

PAES/Invest in Kids Working Group Meeting  
Monday, January 14, 2008

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Advisor

Robert Kuttner, Editor, *The American Prospect*

Investing in early childhood development is becoming an important topic in the current political climate. As emerging research continues to support the idea that investing in young children has significant economic benefits for the entire country, discussing the future of children's policy in the United States is timely and fitting. This Invest in Kids/PAES Working Group Meeting brought together Brookings Institution senior fellow (and former President George W. Bush White House advisor) Ron Haskins and *American Prospect* editor Robert Kuttner to discuss a variety of perspectives on investing in children. Their conversation stemmed from the December issue of *The American Prospect*, which included a special section called "Life Chances: The Case for Early Investment in Our Kids," authored by Mr. Kuttner. With 125 participants in person and on the phone, this was the largest PAES/Invest in Kids Working Group meeting to date.

Robert Kuttner noted that the *American Prospect* has been interested in the subject of investing in children since its inception; his article is the fourth in a series of issues on young children. He and Mr. Haskins agreed that investing in young children pays big dividends. Investing in children is pro-productivity and pro-economy, in addition to being pro-children, and the science is unequivocal as to the benefits of investing in children. What's more, business leaders know this. He also agreed that a pro-family framework is important, but asserts that investing in children simply cannot be done by parents alone.

Mr. Kuttner stated that we shortchange working parents by compelling them to make impossible "choices." Low-income parents, mostly single mothers, face excruciating dilemmas between their loyalties to their children and their need to keep their jobs. Professional women face similar dilemmas: they confront glass ceilings when their loyalty to their children conflicts with their loyalty to their work. Work and family issues are very much a part of the conversation of investing in children, and he emphasized that social policies contribute to marital tensions. Finally, he described his time in Europe last year studying various social policies to gain insight on how other countries have addressed investment in early childhood development:

- Germany's social policies make it difficult for women to continue their careers while raising children, which has led to a declining birth rate.
- Denmark's commitment to a human service workforce is very progressive. Their social policies require teachers, social services, and others who care for young children to be well-paid and, thus, educated and committed.
- Finland offers a choice of either three years of paid parental leave or very high quality child care/pre-kindergarten. Children do not start school until seven years of age, and may not do exceptionally well on standardized tests in the initial school years, but do extremely well when they are 15 years old.

It is necessary that businesses and business leaders lead the public in pushing for investments in children, because work and family are so entwined in this argument. However, it is understood that the fiercely competitive environment leaves little room for business to make significant progressive changes in work place policies. Therefore, government action is critical and the initial investment must be substantial if it is to succeed. For this reason, the questions are tough, and the debate may become

quite ideological: how much money do we need to spend socially to invest in our kids? This cannot be solved by a few sporadic pilot programs; rather, we need to look at the nation as a whole to make positive change occur for children's, and the nation's, future.

Ron Haskins asserted that means-tested spending has increased over the years, tripling its share of the GDP. Policy makers are not immune to the pull of children's causes, and the federal government has been responsive to that issue; they have made American social policies friendlier. However, we will not make progress by spending more money or by having government play a larger role in social policies.

Personal responsibility must be part of the policy, and marriage has been shown to be most helpful to the economic stability of families. College-educated women do not have children outside of marriage, passing that attitude and belief set on to their children. The poor, in contrast, marry at a much lower rate, which is a huge problem. Consequently, as the data demonstrate, there are very striking differences on how much the public spends in social supports between the poor and non-poor.

Mr. Haskins stated that curves, like the Heckman Curve, undermine social policies aimed at programs later in life. It is difficult to use existing data to support the proposition that investing early in life makes a difference. For example, if Head Start were a top quality pre-kindergarten program, we would get a very good return on the investment; however, it has only produced very modest impacts. While he agreed that investing in early childhood development is a good idea, Mr. Haskins emphasized that the country needs to fix the pre-kindergarten programs currently in place before developing new ones.

Mr. Haskins asserted that there is an opportunity for a bi-partisan agenda on the topic of investing in children in the upcoming elections and with the new presidency. However, we need start by enticing states to present a plan to use the money that is available now. He also contended that we have a lot of work to do on controlling fertility, increasing abstinence education, and advocating for better use of birth control.

The audience then had the chance to ask questions and discuss specific issues with the presenters.

*Abecedarian Program/Early Education Programs:* Mr. Haskins clarified that parents were not involved in the Abecedarian Program. When the participants moved on to elementary schools, they were split up into two groups for tracking and further "treatment." Mr. Kuttner added that while he and Mr. Haskins both see early childhood programs as pro-family, they differ in the role of social investment.

Concerning his suggestion of expanding pre-kindergarten programs, rather than investing in more programs, Mr. Haskins stated that an effective curriculum, high quality training, continuous follow-up of teachers, and testing children twice a year would improve the current program. Mr. Kuttner added that more qualitative evaluations are necessary and that they should include parents.

Audience members expressed concern that neither panelist addressed research shows that more comprehensive programs, and those that begin earlier, produce significant positive results. Finally, many thought that priority should be given to higher-risk children and families.

*The Economy:* Mr. Kuttner noted that we have to be careful about calling early childhood investment an economic stimulus. While, over the long term, this investment has everything to do with the economic growth, we must not forget their critical contribution to social issues.

*Marriage and Fathers:* Mr. Haskins described the need for critical programs and efforts to include fathers and men. Current child support programs should expand their focus to help fathers, especially young ones, get jobs and rejoin the labor force. He also asserted that the mandatory crack sentences have been a major bi-partisan mistake. Finally, he noted that while there are huge marriage penalties for low-income families, there are also huge benefits for married couples.

*Conditional Cash Transfers:* Mr. Kuttner stated that cash transfers would make sense in the context of a very different social system, but that low-income families' most immediate need is a stronger social support system. Moreover, the EITC is a form of a cash transfer, so some form of this program is already being implemented. Additionally, in order to encourage people to work with the economy and economic mechanisms, minimum wage jobs aren't enough to support them.

Mr. Haskins rejected the idea of giving cash for good behavior. Through Brookings' work with cash transfer programs in South America and Mexico, he learned from teachers in these programs that participating mothers only demonstrated good behavior in order to receive program money.

*Minnesota Program:* Art Rolnick described Minnesota's program, in which guidance about and scholarships for quality early education programs go to families with at-risk children. The results of this program have been positive and strong, and the program should be replicable at the high school or even higher education levels. While the cost is initially very high, at two billion dollars, failing to invest will be more costly in the long run.

*Current Presidential Campaign:* Mr. Kuttner stated that this next election is about how young adults have been short-changed with respect to social programs, and candidates will be more successful with that focus. Mr. Haskins asserted that there are a lot of concerns among Democrats about pre-kindergarten; however, the same goes for the Republican candidates.