Children and Families: Health and Well-Being and State Policy

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Professor of Pediatrics, NYU
Chair, APA Task Force on Childhood Poverty

Evidence-Based Health Policy Project Forum
October 9, 2013
Children and Families: Health and Well-Being and State Policy
Make Poverty History
Underlying Principle

I am honored, and somewhat humbled, to be asked to speak here today.

- Child poverty in US and implications for the future of children in our nation
  - Wisconsin reflects the nation — Solutions in Wisconsin include federal initiatives that intertwine with state and local initiatives

- Specifics for children and families in Wisconsin and Dane County
  - Focus on both national and state solutions

- What pediatricians are doing in response to this critical problem

- Underlying Principle

  I believe all legislators want to do what is best for children and families.

  There are different opinions about how to get to a better life for children and families, but I truly believe in everyone’s good intentions.

  I mean to be respectful of those intentions.
In the spirit of mutual respect: A Disclaimer!

- I believe that government has an important role in helping children and families.
- I think SNAP (food stamps) are a critical support of low-income children and families.
- I believe the Affordable Care Act is a good thing.
- I don’t believe there is any evidence that cutting government spending creates jobs, in fact I believe the opposite is true.
Figure 1: Percentage of Children\textsuperscript{1} Living Below Selected Poverty Thresholds, Selected Years, 1975-2010

Childtrends databank.org. Children in Poverty, updated September 2011 from data from US Census Bureau
Figure 1: Percentage of Children\textsuperscript{1} Living Below Selected Poverty Thresholds, Selected Years, 1975-2010

Childtrendsdbank.org. Children in Poverty, updated September 2011 from data from US Census Bureau
US Federal Poverty Level
Developed in 1963-64

Mollie Orshansky
Social Security Administration

Based on “economy food plan”

Cheapest of 4 food plans developed by the Dept of Agriculture

“designed for temporary or emergency use when funds are low”
### Monthly family budgets in eight communities for a family with two parents and two children

<table>
<thead>
<tr>
<th>% FPL</th>
<th>Monthly expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>163%</td>
<td>$0</td>
</tr>
<tr>
<td>200%</td>
<td>$1,500</td>
</tr>
<tr>
<td>223%</td>
<td>$2,000</td>
</tr>
<tr>
<td>248%</td>
<td>$2,500</td>
</tr>
<tr>
<td>279%</td>
<td>$3,000</td>
</tr>
<tr>
<td>287%</td>
<td>$3,500</td>
</tr>
<tr>
<td>321%</td>
<td>$4,000</td>
</tr>
<tr>
<td>338%</td>
<td>$4,500</td>
</tr>
</tbody>
</table>

Legend:
- **Taxes**
- **Other necessities**
- **Health care**
- **Transportation**
- **Child care**
- **Food**
- **Housing**

Figure 1: Percentage of Children Living Below Selected Poverty Thresholds, Selected Years, 1975-2010

Childtrends databank.org. Children in Poverty, updated September 2011 from data from US Census Bureau
% Poverty by Age
Living Below the Federal Poverty Level 2010

22% of all children 0-18 are living below the poverty line.
25% of children 0 to 5 Yrs are living below the poverty line.
20% of children 6 to 18 Yrs are living below the poverty line.
14% of adults 18 to 65 Yrs are living below the poverty line.
9% of adults 65+ Yrs are living below the poverty line.
% Poverty Over Time: 1959-2010
Children and Seniors

- 1959: Seniors (65+): 35%, Children (0-18): 27%
- 1969: Seniors (65+): 25%, Children (0-18): 14%
- 1979: Seniors (65+): 15%, Children (0-18): 15%
- 1989: Seniors (65+): 11%, Children (0-18): 16%
- 2010: Seniors (65+): 9%, Children (0-18): 22%

Sachs JD. The Price of Civilization. 2011, Random House, NY. Chapter 10, pp. 185-208
% Poverty of Children by Race/Ethnicity
Living Below the Federal Poverty Level by Race and Hispanic Origin

<table>
<thead>
<tr>
<th></th>
<th>All children 0-18</th>
<th>children 0-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Black</td>
<td>39</td>
<td>46</td>
</tr>
<tr>
<td>Hispanic</td>
<td>35</td>
<td>37</td>
</tr>
<tr>
<td>Asian</td>
<td>14</td>
<td>16</td>
</tr>
</tbody>
</table>

US Census Bureau 2010: Childtrends databank.org
What About Poverty in Madison
Race to Equity
A Baseline Report on the State of Racial Disparities in Dane County
From the Wisconsin Council on Children and Families (WCCF)

Percent of Children Living in Poverty

- **Dane County**
  - 2006: 46% Black, 6% Non-Hispanic White
  - 2011: 75% Black, 5% Non-Hispanic White

- **Wisconsin**
  - 2006: 45% Black, 9% Non-Hispanic White
  - 2011: 49% Black, 12% Non-Hispanic White

- **U.S.**
  - 2006: 35% Black, 11% Non-Hispanic White
  - 2011: 39% Black, 14% Non-Hispanic White
Concentrated Neighborhood Poverty
Dane County (from WCCF report, *Race to Equity*)
But...Many White Children Poor

Race/ethnicity by family income, 2011

Percent (%)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Low-income</th>
<th>Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic</td>
<td>23%</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>American Indian</td>
<td>5%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Asian</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Black</td>
<td>14%</td>
<td>20%</td>
<td>24%</td>
</tr>
<tr>
<td>White</td>
<td>53%</td>
<td>37%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Percentages may not add to 100 due to rounding.

© National Center for Children in Poverty (www.nccp.org)
Basic Fact About Low-Income Children: Children Under 18 Years, 2011
Children of Immigrants/Immigrant Children: Poverty

Figure 3. Children’s Poverty Rate: Children in Immigrant Families and Children with U.S.-born Parents (CWI Family Economic Well-Being Domain)

Mexican and Central American:
39% < FPL
73% poor or near poor


Suburban Poverty

• More poor in suburbs than city or rural
• Fasting growing
• Positives:
  – Less concentrated, less crime
  – Better schools
  – Better built environment
  – Jobs?
• Negatives:
  – Transportation
    • Inadequate public transport
      – Hub and spoke no longer applies
    • Need for auto, including increased finance/insurance cost, inability to pay for repairs
    • Long distances to job in city or suburb

Suburban Poverty

- Negatives (cont’d):
  - “Invisible”
  - Inadequate poverty infrastructure, services
    - Lack of stable govt & non-profit funding
    - Siloed policies and programs
  - Mini-ghettos
    - Schools intermediate between inner-city and “true” suburban schools
      - 32% proficiency inner-city
      - 45% proficiency in low-income suburban school
      - 65% proficiency in higher-income suburban school

Comparison of US to Other OECD Countries
Organisation for Economic Co-operation and Development

Consequences of Poverty: Health

- Increased infant mortality
- Low birthweight and subsequent problems
- Chronic diseases such as asthma
- More food insecurity, poorer nutrition & growth
- Poorer access to quality health care
- Increased accidental injury and mortality
- Increased obesity and its complications

Consequences of Poverty: Well-Being

• More toxic stress impacting EBCD
• Poorer educational outcomes:
  – poor academic achievement
  – higher rates of HS dropout
• Less positive social and emotional development
• More problem behaviors leading to “TAEs”
  – Early unprotected sex with increased teen pregnancy
  – Drug and alcohol abuse
  – Increased criminal behavior as adolescents and adults
• More likely to be poor adults
  – Low productivity and low earnings
  – Lowers our GDP by 1.3% annually
• Especially if deep poverty (<50% FPL), long-term poverty, or poverty in early childhood

Dane Count: Higher Rates of HS Dropout

Students not graduating with a regular diploma in four years:

- Madison Metropolitan School District:
  - 2009-10: 52% Non-Hispanic Black, 13% Non-Hispanic White
  - 2010-11: 50% Non-Hispanic Black, 16% Non-Hispanic White

- Wisconsin:
  - 2009-10: 40% Non-Hispanic Black, 9% Non-Hispanic White
  - 2010-11: 36% Non-Hispanic Black, 9% Non-Hispanic White
Dane County: Increased Criminal Behavior as Adolescents and Adults

Juvenile Arrest Rates, per 1,000 Juveniles

<table>
<thead>
<tr>
<th>Year</th>
<th>Dane County</th>
<th>Wisconsin</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>864</td>
<td>430</td>
<td>84</td>
</tr>
<tr>
<td>2010</td>
<td>125</td>
<td>329</td>
<td>41</td>
</tr>
</tbody>
</table>

Adult Arrest Rates, per 1,000 Adults

<table>
<thead>
<tr>
<th>Year</th>
<th>Dane County</th>
<th>Wisconsin</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>441</td>
<td>252</td>
<td>87</td>
</tr>
<tr>
<td>2012</td>
<td>53</td>
<td>64</td>
<td>33</td>
</tr>
<tr>
<td>2010</td>
<td>295</td>
<td>30</td>
<td>82</td>
</tr>
<tr>
<td></td>
<td>36</td>
<td>53</td>
<td>33</td>
</tr>
</tbody>
</table>
Consequences of Poverty in Childhood on Adult Health

- Effects independent of adult-level risk factors
- Increased low birthweight:
  - Adult obesity
  - Type II diabetes
  - Hypertension
- Increased childhood asthma:
  - Development of airway hypersensitivity and adult asthma
- Increased childhood obesity:
  - Adult obesity and its complications

Consequences of Poverty in Childhood on Adult Health (cont)

• Increased exposure to “toxic stress”:
  – *Structural alterations in brain and stable epigenetic changes*—impacting memory, educational attainment, exaggerated response to stress, and more high risk behaviors
  – *Increased inflammatory markers* leading to adult CV disease

• Lower educational achievement:
  – Overall poorer adult health and increased mortality
  – Increased risk of Alzheimer because of fewer protective neural connections

Economic Case for Ending Childhood Poverty

• Reduces productivity and economic output by about 1.3% of GDP

• Raises the costs of crime by 1.3% of GDP

• Raises health expenditures and reduces the value of health by 1.2% of GDP

• Total cost of childhood poverty is 3.8% of GDP or $500 billion per year

• Context: Estimated Federal Deficit 2014 is 4.3% of GDP

Poverty and...
Health, Mental Health, & Public Health Problems are Intertwined
All the Problems of Children And Families that We Focus on: Are Parts of the Elephant

...it's a little like the blindfolded man feeling the elephant

It's problems of immigrant children

It's food insecurity

It's toxic stress

It's poor oral health

It’s epi-genetics

It’s low immuniz. rates

It’s Poverty!!!!!
What Can We Do as a Nation?

Lift Children out of Poverty

Alleviate the Effects of Poverty on Children

Improved health
Improved well-being
More productive lives
What Can We Do as a Nation?

- Make a commitment
- Set goals
- Use the power of good government
- Do more of what works

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The UK’s War on Childhood Poverty: Commitment and Goals

• In March 1999, Prime Minister Tony Blair declared war on childhood poverty:
  – “Our historic aim will be for ours to be the first generation to end child poverty.”
• Gordon Brown, then Chancellor and later Prime minister, set a further target of cutting child poverty by half in 10 years.
• Over the next decade Blair & Brown committed considerable resources to attaining this goal:
  – “One Percent for the Kids”: An additional 1% of GDP invested in children and families to decrease childhood poverty
UK's War on Childhood Poverty: What did they do?

• Promoting work and making work pay
• Raising incomes for families with children
• Investing in children, especially early childhood

1. Minimum Wage that moves workers across the poverty line (50% of median wages, not US 30%)
2. Welfare to work: but gentler/kinder than US
   • Mothers of young children can stay home. In 2008, mothers of children over 12 must seek work.
   • Continued welfare to single and two parent families not in work
3. Increased tax credits (WTC), similar to US EITC, for low wage earning families
4. Child Care tax credit for up to 70% of costs

1. Expanded universal child benefit (CB) – historical
2. New quasi-universal child tax credit not based on working which is much greater for low income families
3. Tax credits and benefits all paid regularly throughout the year to mother
4. More benefits for younger children

1. Parental leave and work rules
   • Paid maternity leave extended from 18 wks to 9 months
   • Two weeks paid paternity leave
   • Right to request PT/flexible hours

2. Universal preschool for three and four year olds
3. Preschool for disadvantaged 2-year olds
5. “Sure Start” for 0-3 (home visiting and other services) for poorest areas
6. Interventions in primary and secondary schools
   • New quasi-universal child tax credit not based on working which is much greater for low income families
3. Tax credits and benefits all paid regularly throughout the year to mother
4. More benefits for younger children
Absolute Child Poverty Rates: United States and United Kingdom

What Can We Do as a Nation?

- Make a commitment
- Set goals
- Use the power of good government
- Do more of what works

Lift Children out of Poverty

- Improved health
- Improved well-being
- More productive lives
Supplemental Poverty Measure: Government Programs Work

- Using these measures reduced % at 100% FPL from 22.5% to 18.2%
- Major portion of effect due to:
  - EITC: -4.2%
  - SNAP (food stamps): -3.0%
  - Housing Subsidy: -1.3%
  - School Lunch: -0.8%
  - WIC: -0.1%
  - Energy Assistance: -0.1%
  - Work/Child Care Expenses: +2.0%
  - Medical OOP Expenses: +2.8%
  - Taxes and FICA: +2.3%

\[ -9.5\% \]

With Medicaid (-1%) \[ -10.5\% \]
The SNAP Challenge: 7 days of living on a food stamp budget

Lewis First takes the Challenge! $1.50 per meal, $4.50 per day

- He was hungry after the first day, and found he focused more on food. He counted down to the next meal, and planning for that became his major preoccupation.
- He became more tired than usual, lost five pounds, experienced difficulty concentrating and was more moody than usual.
- “For SNAP/Food Stamp families, and their children, there is no countdown and they likely feel as hungry as I did.”
Income and Material Hardship Do Matter

Demographic Controls
- Parental education
- Parent work status
- Marital status
- Race/ethnicity
- Family size

Family Income

Parent Investment

Parent Stress

Positive Parenting Behavior

Material Hardship

Child Cognitive Skills

Child Social-Emotional Competence

Food insecurity
- Housing instability
- Inadequate medical care
- Inability to pay monthly bills

Note. Model of multiple mediating pathways from income to child outcomes proposed by Yeung, Linver, and Brooks-Gunn (2002) are depicted with solid lines. Additional pathways tested in Gershoff et al. (2006) are presented with dashed lines.
Income Matters: Natural Experiment

- Native Americans vs. Non-Native Americans being followed in longitudinal study
- Casino opened and NAs got cash transfers over at least 4 years
- Poverty decreased by 14% in NAs but not in non-NAs
- Increase of $4000/yr led to:
  - Increased educational attainment by one year in adolescence
  - 22% fewer arrests during adolescence
  - Increased HS graduation rates
  - Decreased mental health and psychiatric disorders
  - Decreased drug dealing
- Youngest children had longest exposure and largest effect
- Likely due to improved parenting

What Can We Do as a Nation?

- Early childhood
- School
- “Second chance” programs: job training

Alleviate the Effects of Poverty on Children

- Improved health
- Improved well-being
- More productive lives
Investments in Early Childhood

- Brain architecture and skills are due to interaction of genetics and individual experience
- Toxic stress in early childhood may permanently alter brain architecture
- Skills needed to be a “competent adult”, and underlying neural pathways are hierarchical...
  - Build on earlier foundations
- Cognitive, language, social and emotional skills are interdependent
  - James Heckman: The child needs to develop a “package” of cognitive and character skills
- Early childhood is the most plastic and receptive time to environmental influences
- Family involvement is as important as school
Disparities begin very early in childhood

**Hart & Risley, 1995**
Home/Preschool vs. School and Skill Gaps

![Graph showing the Home/Preschool vs. School and Skill Gaps](image)

**Fig. 1.** Average percentile rank on Peabody Individual Achievement Test–Math score by age and income quartile. Income quartiles are computed from average family income between the ages of 6 and 10. Adapted from (3) with permission from MIT Press.

Heckman JJ. Skill formation and the economics of investing in disadvantaged children. Science. 2006;312:1900

4th Grading Reading
% with Reading Difficulty

US Department of Education, 2012
Dane County:
% with Reading Difficulty

Percent of 3rd Graders Not Proficient at Reading

- **Non-Hispanic Black**: 45% in 2005, 10% in 2011, 42% in 2005, 14% in 2011
- **Non-Hispanic White**: 11% in 2005, 14% in 2011

86% with new standards
High/Scope Perry Preschool Program: Major Findings at 40

- **7 to 10% per year** rate of return
  - Higher than post-World War II stock market (5.8% -- before the 2008 meltdown)

- **7 to 12X Benefit/Cost Ratio**

Heckman et al: Rate of return for High/Scope Perry Preschool Program. 2009
Home Visiting Programs
Parent-Child Home Program

Percent First Graders Passing Cognitive Skills Assessment

Interventions in Pediatric Primary Care

Reach Out and Read

Advance in Language (months) in 2-5 yr-olds

VIP: Video Interaction Project
Birth to 3 years

• Increased parent-child interactions, vocalizations

• Improved child cognitive, language, and social-emotional development

• Reduced delay, with 50% reduction in need for EI


The Heckman Curve

Rates of return to human capital investment

Rate of return to investment in human capital

Preschool programs

Schooling

Job training

Opportunity cost of funds

Preschool

School

Post-school

Age

NYU Langone Medical Center
In Summary, as a Nation

- We need to commit to reducing childhood poverty and alleviating its effects
- We need to emulate the UK and set goals, plans, and responsibilities
- We know how to help through benefits, cash transfers, and tax breaks: Let’s do more!
- One Percent *More* for Kids!
- Science supports a focus on early childhood programs: We should fully fund preschool, home visiting and primary care pediatric interventions, and help parents get affordable high quality child care
- Equitable/adequate funding our schools & adopting effective school practices
- Let’s not give up on teenagers: interventions for transitions to productive adulthood should not be abandoned.
What Can Wisconsin Do as a State

- EITC
- Jobs programs for low-skilled workers
  - Government spending cuts do NOT lead to job growth
- Early Childhood
  - Home Visiting
  - Child Care
  - Child Care Quality: increased support for the Youngstar tiered reimbursement system
  - Universal Pre-K: increase slots for poor and low-income children
- Place-based initiatives: strengthen under-resourced high poverty neighborhoods
- Keep Wisconsin Child Health Plus (CHIP) strong
- Increase penetration of ROR in primary care

Don’t choose between funding EITC and Quality Child Care. Children and families need both!
Remember!

• Childhood poverty in the US, and Wisconsin, is NOT World Hunger:
  – We know what to do
  – The US, and Wisconsin, have the resources: it’s not TOO BIG
  – Other nations have tackled this problem with impressive results: UK
  – We must begin early in brain and child development
APA TASK FORCE ON CHILDHOOD POVERTY

4/30/2013

A Strategic Road-Map: Committed to Bringing the Voice of Pediatricians to the Most Important Problem Facing Children in the US Today

The Academic Pediatric Association (APA) and the American Academy of Pediatrics (AAP) have both made reducing childhood poverty in the US and alleviating the effects of poverty on child health and well-being a strategic priority.

www.academicpeds.org
Task Force Agenda

- Policy and Advocacy
  - Raise families out of poverty
  - Early childhood interventions
  - White House to Lead the Way
    - White House Conference on children
    - Domestic Policy Council involvement
  - Continue present advocacy for health insurance, benefits
- This a marathon, not a sprint!
AAP Agenda for Children 2013-2014
DEDICATED TO THE HEALTH OF ALL CHILDREN™

Poverty and Child Health
- Epigenetics
- Early Brain and Child Development
- Children, Adolescents and Media

Access | Quality | Finance

American Academy of Pediatrics
DEDICATED TO THE HEALTH OF ALL CHILDREN™
October 2013: Major Pediatric Organizations Pledge to Support the Efforts of the APA and the AAP on Childhood Poverty
An Agenda for Children and Adolescents for Wisconsin

• Accept shared responsibility
• Recognize that far too little attention has been paid to make the difficult changes to lessen the disadvantages of poor children and wide gaps between poor and non-poor, between black and white
• Establish a set of interventions that are strong, enough, effective enough, and durable enough to make a meaningful difference.
“It is easier to build strong children than to repair broken men.”

Frederick Douglass
American Abolitionist
1818-1895
If not us, who? If not now, when?

The children are depending on us!