interventions than do infants born at normal weight. In addition, low-birthweight infants have a much higher risk of infant mortality. In 1995 nearly two-thirds of all infant deaths occurred among the 7.3 percent of all infants born at low birthweight.

Chart 3-4 Infant Mortality Rates and Incidence of Low Birthweight
Infant mortality has continued to decrease since 1989 despite an increase in low-birthweight births.



Mortality rates of older children have also fallen throughout the 1990s, continuing a steady decline since 1960 (Chart 3-5). Much of the decline in the 1960s has been attributed to medical interventions, which have minimized the risk of death from such conditions as congenital anomalies of the heart, infectious diseases, and certain childhood cancers. By contrast, the reduction in mortality during the

1980s has been primarily attributed to a decline in injury-related mortality.

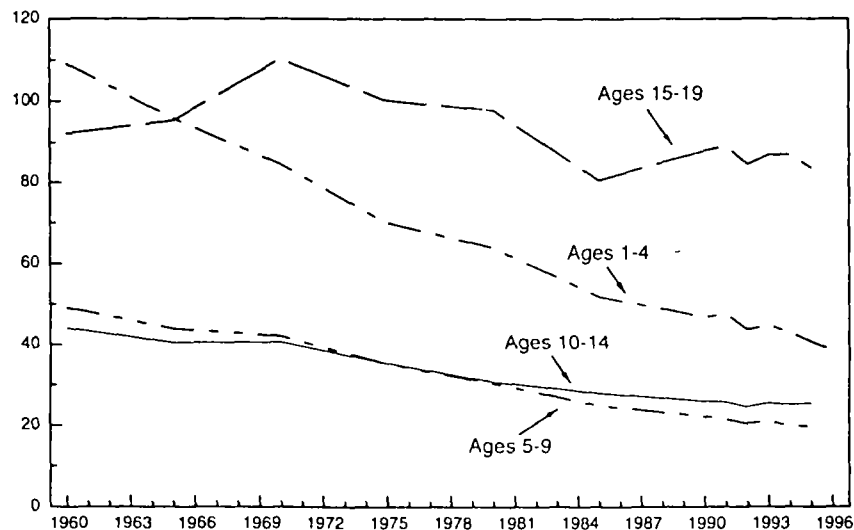
The one exception to this pattern is among those aged 15-19, whose mortality rates have increased since 1985. This largely reflects the more than doubling in homicides among adolescents since 1985. The homicide rate for black male adolescents has nearly tripled since 1985, and in 1994 it was nearly seven times higher than the homicide rate for all adolescents.

Other indicators of child health have shown less progress in the 1980s and 1990s. The prevalence of asthma among children has increased substantially since the mid-1980s. The prevalence of most other chronic health conditions has fluctuated, without a consistent upward or downward trend.

Chart 3-5 Child and Youth Mortality Rates

Mortality rates have continued to decline since the mid-1980s for all children and youths except those aged 15-19.

Deaths per hundred thousand



Source: Department of Health and Human Services.

HEALTH INSURANCE

One of the critical determinants of children's access to health care is whether or not they have health insurance. Research has shown that children with health insurance coverage are more likely to receive preventive and primary care, and more likely to have a regular relationship with a primary care provider, than uninsured children. Insured children are also more likely to receive treatment for such conditions (when they are present) as injury, asthma, and acute earache. They are less likely to be hospitalized for conditions

that appropriate outpatient care could have prevented, and they receive less intensive hospital services when admitted to the hospital.

Since 1987 the Congress and the Administration have substantially expanded children's access to health insurance through Medicaid, the primary government program offering health insurance to low-income children. Before 1987 Medicaid was mainly restricted to children in very low income, single-parent families. Since then a series of legislative initiatives have extended Medicaid to much broader groups of children. By 1996 all pregnant women and all children under age 6 who had family incomes below 133 percent of the poverty line, and all children age 13 and younger with family incomes below 100 percent of the poverty line, were eligible for Medicaid. Coverage will continue to be phased in for all children born after September 1983 until poor children of all ages are covered. In addition, many States have expanded children's eligibility for Medicaid beyond these federally required levels.

The net result of these expansions is that a much larger share of the child population are now enrolled in Medicaid. Estimates from the Current Population Survey suggest that the proportion of children who are enrolled in Medicaid increased from 16 percent in 1989 to 23 percent in 1995 (Table 3-6). For children under age 6 the increase in Medicaid coverage was even larger, and by 1995, 30 percent of all children under age 6 were covered by Medicaid.

TABLE 3-6.—*Children with Health Insurance, by Age of Child and Type of Coverage*
(Percent)

Age of child	Any insurance		Medicaid		Private insurance	
	1989	1995	1989	1995	1989	1995
Current Population Survey:						
Under 6	87.2	86.7	20.3	29.6	70.6	60.4
6-17	86.4	86.0	13.2	19.9	75.3	69.1
All children	86.7	86.2	15.7	23.2	73.6	66.1
Health Interview Survey:						
Under 6	84.9	88.4	18.7	28.2	67.9	60.1
6-17	85.5	85.7	10.9	16.6	74.0	68.7
All children	85.3	86.7	12.8	20.6	71.8	65.7

Sources: Department of Commerce (Bureau of the Census) and Department of Health and Human Services (National Center for Health Statistics).

At the same time that Medicaid eligibility has increased, there has been a reduction in children's private insurance coverage. This decline is likely to have been driven in part by a general reduction in employer-provided health insurance, which has affected both low- and high-income families. It may also have resulted in part from

newly eligible families dropping their private insurance coverage in order to enroll in Medicaid.

Studies have tried to estimate the extent to which the expansion in Medicaid eligibility has crowded out private insurance coverage. These studies have produced a wide range of estimates. One study found that at least one person dropped private insurance coverage for every two persons made eligible for Medicaid. Two other studies estimated that anywhere between 0 and 25 percent of new Medicaid coverage displaced existing private coverage.

Table 3-6 presents estimates of the change in insurance coverage for children from 1989 to 1995 from two large household-based surveys, the March Current Population Survey and the Health Interview Survey. Both surveys suggest that the percentage of children under age 18 with health insurance from any source remained constant from 1989 to 1995. These surveys provide a somewhat different picture, however, of the change in total insurance coverage for young children. Whereas the Health Interview Survey finds a moderate increase in insurance coverage for children under age 6, the Current Population Survey finds no increase for this group. This may result from changes in question content in the Health Interview Survey in 1990. It may also reflect differences in the way the two surveys ask about health insurance coverage.

Even though there have not been substantial increases in the percentage of children with health insurance, the recent increase in the percentage of children covered by Medicaid may have important implications for the quality of children's medical care. On the one hand, since Medicaid requires no copayments from the insured, covers prescription drugs, and in many States covers services such as dental care, it may promote greater utilization of medical care than private insurance. On the other hand, since provider reimbursement levels tend to be much lower under Medicaid than under other insurance plans, fewer providers may be willing to provide care to children with Medicaid coverage than to children with private insurance.

Although research to date on the impact of the recent Medicaid expansion on children's utilization of medical care is inconclusive, Table 3-7 suggests that basic medical care services received by low-income children have increased. The average number of physician visits per year rose by more than 30 percent for poor children in fair or poor health, and by more than 10 percent for poor children in excellent or good health, from 1987-89 to 1993-95. By contrast, during the same period the average annual number of physician visits decreased for children with family incomes above twice the poverty level.

TABLE 3-7.—Average Number of Physician Contacts in Last Year
for Children Under 15, by Family Income
(Number of contacts)

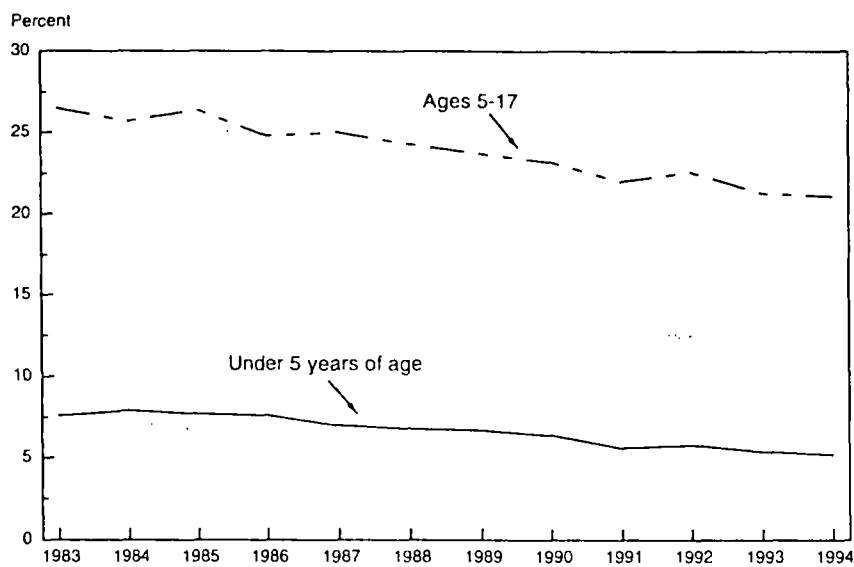
Family income	Good or excellent health		Fair or poor health	
	1987-89	1993-95	1987-89	1993-95
Below poverty line	3.6	4.0	10.8	14.2
Poverty line to twice poverty line	3.8	3.9	15.2	16.2
Above twice poverty line	5.0	4.9	22.6	20.7

Note.—Income is before-tax cash income.

Source: Department of Health and Human Services (National Center for Health Statistics).

This evidence is also consistent with data pointing to an increase in the share of pregnant women and children receiving at least a minimal level of primary care. The percentage of children under age 5 who did not see a doctor during the previous year fell from 8 percent in 1983 to 5 percent in 1994, while the comparable percentage of children aged 5-17 decreased from 27 percent to 21 percent (Chart 3-6). In addition, the percentage of pregnant women who initiated care in the first trimester of pregnancy increased to a record high of 82 percent in 1996, from 76 percent in 1989.

Chart 3-6 Children Without Physician Visit Within Past Year
Fewer children went without regular doctor visits in the mid-1990s than a decade before.



Source: Department of Health and Human Services.

RECENT INITIATIVES TO EXPAND CHILDREN'S ACCESS TO HEALTH INSURANCE

Despite recent efforts to expand children's access to health insurance, a large share of children remain uninsured. Estimates from the Current Population Survey suggest that 15 percent of all children did not have health insurance in 1996. Table 3-8 presents estimates from the Current Population Survey on the characteristics of these children. Roughly 21 percent are potentially eligible for Medicaid, because they

TABLE 3-8.—*Uninsured Children by Family Income, 1996*

Family income and age of child	Percent of all uninsured children
Below poverty line	32.6
Under 6	9.8
6-11	10.9
12-17	12.0
Between 100 and 150 percent of poverty line	20.0
Between 150 and 200 percent of poverty line	16.4
Above twice poverty line	30.9

Note.—Income is before-tax cash income.

Source: Department of Commerce (Bureau of the Census).

are under age 12 and have family incomes below the poverty level. An additional 48 percent either are poor children aged 12 and over or have family incomes between 100 percent and 200 percent of the poverty level. Their family incomes are low enough so that the cost of health insurance may pose a significant barrier, but probably not low enough to guarantee them eligibility for Medicaid.

This Administration has developed a two-pronged effort to continue progress in increasing insurance coverage for low-income children. The first component is to extend insurance coverage to more low-income children through the new Children's Health Insurance Program (CHIP). This program offers \$24 billion in new Federal funding to States over the next 5 years to expand health insurance programs for uninsured low-income children. States have the option of using the funding to expand children's health insurance coverage through Medicaid, separate State programs, or a combination of the two. In general, States must use their allocation to cover children in families below twice the poverty level, or within 50 percent of the State's current Medicaid income limits for children if the State already covers children at or near twice the poverty level. States must contribute some of their own funds to the program in order to receive these Federal funds, and they must maintain Medicaid eligibility standards at least equal to those in effect in June 1997.

In addition, the President will make enrolling eligible uninsured children in both Medicaid and CHIP a priority. In partnership with

the State groups, out-of-pocket facilitation option among also all a 90-percentive pre simplify

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the States, health care providers, and business and community groups, the Administration will identify and encourage successful outreach campaigns to enroll up to 5 million uninsured children. To facilitate this effort, the proposed budget for fiscal 1999 includes an option for States to determine presumptive eligibility for Medicaid among children at sites such as schools and day care centers. It will also allow States to receive Federal funding for outreach activities at a 90-percent matching rate from a fixed pool of funds. These legislative proposals will be complemented by administrative actions to simplify enrollment of uninsured children.

CHILD CARE AND EDUCATION

CHILD CARE

Over the past two decades the adequacy and affordability of day care have become increasingly salient issues, as a growing proportion of mothers with young children have entered the work force. Whereas 30 percent of married mothers with one or more children under age 6 were working in 1977, by 1997 that figure had risen to 61 percent. This increase in employment of women with young children has translated into a substantial increase in nonparental child care. Between 1977 and 1993 the number of children under 5 in nonparental child care whose mother was working more than doubled. By 1993, 47 percent of young children with employed mothers had their primary day care arrangement in a day care center or a family day care home, and only 5 percent were cared for by a nonrelative in the child's home.

The affordability of child care is an especially critical issue for low-income working families. Although Federal programs subsidize day care costs for low-income families, a large share of these families do not have access to subsidized care. Approximately 1 million low-income children under 13 received federally subsidized care in fiscal 1995. This compares with the approximately 10 million children under 13 with employed mothers and family incomes below 200 percent of the poverty level.

For families without access to subsidies, the cost of child care can represent a substantial financial burden. In 1993 child care expenditures represented 25 percent of annual income for those families with annual incomes below \$14,400 with employed mothers and preschool children in paid child care. Comparable families with annual incomes above \$54,000 spent only 6 percent of their income on child care.

The quality of child care is also a critical issue. Two recent studies of regulated child care providers offer reason for concern. One study found that 86 percent of child care centers surveyed provided mediocre or poor care when judged from the perspective of child development, and 12 percent were of such poor quality that the children's health and safety needs were only partly met. The second

study, of family day care homes, found that 91 percent were of only adequate quality or less.

The President's fiscal 1999 budget includes a dramatic increase in Federal investments in child care to increase its affordability and quality. Key initiatives would:

- *Expand child care subsidies.* The proposed budget builds on the increases in child care subsidies legislated in 1996, by expanding funding for the Child Care and Development Block Grant Program by \$7.5 billion over 5 years. These new funds, combined with funds provided in welfare reform, would allow States to provide child care subsidies to more than 2 million low-income children by 2003—more than double the number of children served in fiscal 1995.
- *Increase tax credits for child care expenses.* The proposed budget would increase tax subsidies for working parents who pay for child care expenditures, by expanding the child and dependent care tax credit. The President's proposal would offer more help to 3 million families with annual incomes below \$59,000, providing nearly \$5 billion in aid over the next 5 years. The President's proposal also includes a new tax credit for private employers that offer child care services for their employees.
- *Expand after-school care for school-age children.* The President's proposed budget includes \$800 million in new funding over 5 years to dramatically expand the 21st Century Community Learning Program. This program provides funding to school-community partnerships to establish or expand before- and after-school programs for school-age children. The program will serve up to half a million children each year.
- *Improve early learning and child care quality.* The President's proposed Early Learning Fund would provide \$3 billion over 5 years in challenge grants to communities for programs that improve early learning and the quality and safety of child care for young children. The President's proposed budget also includes funding for scholarships for up to 50,000 child care providers per year, and for improved enforcement of State health and safety standards.

EARLY CHILDHOOD EDUCATION

Early childhood education programs can play a critical role in preparing children aged 3-5 for entry into school and can have an important effect on children's short-run and long-run development. Research has found that children who participate in early childhood education programs show large short-run gains in IQ, which persist until entry into kindergarten. Research has also linked early childhood education to a number of longer term outcomes, such as grade retention and placement in special education programs. Studies of a smaller number of programs have also shown early childhood education to be associated with increases in high school graduation rates

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and post-high school monthly earnings, and with a lower probability of teen pregnancy.

One of the principal Federal programs supporting early childhood education for disadvantaged children is the Head Start program. The major focus of Head Start is support for enriched preschool programs and development services for children aged 3-5. Federal guidelines require that 90 percent of all children served be from families with incomes below the poverty line. Head Start offers disadvantaged children and their parents a range of services that focus on education, social and emotional development, and health and nutrition. With the establishment of the Early Head Start program in 1994, for which disadvantaged children under age 3 are eligible, the range of Head Start services was extended to younger children as well.

A recent nationwide study found that participation in Head Start was associated with increased performance on the Peabody Picture Vocabulary Test and a reduction in grade repetition for white and Hispanic children, although it did not find similar gains for black children. The study also found that both white and black children who participated in Head Start were more likely to be immunized against measles than nonparticipating children from the same family.

The President's proposed budget includes \$3.8 billion in additional funding over 5 years to help reach the goal of expanding participation in Head Start to 1 million children in 2002, from 714,000 in fiscal 1993. This funding would also allow a doubling of participation in Early Head Start, to 80,000 children by 2002.

ELEMENTARY AND SECONDARY EDUCATION

One of our society's most important investments in children is elementary and secondary education. Elementary and secondary schools play a critical role in preparing children for college and for entry into the labor market. Research has shown that increases in educational attainment are associated with increases in labor market earnings: each year invested in elementary or secondary education is estimated to increase annual earnings by 5 to 12 percent. Investments in elementary and secondary education can also achieve other important social goals, such as the development of an informed electorate.

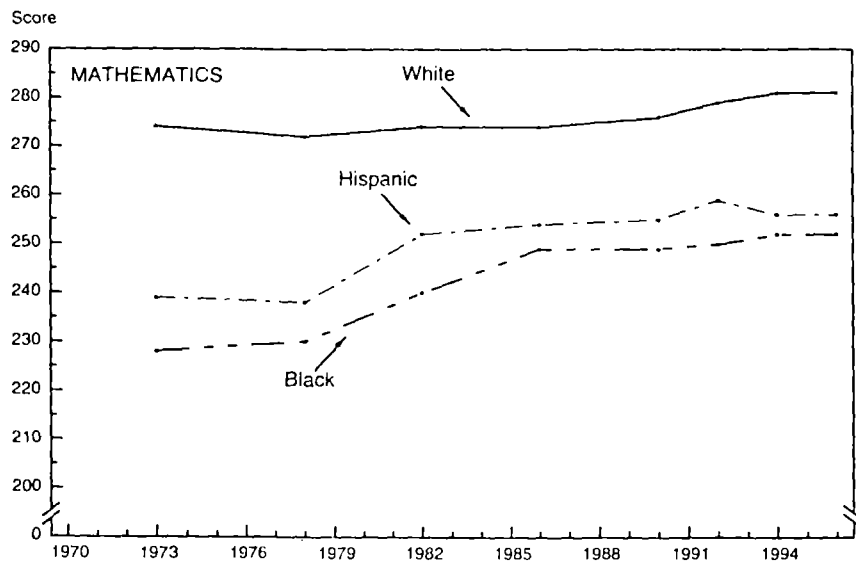
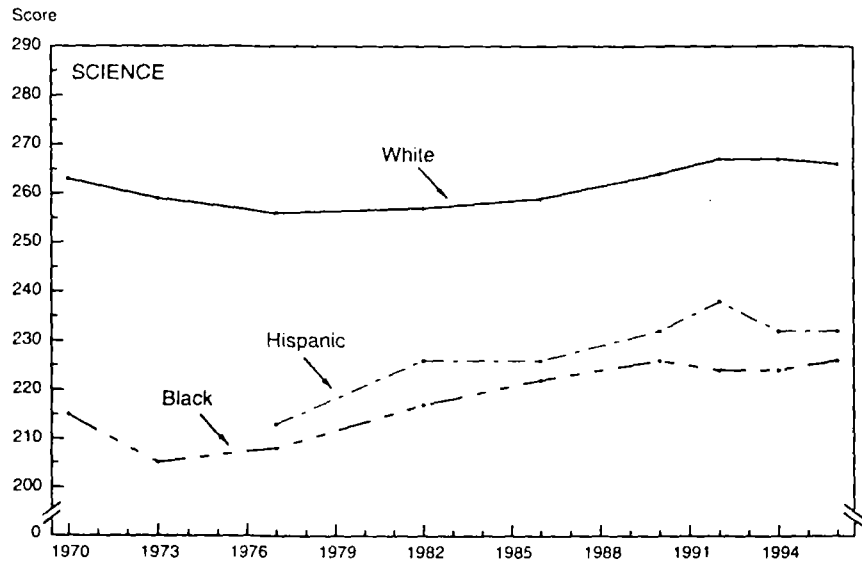
Measures of Student Performance

One of the key tools used in assessing the performance of our elementary and secondary school students is the National Assessment of Educational Progress (NAEP). The NAEP has two parts: the long-term trends assessment, which has repeated the same set of questions since the early 1970s to provide a consistent record of progress over time, and the main assessment, a more recent set of tests designed to reflect current testing methodology and educational content. The main assessment also groups students into three levels

of achievement based upon collective judgments about what students should know and be able to do in each subject area.

Evidence from the NAEP long-term assessment suggests that achievement in science, mathematics, and reading has improved since the late 1970s. Charts 3-7 and 3-8 show average NAEP long-term

Chart 3-7 NAEP Long-Term Trend Assessment: Science and Mathematics Scores
Science and mathematics achievement scores have improved modestly since the mid-1970s for white, black, and Hispanic 13-year-olds.



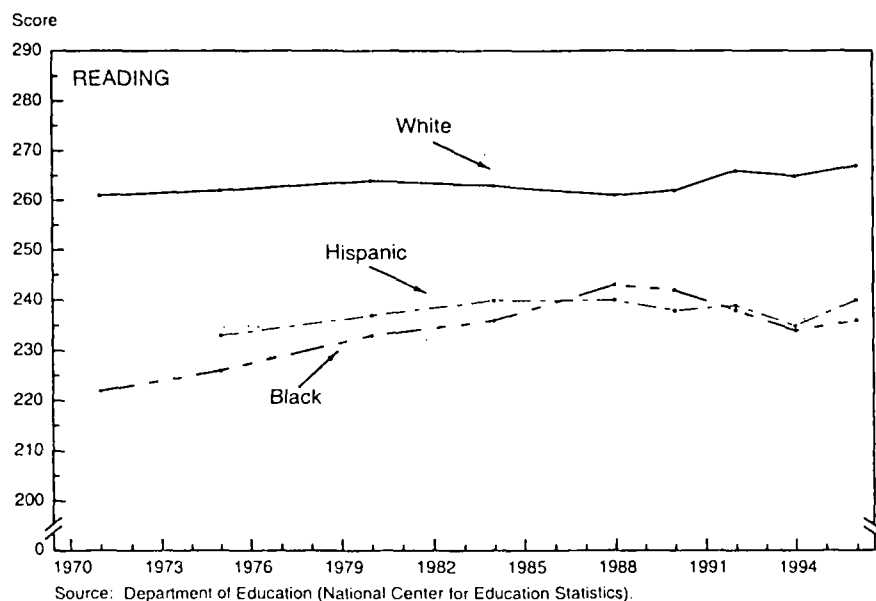
Source: Department of Education (National Center for Education Statistics)

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assessment scores for 13-year-old white, black, and Hispanic students in these subjects. Chart 3-7 reveals increases in mathematics and science scores since the late 1970s, which have been larger for black and Hispanic than for white children. Improvement in reading scores has been somewhat less dramatic overall (Chart 3-8), but both white and black children have recorded measurable improvement since 1971.

Despite these recent gains, significant challenges remain for the Nation's educational system. Evidence from the main NAEP assessments suggests that many students do not achieve basic competency in mathematics, science, or reading. The most recent main assessments found that 38 percent of eighth-grade children performed below the basic level in mathematics, as did 40 percent in science and 30 percent in reading. In addition, U.S. students do not perform well in comparison with students in other countries. According to the Third International Mathematics and Science Study, a study of half a million children in 41 countries, U.S. eighth-graders had average mathematics scores that were below those of 20 other countries. Although U.S. eighth-graders performed better in science, they were still outperformed by students in nine other countries.

A second challenge facing the Nation's educational system is the substantial variation in the performance of schools across the country. A recent study of first-grade students found that those attending the top quarter of schools with respect to student performance had average scores in both reading and mathematics nearly 75 points

Chart 3-8 NAEP Long-Term Trend Assessment: Reading Scores
Reading achievement scores have changed little for white and Hispanic 13-year-olds and improved modestly for black 13-year-olds since 1971.



higher than those of students in the bottom quarter. This difference is approximately equal to the average achievement gain of students from the spring of first grade to the spring of second grade. In other words, by the end of second grade the average student's achievement in the bottom-ranked schools will just about equal that of students finishing first grade in the top schools.

Differences in student performance are evident across States as well. For example, in 1994 the share of fourth-graders in public schools who scored at or above the basic level in reading ranged across 39 States from a low of 40 percent to a high of 75 percent, and in 1996 the share of eighth-graders in public schools who attained at least the basic level of proficiency in mathematics ranged across 40 States from a low of 36 percent to a high of 77 percent.

Impact of School Inputs on School Performance

A substantial body of research has investigated the extent to which school quality is related to measurable inputs, such as expenditures per pupil, pupil-teacher ratios, or the level of teacher training. This research has had mixed results. On the one hand, most studies that attempt to relate school resources to students' achievement on standardized tests tend to find only weak evidence that these resources do influence school quality. This may be because most research in this area is based on samples that are not large enough to find a statistically measurable effect. A recent study which combined the results from a large number of other studies found stronger evidence that school expenditures per pupil are positively associated with student achievement.

On the other hand, studies that estimate the relationship between school resources and students' earnings later in life tend to find much larger effects. A recent study used data from the 1980 Census to estimate the relationship between the average level of school resources in the State in which workers were born and their subsequent earnings. This study found that workers who had been born (and probably attended school) in States with more abundant school resources earned higher rates of return to each additional year of schooling than other workers. A decrease in the pupil-teacher ratio by five students was associated with an increase in the rate of return to each additional year of school of 0.4 percentage point, and a 10-percent increase in teachers' pay was associated with a 0.1-percentage-point increase. (The average rate of return for all workers in the sample was 5 to 7 percent.)

This literature also found that there are important dimensions of school and teacher quality that are unrelated to school expenditure patterns. After controlling for student and parent characteristics likely to affect student performance, and even after controlling for measurable characteristics of schools and classrooms, it is clear that

students in particular schools, or enrolled in particular teachers' classes, consistently perform better than average. This suggests that certain aspects of teacher or school quality that are not easily measured, such as the teacher's level of enthusiasm or the school's management style, may be critically related to student performance.

Recent Federal Initiatives in Primary and Secondary Education

Recognizing that the quality of primary and secondary education can have an important influence on children's later economic opportunities, the Administration has developed and supported a number of initiatives to improve the quality of America's schools. In his 1998 State of the Union address the President proposed two major new initiatives that would increase the financial resources available to public schools:

- *Smaller classes with qualified teachers in grades 1-3.* The President is proposing that \$12.4 billion be devoted over 7 years (\$7.3 billion over 5 years) to reducing class sizes in public schools in grades 1 to 3 from a nationwide average of 22 pupils to an average of 18, and to helping local school districts hire an additional 100,000 well-prepared teachers. The initiative will also provide funds to States and local school districts to test new teachers, develop more rigorous teacher testing and certification requirements, and train teachers in effective reading instruction. This initiative will help ensure that every child receives personal attention, learns to read independently, and gets a solid foundation for further learning.
- *New construction and renovation of school buildings.* The President is proposing Federal tax credits to pay interest on nearly \$22 billion in bonds to build and renovate public schools. This initiative provides more than double the assistance of the Administration's earlier school construction proposal, which covered half the interest on an estimated \$20 billion in bonds. Half of this new bond authority would be allocated to the 100 school districts with the largest number of low-income children, and the other half would be allocated to the States.

These proposals build on a number of ongoing Administration efforts to improve the quality of primary and secondary education. To increase the educational opportunities of disadvantaged children, the Administration has expanded the Title I program, which targets resources to children in high-poverty schools. In addition, since it is clear that some important differences in the quality of individual teachers and schools are not directly related to the level of a school's financial resources, the Administration has supported initiatives to change the way schools operate, to better reward performance, and to grant schools more flexibility in meeting measurable performance standards. These are the key emphases of the Goals 2000 and the

Charter Schools programs. Finally, the Administration has developed two new initiatives to improve literacy and to increase students' access to the Internet:

- *Title I—Education for the Disadvantaged.* Title I provides funds to raise the achievement of disadvantaged children. In 1994 the President proposed, and the Congress adopted, changes to Title I to focus resources on schools with a high percentage of children from poor families, to raise standards of achievement for disadvantaged students, and to give schools greater flexibility in helping students meet these standards. The appropriation for Title I grants to local education agencies was increased by about 20 percent from fiscal 1993 to fiscal 1998.
- *Goals 2000.* Enacted in 1994, the Goals 2000 program encourages States to set rigorous academic standards for student performance and to determine whether students are making progress in meeting these goals. It also provides funding to support reform of individual schools and for parental information and resource centers in each State, to help parents become more involved in their children's education.
- *Charter Schools.* The Federal Charter Schools program supports the efforts of parents, teachers, and communities to develop innovative public schools that are free from most of the rules and regulations that apply to most public schools and are held accountable for raising student achievement. Since the program's inception in 1995 over 700 charter schools have been established, and Federal funding has increased from \$6 million in fiscal 1995 to \$80 million in fiscal 1998.
- *The America Reads Challenge.* The proposed America Reads program is a multipronged effort to help States and communities ensure that all children are reading well and independently by the end of the third grade. Key initiatives include recruiting and training volunteer reading tutors and helping families help their children build literacy skills. In addition, the Administration has recruited work-study students in 800 universities to help with tutoring initiatives.
- *Technology.* The Technology Literacy Challenge Fund and the Technology Innovation Grants program are aimed at meeting four goals: to connect all schools to the Internet, to provide teachers with professional development in the use of technology, to put modern computers in all schools, and to provide challenging software that encourages children to learn more. These initiatives should help prepare our children for the 21st century and keep the Nation competitive in a global economy.

CONCLUSION

It is clear that children have shared in the benefits of the economic recovery of the past 3 years. The child poverty rate fell from 1993 to 1996, and under an extended poverty measure that includes taxes and means-tested food and housing benefits, the rate was lower in 1996 than in 1989. Other measures of well-being, such as health status, educational achievement, food sufficiency, and housing quality have also shown improvements during the 1990s. Yet many children remain vulnerable, either because they have low family incomes, or because they lack access to health insurance, or because they are not learning basic mathematics, science, and reading skills in school. For this reason the Administration will continue to invest in initiatives to improve the well-being of children. Key initiatives for fiscal 1999 will focus on increasing access to child care and early childhood education, improving the quality of primary and secondary education, and increasing access to affordable housing for families with children.