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Pioneering Change:

Innovative Ideas for Children and Families

2015

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NEW WAYS OF CREATING OPPORTUNITIES FOR FAMILIES IN POVERTY:
Perspective on the Emerging Two-Generation Policy Discussion

by

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The Ascendance of the Two-Generation Approach

The rise of two-generation approaches to alleviating poverty has breathed new life into many conversations about how best to help struggling parents climb the economic ladder and create better lives for their children. The conversations are happening on multiple fronts. At the program level, organizations are beginning to think about how to do their work in ways that don't segment families into adult needs and child needs but instead address the whole family. Communities are trying to find new ways to solve complex problems that cut across funding streams, issue areas, and organizational missions, and they are working to address racial inequity by bringing two-generation innovations to those most disconnected from economic opportunity. Finally, advocates and policymakers are now looking at two-generation approaches as a way to build comprehensive policy frameworks to take full advantage of new opportunities.

While there are many definitions of two-generation poverty policies, they typically involve efforts designed to bridge silos between a set of policies—in most cases, between antipoverty policies aimed at adults and policies primarily targeting children in low-income families. Adult antipoverty programs typically include workforce development, credentials, and other educational opportunities that would lead to a good job, stable housing, food and nutrition, healthcare, transportation, income, work supports, access to other public benefits, and financial skill-building and savings efforts to help families weather tough times. In the child policy arena, early childhood education, K–12 education, early literacy, and home visiting programs have traditionally been aimed at shifting outcomes for children. More recently, a number of efforts have focused on helping families in ways that fall outside of these traditional silos—from helping parents create social networks and support systems to helping them build parenting skills and learn to manage stress. Regardless of the approach, far too few of these programs are designed to jointly shift outcomes for both children and their parents.

Addressing Whole Families

Yet research shows that to truly break the cycle of poverty, we must comprehensively address the needs of whole families. Indeed, policy, program, and research experience over the past several decades has demonstrated that child outcomes and parent outcomes are inextricably linked. For example, the amount of parental income has a direct impact on how children grow up and on their later outcomes. Leading poverty researchers Greg Duncan and Katherine Magnuson have found that providing just $3,000 to $4,000 in annual income to low-income families increased children's learning by the equivalent of approximately two months' advantage in school. A similar boost in income increased the earnings of children in those families by 17 percent when they grew up.[1]

In addition, a growing body of research suggests that parents do better when their children are well cared for. Reliable, high-quality early childhood programs not only help young children, but can also be critical supports for their parents in helping to make ends meet. For example, low-income parents are more likely to cite child care problems as a reason they had to change jobs, quit a job, or not take a job.[2] New research also suggests that consistent, quality child care can even help parents advance their own skills. In one study, human development experts Terri Sabol and P. Lindsay Chase-Lansdale found that the parents of three-year-old children in Head Start experienced steeper advances in their own educational attainment three years later compared with parents of children in the control group. This was particularly true for African American parents.[3]

Based on these multifaceted outcomes, two-generation approaches are rapidly expanding as program directors, policy administrators, and advocates find promising new ways to advance their work. To ensure that this approach becomes more integrated in the work to create opportunities for families, we must ensure that mistakes in past multigeneration policy efforts are not repeated. We must take advantage of what is new about the focus on two-generation approaches this time around—specifically, technology innovations and data advancements that can sustain progress. We also need to pay closer attention to the politics that both drive and threaten two-generation poverty efforts in order to ensure broad-based and bipartisan policy support.

With these lessons in mind, here are three policy areas that seem particularly ripe for two-generation policy advances: Head Start, in the child policy arena; Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T), which is most often identified as a benefit for adults; and Temporary Assistance for Needy Families (TANF), a multipurpose program that could also be reimagined as a uniquely two-generation policy innovation.

Our Two-Generation Past: Lessons Learned

Lessons from Historical Beginnings

Though the names have been different, there are many examples of past efforts to better align services for parents and children. In fact, this whole-family approach has historical roots in the beginning of the urban settlement movement, where settlement houses such as University Settlement and Educational Alliance in New York City combined a focus on educating young children, building communities, and helping their parents chart new educational pathways. Later, the community empowerment movement of the 1960s and 1970s and the family support and family resources efforts of the late 1970s and 1980s also helped draw attention to the need to create programs that combined supports for parents and children. Later models, many of which were developed through a family strengthening/family preservation lens, focused on reducing child abuse and neglect, and speeding family permanency efforts. More recently, the family support movement in the mid-1990s and the resource centers that it seeded tended to rely on poverty research and policy prescriptions that drew upon two-generational approaches to working with families. The discussions leading up to welfare reform also took these new models into account.

Despite a sound rationale, many of these efforts stalled and, ultimately, could not be scaled in any meaningful way. In the early 1990s, for example, some direct services programs began to weave together new resources created by the Family Support Act and, in particular, the funds available through the JOBS program to provide much-needed education and skills-training resources in communities. Yet much of the work faltered following welfare reform, which moved away from education and skill development and instead reinforced a work-first focus, much to the chagrin of two-generation–focused advocates. A thought leader at the time, the late Barbara Blum, then president of the Foundation for Child Development, warned, “If children’s basic needs are neglected in welfare-to-work programs, the investment in parents’ self-sufficiency will be squandered.”[4] This concern was warranted. Indeed, because of the focus on work requirements, participation rates, and other solely adult-focused outcomes, the momentum around two-generation approaches seemed largely to fade away for almost two decades.

Why Early Programs Failed to Take Root

One question raised by past efforts is why these program models and policies did not become part of mainstream antipoverty reforms. Despite the competing priorities within welfare reform, why did this collaborative, comprehensive approach to working with families fail to take root? In reviewing the literature of much of this work, it seems that many early two-generation approaches struggled in three key ways. First, many of the early programs addressed highly limited adult services such as parenting skills or parent engagement, rather than family economic success and pathways to more sustainable employment. As we consider current efforts, this experience makes clear that unless we address families' basic economic needs and how they influence parents' decisions and behaviors, current antipoverty efforts will achieve only limited success.

A second key lesson of the past is that many initial programs took much longer than expected to demonstrate desired outcomes. The same is true in the current debate about how best to braid adult and child services. Program directors all agree that, because it seeks to address deeply entrenched and complex family issues, the work also takes longer than one to two years to address effectively. In exploring new solutions to two-generation poverty issues, more realistic expectations among policymakers, system administrators, and direct service programs will ensure that there is enough time to change and develop the right partnerships and mix of services.

A last observation about the impact of welfare reform on the two-generation debate is that many of the most difficult aspects of program implementation on the front lines come from the sometimes unintended restrictions of policy and funding. Without directly addressing policy constraints that prevent the braiding of funding or aligning of various policies and program requirements in ways that make sense for families, programs are left with the daunting task of making these various interventions work for families when most were designed with an individual focus or outcome. Collaboration, as we know, is difficult and expensive. Developing truly effective partnerships and learning how to do the work differently requires more than a solid blueprint. It also requires new and more innovative building tools. While much of the attention in the past has focused on creating new two-generation program models and bridging social service and funding divides, less attention was given to complementary policy shifts needed to make work come—and stay—together for families. In the end, policy and systems trump program innovations every time. If we have learned our lessons, new two-generation approaches must work to address policy barriers and constraints from the top down while simultaneously working from the bottom up to build new programs and partnerships on the ground.

Today, we have the chance to learn from these past efforts and examine again two-generation approaches. Various sectors show renewed interest: philanthropy, practitioners working to deliver programs in new ways to families, and policymakers anxious to find new ways to address the long-standing challenges of poverty. Ascend at the Aspen Institute is leading the way as a hub for connecting the array of stakeholders interested in delving again into two-generation approaches. But many others, such as early childhood fields, postsecondary education and workforce fields, housing, and health, are coming together and creating new interventions. As P. Lindsay Chase-Lansdale noted, these new efforts are helping to forge the way in creating "Two Generation 2.0" and the next round of lessons on our collective effort to help lift families out of poverty.[5]

Opportunities to Advance Two-Generation Poverty Policy: What Is New and Different?

A New Era of Collaboration

Building on the lessons from the past, we have hit another inflection point in the history for bridging gaps and busting silos within the human services field. From a variety of sectors, we are seeing renewed efforts to integrate multigenerational poverty approaches more effectively, even as the problems they seek to address become increasingly complex. As the *Stanford Social Innovation Review* recently challenged funders, "Complex problems, such as improving the health of a particular group of people . . . are dynamic, nonlinear, and counter-intuitive. They are the result of the interplay between multiple independent factors that influence each other in ever-changing ways. . . . The interplay of these factors creates a kaleidoscope of causes and effects that can shift the momentum of a system in one direction or another in unpredictable ways. Each intervention is unique, successful programs cannot reliably be repeated with the same results, and learning from past efforts does not necessarily contribute to better future results."

The causes of poverty and the disorganized web of services currently available to low-income families are indeed a complex problem demanding new ways of thinking. Within and across government, philanthropy, and the human services/nonprofit field, however, we have an unprecedented opportunity to cut across program sectors and realign systems to create lasting change in the lives of families. The rise of collective impact initiatives in communities—such as the Harlem Children's Zone and Strive Neighborhood—has created renewed energy around bringing services and supports together for families in one place. Indeed, the neighborhood context and emerging theories of the impact of place are critical pieces of the puzzle in two-generation approaches, since high-quality services must be available to families in the context of their local communities. But effective approaches must reach beyond local limits as well, encouraging leadership within these organizations to engage with others in ways that go beyond their own immediate needs and mission.

Policymakers are also beginning to think about the intersection of policies that cut across traditional policy silos and singularly focused program interventions or policy changes within housing, early childhood education, or workforce development that have failed to achieve the more far-reaching outcomes we hope to see for families. In an effort to combat the complex challenges of poverty, all of these leaders—each in their own way—are tapping new skills around collaborative leadership, adaptive organizational change, rapid prototyping, and an increased sophistication on measuring results.

The Impact of New Science on Innovation

Since the 1990s, an explosion of new scientific research findings has helped catalyze the two-generation push and create a new imperative for changing the way we work with families. Brain science on the links between poverty and child development has been particularly transformative in these discussions. Researchers such as Jack Shonkoff have been working with neuroscientists and behavioral scientists to better understand and improve child development for children in low-income families. His research is helping demonstrate the deep connections between cognitive, social, and emotional brain development in children, as well as the impact of toxic stress—extreme and prolonged stress—on the architecture of children's brains.[6] More recently, he and other researchers have been looking at how to enhance adult noncognitive skills—especially in the context of how parents of all income levels engage and parent their children. Shonkoff and others are particularly interested in exploring key adult capabilities to help shape children's trajectories as well as the abilities of parents and other caring adults to improve their own resilience and problem-solving skills.[7] Programs like Crittenton Women's Union in Boston are using principles of brain development and science to improve their work partnering with families to achieve financial security by using technology to help parents sharpen their problem-solving skills, adapting the best research on behavioral change, coaching to more deeply engage with parents in achieving their goals, applying lessons from science to build an organizational culture that acknowledges the stress of living in low-income neighborhoods, and partnering with, rather than providing services to, families.

As Crittenton Women's Union and other organizations are discovering, new evidence is building around the practice of *coaching* as a way to help families facing multiple challenges change behavior and accomplish their goals. New knowledge from diverse areas—like smoking cessation, trauma-informed care, corporate executive coaching, and the use of coaching and motivational interviewing by organizations serving low-income families—is increasing the awareness that old case management and social work models are often ineffective in supporting and sustaining behavioral changes critical in finding pathways out of poverty. The new techniques, many of which are consistent across these different realms of behavioral change, focus more on helping families set goals, create a plan with key, incremental steps, and anticipate setbacks and roadblocks along the way. Organizations such as Garrett County Community Action Committee in Garrett County, Maryland, are employing a multidimensional intervention called Crisis to Thriving to help families identify their strengths and needs, and then using a comprehensive coaching model to partner with parents and children in moving them to opportunity.

Data and Technology Advancements: The "Glue" of Two-Generation Efforts

Another unique advantage of the current conversation on two-generation policy and program innovations is the advancement of data and technology to help link programs and systems. In 1990, well before the advent of Google and at the cusp of state human services data system upgrades, most health and human services programs did not have the technology to connect data across systems, funding streams, or organizations. Existing technologies at the state and program level remained largely siloed and were designed solely to track inputs and outcomes on interventions supported by particular funding streams.

Current efforts to create data warehousing and comprehensive data systems, however, are helping to revamp systems to look at whole families and a variety of different outcome measures. At the state level, projects such as the Integrated Data Systems Project, the Early Childhood Data Collaborative, the national Data Quality Campaign, and the Workforce Development Quality Campaign are working to combine data systems to create a better picture of families' needs and services being delivered by public programs. Nonprofits are also becoming increasingly savvy about creating data agreements to allow for shared data across organizations and the linking of data systems across the various programs and funding streams. While deficiencies in data tracking, multiagency data systems, and state data alignment continue to be significant barriers to creating holistic family policies and programs, these current efforts offer promising advances across multiple service levels.

Additionally, more recent technology advances are helping programs rethink the face-to-face nature of working with families. States have slowly begun to use the Internet to allow residents to apply for public benefits and services, with many of them developing single applications for a range of family benefits. Programs are also finding ways to use technology to provide better services and supports. For example, the Video Interaction Project uses videotapes of parents' interactions with their children as a teaching tool to show parents child development milestones and to start conversations with parents about how to foster additional learning at home. Other programs working with low-income parents are using text messaging to help clients manage appointments and create reminders for important goals and deadlines. Still others are beginning to use technology to actually deliver content and skill-building, like the new Vroom effort started by the Bezos Family Foundation (of Jeff Bezos, founder of Amazon). This product provides a phone app as well as other corresponding outreach and education materials to help parents create early learning opportunities for their young children.

An Opening for Bipartisan Support?

Creating true bipartisan support for two-generation approaches and the theories behind them is another critical pillar of sustainable two-generation policy. Policy is a key lever in helping two-generation programs work better for families and improve the way in which human services and systems for adults and children deliver services more efficiently and effectively. Indeed, two-generation approaches to alleviating poverty can drive policy changes that make for more efficient government and a more prepared workforce in the future. As the Annie E. Casey Foundation's vice president, Bob Giloth, notes, "[Two-generation policy] makes what is common sense, common practice."

In fact, there appears to be broad support across the political spectrum for two-generation approaches. New polling data from Lake Research Partners show overwhelming support of two-generation approaches. For Democrats, 91 percent support programs that help both parents and children, with 90 percent supporting them even if taxes increase. Republicans are more tax sensitive, but support two-generation approaches by 74 percent, with 64 percent still supportive even if taxes are raised. Independents are also strongly supportive, by similar margins.[8] These data show clearly that two-generation approaches to policy ideas, if framed carefully, can have strong appeal to both sides of the aisle. Policymakers are finding ways to articulate some of this work already. For example, Congresswoman Barbara Lee (D-CA) introduced federal legislation in 2013 to create the Federal Interagency Working Group on Reducing Poverty with a special focus on intergenerational poverty. Much of the interagency structure she proposes aligns with two-generation approaches and could be a vehicle for setting up a working group that addresses the alignment of adult and child programs and policies to help create opportunity for families.

At the same time, Republicans are beginning to find a new language and new areas of common ground in advancing the ideas and principles behind two-generation approaches. Republican thought leader Michael Gerson said on a two-generation panel discussion in 2012, "This is a powerful unifying theme. . . . if you talk about mobility and opportunity, there's a lot of common ground on these issues. It needs to go that one step further: to say we need opportunity and mobility, and we need to prepare people for opportunity. We're going to find good ways to do this from left and right that will allow our people to succeed in a free economy with the tools and values and skills they need."[9] Republican policymakers recently worked closely with Democrats on the reauthorization of the Child Care and Development Block Grant, one of the few bipartisan bills passed in the last several years on a key issue supporting low-income families. Many of the reforms enacted in the legislation would bring more quality into the child-care subsidy system—so that child care is a support for both parents and children. While little additional funding was provided to expand access to this critical support, lawmakers were able to find common policy ground on a program that truly supports whole families.

Progress at State and Local Levels

There is also significant hope for advancing two-generation policy ideas at the state and local levels. While partisanship is still high in many states, the practical need to make systems work better for families means that more legislators from both parties are embracing more common-sense, family-focused models of government. For example, one of the first explicit two-generation pieces of legislation was passed in Connecticut earlier this year. The bill addressed two-generation approaches to alleviating poverty by instructing the Office of Early Learning to advance a two-generation focus across parent- and child-serving organizations to address barriers to both school readiness for children and workforce readiness for their parents. Similarly, Colorado passed a bill working to expand its child-care system to help support the dual goals of allowing parents to work and children to learn in high-quality programs. In Utah, an intergenerational poverty commission, championed by Republican state senator Stuart Reid, is working to pilot two-generation programs across state agencies and systems. As Senator Reid notes, "Every child in our state should have the same opportunity as any other child. Not only will we save children if we pursue this aggressively, we'll save hundreds of millions of dollars from the consequences of the lifestyle we're subjecting these children to that could be reapplied to our education system."[10]

To be sure, advocates and policymakers must be careful to explain two-generation approaches in ways that bring everyone to the table. We must acknowledge that researchers and practice innovators are still building evidence that two-generation programs are a more effective way to serve families than more siloed approaches, and still coming to an understanding of how to prioritize and phase in such interventions. We need to understand better which families are most in need of—and will most benefit from—bundled adult and child services; we are still learning about the newest ideas for delivering such services more effectively. In particular, we need to ensure that these programs address the needs of families of color and immigrant families, many of whom face even greater challenges in accessing the services and supports they need. In the current policy climate, however, there is ample room to find common messages to support policies that align financial stability for families with programs that help children get the right start in life. With neither party "owning" two-generation approaches, now is the right time to be strategic in ensuring that both parties find the common ground needed to advance the concept across multiple policy areas.

Three Ripe Ideas for Two-Generation Success

It is both the challenge and the promise of a two-generation approach that most if not all human services delivery models would have to change to achieve success through this emerging policy lens. In addition to several broad policy agendas currently being proposed by the Annie E. Casey Foundation, Ascend at the Aspen Institute, the Working Poor Families Project, the National Center for Children in Poverty, the Brookings Institution, and others, three federal antipoverty programs, in particular, have great potential as early adopters of two-generation policy approaches and are poised to lead the way as we refine and test the next iteration of new ideas.[11]

Head Start

One of the most important programs that attempts a truly two-generation approach is Head Start. Beginning in 1965 as part of President Johnson's War on Poverty, Head Start not only focused on children but also was a part of the country's effort to address the cyclical nature of poverty by helping the parents of enrolled children achieve economic stability. Head Start has long offered parents training in early childhood programs, and some parents received direct help with job training. Many more are provided at least one-parent support service. Almost 50 years later, this program still has many of the structural components of a two-generation approach, though the focus in more recent years has been on children's learning.

Head Start programs have attempted to increase their focus on family economic stability in the past. In the early 1990s, Head Start began to implement a demonstration employing Family Service Centers, which were to provide collaborative services with other community-based organizations, as well as more intensive case management that included a needs assessment and integrated services for families. More recently, Kansas and Missouri were the sites of two-generation interventions for parents in two Early Head Start settings. Evaluation of both of these efforts found mixed results. Parents in Family Service Centers were more likely to enroll in education or training programs, more likely to report they were working toward a diploma or degree, and more likely to have received substance abuse services. But researchers were able to follow parents for only 19 months after the intervention began, and they note, as others have in the past, the need to allow sufficient time for two-generation outcomes to emerge in the lives of families. Similar findings in the Early Head Start evaluation were largely attributed to the difficulty programs had integrating employment and education into their core Early Head Start services and interactions with families. However, early evidence shows some beneficial impacts to parents' earnings among families who were expecting a child or had a very young infant when they first entered the study.

New evaluations are currently under way to help further our understanding of how Head Start can be used as a springboard for two-generation program delivery. A rigorous study of a two-generation intervention at CAP Tulsa, a leading Community Action Agency and Head Start provider, is under way. The Annie E. Casey Foundation is also evaluating four Head Start agencies across the country that are working to integrate a robust set of adult economic, education, and financial support services to the parents of Head Start children. More rigorous evaluations of various programs and models are sure to follow in the coming years that will contribute to policy and program design changes to help Head Start advance goals for both children and parents.

Although such findings will be illuminating, we need not wait to shift Head Start policy back to its roots of serving children and their families holistically. In talking with leading Head Start innovators and policy thinkers around the country, three key areas emerge that could be enhanced within Head Start.

First, policymakers could help advance a two-generation focus by updating policy to include a specific focus on Head Start parents. This would start with parents' own literacy and educational needs but also work to address the economic stability of the family by automatically screening Head Start families for other benefits such as healthcare coverage for children and parents, food assistance, and housing assistance. By changing the law and program standards for Head Start programs, policymakers can help Head Start programs build the partnerships and coordinate services within the community to ensure that families' basic needs are met. When services aren't available, additional funding within the Head Start grant should be available to help programs fill gaps in services and get parents the help they need.

Second, policymakers can begin to explore new models of working with families that use the best thinking and new research on coaching—and moving away from a traditional case management approach. Funding demonstrations centered on parent/family coaching would provide the next generation of research on how family support workers within Head Start can improve their practice and partner with Head Start families for the time children are in the program.

Third, policymakers could allow for demonstrations that expand Head Start services to meet two-generation goals. Head Start could implement whole-family interventions to serve children for the full day. For a parent engaged in a partner training, education, or workforce development program, the Head Start site could provide a full day of care to his or her children. Today, more than half of center-based slots in Head Start operate fewer than five days a week or fewer than six hours a day[12]—leaving program administrators with the job of blending and braiding other early childhood funds to cover the full day or full week, or parents without full-day/full-week care options. Aiming to create a streamlined, full day and full week of care—coupled with targeted services for parents—could provide an important base of support to two-generation interventions.

Additionally, policymakers could heed lessons from the past and allow some families to remain a part of Head Start's comprehensive family services and case management for a longer period of time—for example, through the child's third-grade year in elementary school. This would permit family support workers to work with families longer and also help track impacts on whole families over a longer period. Head Start agencies located within schools would be poised for this type of longer-term intervention; however, stand-alone agencies with strong partnerships with local schools could also be a part of the demonstration.

SNAP Employment and Training

On the adult services side, one promising policy area that could be used to test two-generation services more fully is Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T). This program provides funding to states to provide job search, work experience, education, and training programs, support services, and job retention services (up to 90 days) for SNAP-eligible populations who are not on TANF.[13] States propose annual plans to the federal government on how the program will be used. The federal government covers 100 percent of some costs and also provides matching funds for private or state dollars invested in the program to motivate states to support SNAP E&T participants with a broader array of services. States have great flexibility in the kinds of activities they include in their state plan and in what they can provide to SNAP recipients.

For example, state administrators could incorporate child care, transportation, housing support, and other key family services into their plans, thereby expanding the ability of programs to take a two-generation approach. Policymakers could create specific innovations for a range of parents not receiving TANF: disconnected youth who are parents (which is a striking 21 percent of the disconnected youth population),[14] parents with young children, and parents with older children.

In fact, a recent innovation for disconnected youth called Performance Partnership Pilots offers a good model that could be replicated using SNAP E&T dollars as well as other supports for families trying to get the education and training they need to move to financial stability. These pilots allow states, regions, localities, or federally recognized tribes to "propose pooling a portion of discretionary funds they receive under multiple Federal streams while measuring and tracking specific cross-program outcomes. This model for pooling funds, combined with strengthened accountability for results, is designed to ease administrative burden and promote better education, employment, and other key outcomes for youth." Following this model and targeting parents with young children, programs like SNAP E&T, child care, parent skill building, transportation, and other needed services could be combined to provide better, more lasting impacts on families. Developing programs and building evidence that help parents move more quickly into more family-sustaining jobs would provide an important picture of how our training and workforce programs must adapt to meet the challenges of today's low-income workers.

Temporary Assistance for Needy Families

Finally, as two-generation approaches can help both Head Start and SNAP E&T programs develop partnerships and move toward more family-friendly innovations, TANF is a program that could, in and of itself, be redefined as a two-generation program serving both parents and children holistically. There is also some evidence to suggest that aligning TANF to the principles of helping parents and their children together is a better approach to helping families move to opportunity than providing only cash assistance and mandates to work.

An evaluation of Nebraska's Building Nebraska Families (BNF) program holds potential promise for the kinds of additional assistance TANF families might use to find economic stability. BNF worked with rural welfare families between 2002 and 2005. In addition to TANF cash assistance, families received intensive home visiting services. There was a strong curriculum on personal improvement, which included goal-setting, problem-solving, and communication skills, as well as help on family life skills, including child development, parenting skills, and family management. Parents also gained practical skills in money and time management, health and nutrition, and the creation of a healthy home environment.[15] In a randomized trial, the approach led to impacts for all the participating families, but for the very hard-to-employ sample within the demonstration, there were large, significant impacts on earnings that grew over time. In the last six months of the 30-month follow-up, hard-to-employ TANF parents earned 56 percent more than the control group.[16] While this approach needs to be explored with a larger group of parents and those from more diverse backgrounds, the evaluation results hold promise for how families can use TANF to create the financial footing they need to build the skills they need to climb the ladder of opportunity while still ensuring that their children are getting the best start on their own lives.

Policymakers at the state level are already beginning to explore ways to rethink TANF's goals to include a focus on adult education and employment as well as child well-being. For example, in Utah, the Next Generation Kids pilot will focus on the entire family by assisting parents with employment and intensive services that benefit the whole family. The pilot project will target families with children 12 years old and under who have received cash assistance during the last 12 months. As Voices for Utah Children notes, "Recognizing that a two-generation approach has been shown to be the most effective method, the pilot will involve a whole-family service provision. Individualized services will be offered to parents and children to eliminate barriers to work and healthcare and also address other facets of self-sufficiency."[17]

To that end, state and federal policymakers should consider accelerating these innovations in TANF that would more intentionally bring together education and employment services for parents, along with high-quality early childhood programs, parent capacity building (as seen in the Nebraska demonstration), and the wrap-around child-care, health, and transportation services families need to put all of these pieces together. A key change to the program would have to include adding outcomes not only for parent education and employment, but also for children's well-being and educational success. By defining success for both parents and children, TANF could help bring critical comprehensive support to families rather than simply focusing on parents' employment status.

Conclusion

Using a two-generation approach to move policy forward is not new, but we now have a unique opportunity to take the lens of two-generation approaches and more deeply embed it in our policies, systems, and programs. Conversations are taking place on multiple program, community, and policy levels. New ways to advance two-generation approaches are emerging, most notably learning from the past, adopting technology innovations and data advancements, and moving closer to broad-based bipartisan support. Three programs are currently ripe for two-generation policy advances: Head Start, Supplemental Nutrition Assistance Program Education and Training, and Temporary Assistance for Needy Families.

The two-generation approach provides an important framework to help us as advocates, practitioners, policymakers, and funders maintain a laser-like focus on how to ensure that children's and parents' advancements are considered together. With more rigor applied to the monitoring, evaluating, and realigning of policy efforts, we can ensure that we are not only learning from the past but also embedding new lessons in real time.

At the same time, we must steward these efforts while fighting the prevailing currents to talk about this as a "model." We must ensure that we do not slip into the trap of thinking there will be some magic bullet that will solve poverty. Again, "Complex problems are . . . dynamic, nonlinear, and counter-intuitive." However, two-generation approaches offer a chance to begin to design policies, systems, and programs around families, rather than giving low-income families the runaround. They offer a chance to prioritize this work in communities of color—with efforts guided by what families in those communities say they need to move themselves and their communities forward. By learning from the past and tapping into this unique moment in time to truly embed two-generation thinking into our policies, systems, and programs, we can begin to tackle this complex problem of poverty and, in time, create better opportunities for both parents and children together.

Shelley Waters Boots brings almost 20 years of experience as a writer, researcher, and policy expert on issues affecting the lives of low-income children and families. She runs a philanthropic consulting business where she advises on investment strategy, research, policy, and communications across a broad range of issues.

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FIRST FOCUS

MAKING CHILDREN & FAMILIES THE PRIORITY

SUCCESS STARTS AT HOME: Using the Federal Affirmatively Furthering Fair Housing Rule to Tackle Education Inequalities for Minority Children

by

Mitria Wilson, Center for Responsible Lending

Far too often, the question of how to improve educational outcomes for minority children living in the United States leads to familiar proposals involving school busing, educational vouchers, or the formation of mixed-community charter schools. The purpose of this Big Idea is not to rehash the relative strengths or weaknesses of each of these approaches. Instead, without engaging in an in-depth discussion of their frequently debated merits, it is important for this analysis to merely note that each of these answers shares a commonality that should not be ignored. More often than not, each involves an acceptance of the premise that transplanting minority children into worlds removed from their existing neighborhoods, in the hope that exposure to learning in a different community that is often comprised primarily of majority students, is the only way to produce the desired educational improvements.

Maybe it is time for a new approach. In particular, this proposal advances the idea that federal housing policy—specifically, the Department of Housing and Urban Development's (HUD's) Affirmatively Furthering Fair Housing mandate—should be used to make a good education available in every community. First, the fair housing rule could empower states and localities to use federal housing dollars in a way that helps ameliorate educational inequality for a broader base of minority students by countering the funding disadvantages plaguing the schools in their very own neighborhoods. This proposal then recommends that HUD modify its recently proposed fair housing mandate to specifically identify funding inequality data as a basis for determining whether the quality of a neighborhood's school should be deemed a fair housing impediment. Finally, it suggests that schools seeking to remedy states and localities should develop solutions that generate investment in communities with less student spending in order to generate greater property tax revenue.

Money Matters

Per capita, children living in predominately minority communities in the United States receive less public funds for their education. Research has shown that, on an annual basis, schools with 90 percent or more minority enrollment spend $733 less per student than schools that enroll 90 percent or more white students, leading to a $9,529 funding disparity over the course of a student's kindergarten–through–high school education. For more than a third of all minority children living in America, this funding discrepancy represents their educational reality.[1] Nationwide statistics in more racially diverse neighborhoods reveal similar inequities by finding that, on average, public schools spend $334 more annually educating white students than for their nonwhite counterparts.[2]

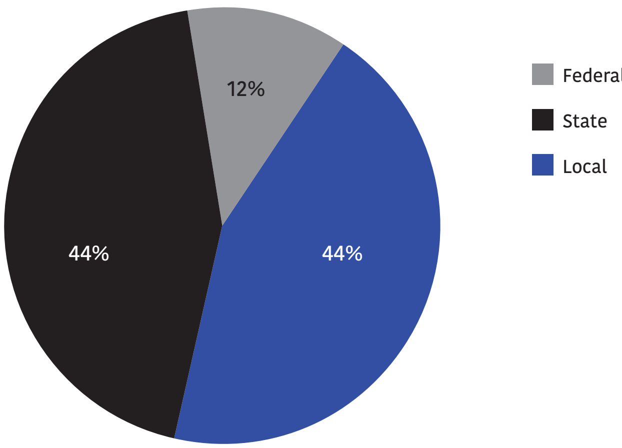
The root cause of this inequity is well documented. With nearly half of all education dollars coming from local governments,[3] the public education system's reliance on property tax revenue as a key funding source can lead to drastically different revenue results in majority and minority neighborhoods that often correspond with class level.

The result is that the nation's wealthiest 10 percent of school districts spend nearly 10 times more than the nation's poorest 10 percent of school districts in educating students.[4] Because race and class are often correlated, it should come as no surprise that African American and Latino children are far more likely to attend schools in high-poverty areas than Asian American and Caucasian children.[5]

So far, federal policy has been unable to successfully counter these funding disparities due to the limited financial footprint of federal dollars. The most recent estimates show that federal spending amounts to approximately 12 percent of direct education expenditures.[6]

Figure 1

Fiscal year 2011 primary and secondary education funding by government



Source: National Center for Education Statistics.

Given the limited nature of the federal government's existing direct expenditures on education, one logical approach is to examine whether indirect federal expenditures—that is, money not specifically allocated for educational purposes—can be used to supplement the federal government's efforts to counter funding inequities in public education. There is good reason to believe that federal housing policy, and federal housing expenditures in particular, can be used to lessen funding discrepancies by encouraging policies that expand property tax bases in minority neighborhoods.

Viewing Federal Housing Policy and the Affirmatively Furthering Fair Housing Rule as a Means for Reducing Funding Inequities in Education

Passed in 1968, the Fair Housing Act has been interpreted to require the federal government, within its constitutional limitations, to "provide for fair housing within the United States."[7] Accordingly, the federal government requires that state and local governments that receive federal housing dollars—such as Community Development Block Grants, HOME Investment Partnership funds, Emergency Solutions Grants, Housing Opportunities for Persons with AIDS funds, or funds for public housing agencies—to use those dollars in a way that affirmatively furthers the Fair Housing Act.[8] This requirement, known as the Affirmatively Furthering Fair Housing rule, mandates that states and local governments develop specific plans that proactively demonstrate to HUD how the federal funds will be used in their communities to break down the barriers imposed by discrimination.

In 2013, HUD released a proposal to change the regulations governing the Affirmatively Furthering Fair Housing regulation, with the goal of providing program participants with a more effective means to advance the purposes and policies of the Fair Housing Act. Specifically, the proposed rule redefines *affirmatively furthering fair housing* to mean:

> [T]aking proactive steps beyond simply combating discrimination to foster more inclusive communities and access to community assets for all persons protected by the Fair Housing Act. More specifically, it means taking steps proactively to address significant disparities in access to community assets, to overcome segregated living patterns as well as support and promote integrated communities, to end racially and ethnically concentrated areas of poverty, and to foster and maintain compliance with civil rights and fair housing laws.[9]

In the proposal, HUD identifies "reduc[ing] disparities in access to important community assets[,] such as quality schools" as one of the four core goals of the Affirmatively Furthering Fair Housing requirement.[10] Thus, federal housing policy and the Affirmatively Furthering Fair Housing mandate already recognize the correlation between government investment in housing and the quality of public education that a child receives. More important, they have already adopted a framework that encourages states and localities to use federal housing funds in a way that facilitates greater minority access to quality education.

To satisfy the requirements of the proposed Affirmatively Furthering Fair Housing rule, states and localities must engage in a two-step process. First, they must conduct an assessment of fair housing in their community based on the four major situations identified by HUD as impediments to fair housing:

1. Disparity in terms of access to community assets, such as quality schools
2. Segregation
3. Racially or ethnically concentrated areas of poverty
4. Disproportionate housing needs[11]

The proposed assessment must be based on regional and national benchmarks and data provided by HUD, which is designed to facilitate the measurements of trends and changes over time.[12] Accordingly, the data set used to assess a particular community asset, such as the quality of schools, is of critical importance.

Second, to the extent that any of these four situations is found to exist, state and local governments must—after soliciting input from the affected community— specifically identify how the allocated federal funds will be used to ameliorate the fair housing impediment. Both the assessment and the remedial proposal make up the key components of the required plan that must be submitted to HUD.[13]

Looking Beyond Performance Data to Assess the Quality of Neighborhood Schools

Unfortunately, what the proposed regulation gets right in principle about the relationship between housing and school quality, it fails to fully accomplish in practice. Why? The answer comes down to the data. In the proposed Affirmatively Furthering Fair Housing rule, HUD suggests that school quality can be assessed exclusively on a sole factor. Specifically, HUD proposes to assess the quality of schools by using "school-level data on the performance of students on state-level exams to describe which neighborhoods have high-performing elementary schools and which have lower-performing elementary schools."[14]

This performance-based metric, viewed in exclusion, has the potential to be used as a justification for policies that serve to perpetuate, rather than eradicate, educational inequality for minorities, because performance is an outcome-based determinant that does not necessarily acknowledge the root causes for the outcome. To the extent that HUD recognizes that it is imperative to address the underlying cause of the disparity, the proposed rule is relatively silent on the mechanism that the department intends to use for that purpose. Instead, the initial regulation merely suggests that "[u]sing an assessment tool provided by HUD, the assessment will identify the primary determinants influencing conditions of integration and segregation, concentrations of poverty, disparities in access to community assets, and disproportionate housing needs based on protected class."[15]

Rather than relying on an ambiguous assessment tool to identify underlying causes for fair housing impediments, a stronger approach to assessing the quality of schools is to look specifically at data pertaining to per-pupil spending.

To be sure, some politicians, pundits, and researchers have argued that there is "no strong or systematic relationship between school expenditures and student performance."[16] Yet, that assertion ignores a rather large body of empirical evidence that suggests otherwise. For example, University of Chicago professors Larry Hedges, Rob Greenwald, and Richard Laine found that "moderate increases in spending may be associated with significant increases in achievement."[17] Many studies have found that increased access to more experienced teachers, school resources, and smaller class sizes are positively correlated to student spending levels.[18]

The reason including funding inequity data is so important to fair housing analysis is that it forces state and local governments to develop strategies and solutions that invest in disadvantaged communities, advance home ownership initiatives in those communities, and build the local property tax base. The impact of that result is not limited to children; rather, it benefits the community as a whole.

Conclusion

This paper examines the use of the Affirmatively Furthering Fair Housing rule as a way to address funding inequalities in education. First, the fair housing rule could empower states and localities to use federal housing dollars in a way that helps ameliorate educational inequality for a broader base of minority students by countering the funding disadvantages plaguing the schools in their very own neighborhoods. Second, it recommends that HUD modify its recently proposed Affirmatively Furthering Fair Housing rule to specifically identify funding inequality data as a basis for determining whether the quality of a neighborhood's school should be deemed a fair housing impediment. Finally, it suggests that schools seeking to remedy states and localities should develop solutions that generate investment in communities with less student spending to generate greater property tax revenue. Focusing on funding disparities encourages governments to improve an existing school's condition rather than using funds to expand opportunities for a few of the affected children to receive education in more advantaged communities. Ultimately, it endorses the idea that educational success can and should start at home.

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FIRST FOCUS
MAKING CHILDREN & FAMILIES THE PRIORITY

CATCHING UP ON THE COST OF RAISING CHILDREN:
Creating an American Child Allowance

by

Megan A. Curran, InclusionUS

The United States is a wealthy, powerful, and diverse nation—with the potential to offer much to its children. Yet evidence suggests that American children are not faring nearly as well as they could be.

In 2013, the United States ranked 26th (out of 29 high-income countries) on child poverty and well-being (Adamson 2013). Economic changes have affected Americans of all ages, but children—particularly very young children—have borne the brunt of the effects. Close to half of all American children (43 percent) currently live in economically insecure households. Nearly one in five children live below the official poverty line, but approximately one in four children under the age of six do (DeNavas-Walt and Proctor 2014; AECF 2013).

The United States is also an outlier among high-income nations in terms of public investment in children. This is so, even when compared only with those with which it has the most in common in terms of welfare state structure and politics—Australia, Canada, Ireland, and the United Kingdom. Specifically, those countries offer a national child allowance (or child benefit) cash transfer to support families with the cost of raising children; the United States does not.

Not only does the United States lack a dedicated child allowance, but overall federal spending on children's social programs is in decline and significant disparities in program eligibility, access, and child outcomes exist across states (Isaacs et al. 2013; Gais 2012).

A U.S. national child allowance can support parents and reduce poverty, while countering current underinvestment trends and regional disparities in child outcomes. This proposal draws upon international evidence to identify a set of key characteristics common to successful child allowance policies—and of most relevance to the American policy context—to develop a set of options for creating and administering a national child allowance in the United States.

What Is a Child Allowance?

In its most basic form, a child allowance (used here interchangeably with the term *child benefit*) is a regular cash payment the state makes to parents based on the presence and number of children in the household. Historically, it has served as the "primary policy instrument" in the field of family policy internationally and is "still the most popular vehicle" used to support children in industrialized nations today (Kamerman and Kahn 1997, 3; Bradshaw and Finch 2002, 24).

A child allowance is first and foremost designed to assist families with the financial cost of raising children. Evaluations from countries where child allowances are in place show that increases in household benefits for children are linked to increased spending on children's items (Waldfogel 2010; see also Gregg, Waldfogel, and Washbrook 2005, 2006 and Madden 1999). Countries often structure them with close links to child care policy and also use them as antipoverty policies (Harding 1996).

Why Compare Policy across Countries?

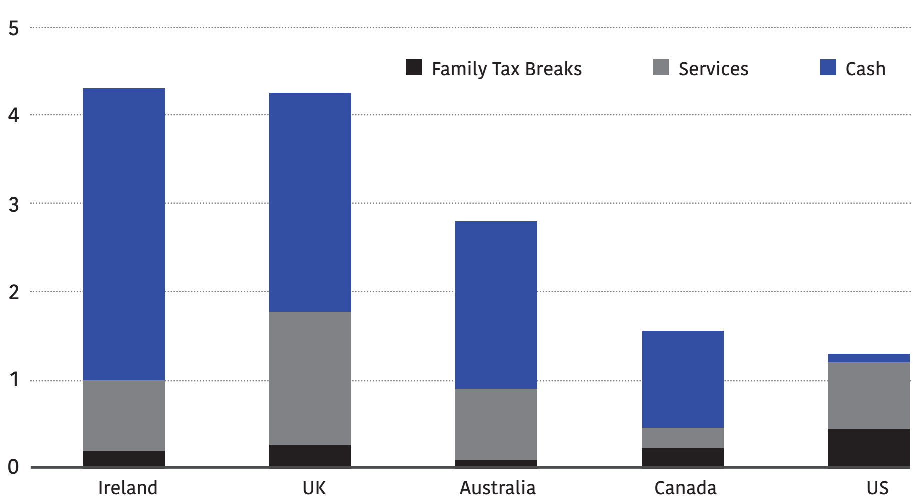
It is common to want to know how one's country fares in comparison to others. For policymakers in particular, it is useful to know what lessons—or cautionary tales—can be gleaned from other countries' experiences.

Since it is long established that U.S. welfare state investment levels differ greatly from those of the Scandinavian countries, it is useful to consider how countries with welfare systems and challenges similar to the U.S. structure operate their child allowances. Institutionally, Australia and Canada are federal systems like the United States, with their political and decision-making power divided among the central government and states/provinces. The United Kingdom is a more centralized state, but there is a history of sharing social policy between it and the United States and recent decades have seen a convergence in their welfare spending and delivery trends (Midgley 2008). Ireland is a small country but has one of the highest proportions of means-tested social expenditure in Europe, making its public investment trends very similar to those of the United States (NESC 2005).

Together, the five countries highlighted here (including the United States) are all known as "liberal" welfare states—in the sense that they have market-oriented approaches to public-sector care and service provision; moderate levels of social expenditure; means-tested benefits; and an overall tendency to "leave most up to the family even where others have assigned larger roles to the state" (Esping-Andersen 1990; Kamerman and Kahn 1997, 16). They also all have relatively low rates of elderly poverty but significantly higher rates of child poverty and income inequality and offer similar types of wage subsidies, tax offsets, and rebates to families to combat these trends (Esping-Andersen et al. 2001).

Figure 1

Public spending on family benefits in cash, services, and tax measures, in percentage of gross domestic product, 2009



Source: Adapted from OECD Family Database Chart PF1.1.A (OECD 2014).

Experts observe, however, that the United States is an outlier even within this group. Not only is it the lowest of this group on overall public spending on families, but most notably, "the U.S. is unique in its *lack* of a universal child or family allowance" (Kamerman and Kahn 1997, 17).

U.S. Social Policy: A Safety Net with Many Holes

The introduction of a national child allowance in the United States would not occur in a policy vacuum though. The U.S. federal budget contains more than 180 programs relating to children (First Focus 2013). And while the U.S. safety net has strengths, it is a patchwork—rather than a universal—system of support.

The children's programs with the broadest reach and greatest antipoverty impacts include the family tax credits; the Supplemental Nutrition Assistance Program, or SNAP (formerly known as Food Stamps); and Medicaid. They also happen to be the children's programs structured as federally funded entitlements, which have no annual funding caps and require no regular legislative appropriations. As such, they are often immune from year-to-year budget fluctuations and—crucially—are able to serve all who are eligible. In contrast, the vast majority of children's programs are means-tested and funded by the discretionary part of the federal budget, meaning they have capped funding levels requiring annual appropriations.

Children's programs are also subject to a number of design constraints that significantly affect access and program impact—what Quinterno (2013, 12) terms the "eligibility gap, the coverage gap and the hardships gap"—and result from inadequate income thresholds for program eligibility; restrictive funding structures (such as block grants); and benefit levels insufficient to bring families out of poverty.

The detrimental interaction of these factors can be seen within the one existing U.S. program that most closely resembles a national child allowance—the Child Tax Credit. Despite its good intentions and fairly broad reach, the Child Tax Credit has a very uneven phase-in and phase-out system; has limited accessibility for low-income families because it is not fully refundable; and loses value each year, as it is not indexed to inflation.

Finally, children's access to the safety net depends largely on where in the United States they live. Eligibility and coverage rules vary significantly by state—producing geographic, racial, and ethnic disparities and reducing the overall efficacy of safety net investments. Such disparities are critical to note in light of recent demographic shifts, as the U.S. child population is growing in the exact regions where public investments in children are the lowest and child outcomes are the worst—specifically the Southwest (O'Hare, Mather, and Dupuis 2012).

How, then, to address these troubling trends?

There is a clear need to reverse the decline in U.S. public investments in children and address the structural gaps in the set of programs that serve them. A nationally uniform, federally funded entitlement specifically dedicated to children—and one that will reach lower- and higher-income families both—would serve these dual purposes.

Comparing Child Allowances

What, then, do the experiences of other countries offer the United States? A 2014 review of the child allowances in Australia, Canada, Ireland, and the United Kingdom, conducted by the author, revealed the uniqueness of each program. They offer different benefit amounts, payment methods, and schedules, and some target particular groups within the child population more than others (e.g., children in single-income households, children in poverty, or children in different age groups).

Yet a number of key commonalities also emerged: integrated, national benefit administration systems and high take-up rates; frequent payments; a decoupling of child allowances from parental employment status; and a broader, two-prong approach to serving children with both cash allowances and direct services.

Relevance to U.S. Policy Priorities

On two points of importance to U.S. safety net policy—the interaction between public benefits and the labor market, and state and local flexibility over program design—Canada, perhaps, offers the most interesting comparative example.

U.S. policymakers are particularly attuned to potential labor market incentives and disincentives—for example, effective marginal tax rates, or the potential income loss incurred when an individual moves from social assistance into paid employment—when considering social payments to families. That is in large part because the current U.S. system of public supports is closely tied to employment as a condition for benefit receipt.

Canada targets its child allowance payment levels by income but has worked to create a "smooth" benefit structure to prevent sharp vertical inequities between families who have similar incomes but who may fall within different income brackets of benefit eligibility (Battle and Mendelson 2001, 134). As a result, a 2013 evaluation of the Canadian child benefit program found that its design "made work financially more attractive than social assistance for families by improving the difference between minimum wage employment and social assistance" (ESDC 2013).

And though its child allowance is a federal program, Canada also purposefully preserved the federal–state balance of power in its National Child Benefit reform by providing provinces and territories with the

> flexibility to adjust social assistance or child benefit payments [in their area] by an amount equivalent to the National Child Benefit Supplement. If they choose to adjust social assistance or provincial and territorial child benefit payments, they then reinvest these social assistance savings (or provincial and territorial child benefit savings) and any additional funds in benefits and services for low-income families with children. (ESDC 2013)

This is an effort to enable province-level governments to adjust aspects of the National Child Benefit program for their localities as they see fit, while still maintaining a universal benefit floor and stable overall funding levels nationwide. The recipient programs of this reinvestment are most often child care and preschool programs operated at the provincial/territorial level, but they may also include local wage supplements, children's healthcare, and youth services. This is of particular relevance for the United States given that the bulk of U.S. in-kind services for children are operated at the state and local levels.

These features reflect the choices these countries have made on the best way to deliver public investments in children. But child allowance policy decisions are also significantly influenced by a country's own political context—most notably, national political commitments on income and child poverty, particularly in Australia, Ireland, and the United Kingdom (Curran 2014). Taken together, this information provides a relevant set of evidence to inform debate and decision making on a U.S. child allowance.

Creating a Child Allowance in the United States

A national child allowance, done well, has the potential to address a number of the structural shortcomings within the current U.S. welfare system. From the Australian, British, Canadian, and Irish child allowance experiences emerges a set of policy elements critical to success that should be central to the design and implementation of a U.S. child allowance:

Simplicity

An easy-to-understand allowance, with clear eligibility, access, and payment features, can not only foster political and public support but help contain administrative costs and encourage take-up. In addition to international examples, innovations in public program enrollment, retention, and delivery are also emerging across various U.S. states and localities (Dorn and Lower-Basch 2012) and can help inform the system design of a national allowance.

Broad-Based Eligibility

Universal (or as close to universal as possible) eligibility minimizes stigma and administrative complexity, and assists in the achievement of high take-up rates. If the decision is made to target the allowance, Canada's "smooth" system offers a model for income targeting that softens the distinction between income brackets while still reaching a majority of children. Alternatively, the allowance can target different age groups—providing higher benefits to newborns and adolescent children, as in Australia, or weighting allowances more heavily toward pre-school-aged children (when evidence suggests developmental gains are high). The latter has been proposed, but not enacted, for the U.S. Child Tax Credit (Curran 2013). Eligibility criteria should also be structured in a way that recognizes the financial needs of larger families.

Structure It as a Federal Entitlement

Too often, capped funding levels mean that U.S. children cannot access the supports for which they are eligible. Structuring a national child allowance as a federal entitlement program ensures that all eligible children will receive it and access will be uniform across the country.

Independence from Employment Status

By making no eligibility distinctions by sources of household income, a national child allowance can function as a consistent, nonstigmatizing, and "portable" benefit for children, regardless of changes in family income levels or parental employment. This is a key antipoverty feature, as studies show that families on lower incomes are constantly moving in and out of poverty due to the uncertainties of low-wage work (Quinterno 2013). An independent child allowance can help stabilize the amount of family income available for children's needs.

Frequent Payments

To truly assist with the cost of raising children, an allowance must be delivered on a regular basis to assist with regular costs (e.g., food, child care, transportation, education and extracurricular fees, and more). At a minimum, a U.S. allowance should be delivered on a monthly basis—but the experience of other countries suggests that it is possible, and indeed beneficial, to deliver payments on a fortnightly or even weekly basis.

Couple an Allowance with an Increase in In-Kind Services

Research on investing in children, as well as the experience of the highlighted countries, demonstrates that cash transfers are most effective when coupled with direct services for children. An expansion of services for young children, such as universal child care or preschool—alongside a national allowance—would require additional investment. But the overall cost for these direct services are minimized and contained by the fact that they are, by default, targeted to a narrow set of young children because children "age out" of child care and preschool services after just a few years (Fahey and Nixon 2013).

"Big Bang" Policy Implementation

To borrow Battle and Mendelson's (2001) phrase from their analysis of the Canadian reform, it is best to roll out a new child allowance program in its full state—in a "big bang"—rather than using an incremental approach. This method ensures the full implementation of a new policy and, critically, the preservation of political support and funding.

Manage Expectations for Success

It is important to be clear about what a national child allowance can and cannot achieve as a new policy. In other words, do not set the policy up to fail, politically or in the eyes of the public. Analysts from various countries note that as a cash transfer alone (i.e., without in-kind services or broader economic changes), a child allowance is unlikely to be a silver bullet for child poverty eradication. However, it does play a real preventative role: reducing the depth and incidence of poverty for families on lower incomes, contributing to social inclusion, and promoting child well-being across income levels and across the country.

Administering a U.S. Child Allowance

The preceding are all key policy elements to incorporate within a U.S. national child allowance. Given the collection of current public supports for children, though, how might such an allowance be delivered within the existing U.S. system?

In terms of administrative ease, two primary options present themselves:

Administration through the U.S. Tax Code

The Internal Revenue Service is already in regular contact with the majority of U.S. households with children, even those on very low incomes. A child allowance administered through the tax code could either complement existing tax credits specific to children, including the Child Tax Credit or the Child and Dependent Care Tax Credit, or be structured as a reformulated version of one or both of those credits in a way that broadens eligibility to capture low-income families currently ineligible, simplifies filing, and pays out frequently (at least monthly, ideally even weekly or biweekly). Complicating this administrative setup is that the IRS is primarily geared to make annual—rather than frequent—payments to households. However, recent research indicates that the IRS can improve its methods of distributing frequent payments with minimal risk to households (see, for example, Maag 2010).

Administration through the U.S. Social Security System

Alternatively, a new U.S. child allowance could be housed within the Social Security Administration. This system is one with the capacity to collect dedicated revenue streams and is already set up to make monthly payments to households. The registration of a child at birth for a Social Security number can trigger automatic enrollment into the child allowance program. The administration of both a child allowance and Social Security through the same system also would have a nice symmetry—in that one federal agency would be tasked with the mission to administer universal income security payments to those unable to support themselves through employment: the youngest and the oldest in society.

Conclusion

Creating a child allowance in the United States means creating a new investment in children.

New public investments require not only a sound evidence base but also political will and timing because "for better or worse, all programs must live and die in a political environment" (Battle and Mendelson 2001, 132). Former acting U.S. Secretary of Commerce Rebecca Blank (2010, 179) observed that "it is not an accident that the creation of nationally legislated public assistance programs in the United States did not occur until the Great Depression of the 1930s"—that only in the face of "the deepest and longest period of economic stagnation in U.S. history . . . was it politically possible" to establish new large-scale supports at the federal level.

Today, in the aftermath of the deepest global recession since the Great Depression, the United States is arguably at an equally important crossroads—particularly for the fate of its youngest generation. The creation of a national child allowance may not be a cure-all for America's children, but it is a worthwhile place to start.

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Notes

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TACKLING POVERTY THROUGH THE IMPLEMENTATION OF A CHILD ALLOWANCE PROGRAM

by

Matthew Bruenig, Blogger

No matter how you measure it, child poverty in the United States is extraordinarily common. According to the country's official poverty metric, 21.8 percent of children—a total of 16 million kids—live below the poverty line. Under the Census Bureau's supplemental poverty measurement, 22.3 percent of children are counted as impoverished. Under the relative poverty metric more commonly used elsewhere in the world, 21.2 percent of U.S. children are considered to be in poverty, which is one of the highest child poverty rates in the developed world.

Children who grow up in these impoverished conditions face enormous challenges. Poverty undermines family and residential stability, contributes to nutritional problems, stunts physical and especially mental development, creates immense stress, and makes it difficult to excel in school. Children born in and around poverty have a very hard time moving up the economic ladder as adults, and those who do manage to do so still suffer lifelong health consequences nonetheless. For these reasons, it is crucial that we reduce poverty and material insecurity among families with children in this country. There are many ways to accomplish this goal, but the absolute best way is by implementing a child allowance program.

Existing Child Benefit Programs

Before getting into the specifics of what such a program would entail, it is useful to take account of some of our existing social programs for families with children. The two biggest programs come through the tax code via the child tax credit (CTC) and the personal tax exemption for children (PE). Although slightly different in form, these two policies suffer from identical problems: they both direct more money to middle- and upper-class families than to poor families, and they both deliver their benefits in largely unpredictable windfalls during tax season.

The CTC is a complicated semi refundable tax credit program. Typically, a qualifying family is able to claim the CTC and reduce their federal income tax liability by $1,000 for each child. The availability of the benefit phases out after a certain income level, meaning upper-income families receive less than the full $1,000 benefit or, if their incomes are high enough, no benefit at all. Low-income families whose tax liabilities are less than the credit amount can sometimes receive a portion of the credit as part of their tax refund, but how much depends on their market earnings. So, although the typical middle-class family enjoys a $1,000 benefit from the CTC, poor and rich families receive less than that and sometimes no benefit at all.

The PE is a relatively simple tax deduction program. It allows parents with dependent children to mark down their income for tax purposes by a set dollar amount for each child. In 2013, the PE amount was set at $3,900. The dollar value of the PE to a given family depends on their marginal tax rate. Those with the lowest incomes receive no dollar value from the PE. Families with incomes that put them in the 10 percent marginal tax rate receive $390 of value from the PE. Families in the 33 percent marginal tax rate get $1,287 of value. Overall, the richer the family is, the more value the PE is to them, up until their income is above the very high threshold, at which the PE phases out.

If the goal of these programs is to help parents raise their children, they are terribly designed. Because the programs are attached to market incomes and tax liability, they provide relatively little assistance to poor families who need it the most. Due to complications and timing, the CTC and PE also make it nearly impossible to meaningfully incorporate their benefits into a stable household budget. For most, the benefits come as a relatively unknown windfall around April of each year, bundled together with any other tax refunds the family might also receive. Neither the benefit structure nor the annual windfall delivery system makes much sense.

The Child Allowance

A better way to approach this problem is to get rid of the CTC and PE in favor of a child allowance. Under a child allowance program, every family would receive a flat dollar amount for each child every month. Think of it like Social Security for kids.

On first glance, this might seem like a radical idea, but it's really not. A significant number of European countries already have child allowance programs in place, including France, Sweden, and Finland. The logistics of sending out checks to every family each month might seem like a daunting task, but the Social Security Administration (SSA) already sends out money to 63.5 million beneficiaries each month. Especially with modern benefit delivery systems, like direct deposit and reloadable debit cards, the SSA could easily be expanded to carry out this task.

In addition to providing equal benefits for all children in a reliable monthly form, a child allowance could also deliver substantial childhood poverty reductions. I calculated that a $300 per month benefit level (a figure I chose because it matched Republican senator Mike Lee's proposal to expand the CTC to $3,500) would pull 6.8 million children out of poverty and thereby cut the official child poverty rate by 42 percent. It would also pull 4.7 million parents out of poverty. Of course, it would not just help those 11.5 million people. Children and parents who remain in poverty, even with the child allowance, would still hugely benefit, as would those who are currently near poverty but not quite in it. In fact, all parents would benefit because all parents would receive it.

A $300 per month child allowance would be costly, but not terribly so. In 2012, such benefits would have added up to $265 billion, but that's not counting the savings that would come from eliminating the CTC and the PE. According to the Joint Committee on Taxation, the CTC costs around $57 billion each year. I cannot find any estimates of what the PE costs, but it's bound to be well into the tens of billions of dollars as well. It's plausible, therefore, that the net additional cost is actually somewhere near $165 billion. This is equal to about 1 percent of gross domestic product. Raising that amount of money is easily done as a policy matter, especially given that the United States has one of the lowest tax levels in the developed world. Other tax-expenditure programs could be trimmed, and rates could be bumped slightly. In addition, policymakers could set the benefit level lower than $300 if necessary. At any benefit level, it's better to use a child allowance than the PE or CTC.

Conclusion

The sky-high child poverty rates we have in this country are almost solely a function of our inadequate social income policies. The way countries with low childhood poverty achieve their low levels is through income transfer programs just like or very similar to what I am proposing here. Labor markets do not provide parents with more income to undertake the enormous costs of bringing their children into adulthood. Thus, if parents are going to be assisted in that socially beneficial task, other distributive institutions are required, and the best such institution is the child allowance.

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FIRST FOCUS
MAKING CHILDREN & FAMILIES THE PRIORITY

ROTH IRAS FOR KIDS:
Little Savers, Big Results

by

U.S. Congressmen Rubén Hinojosa (TX-D)
and **Steve Stivers** (OH-R)

A conversation is occurring on Capitol Hill about the opportunity to build wealth in America and the difficulty for families to climb the economic ladder to join or remain in the middle class. As policymakers, we must steer the discussion to what can be done and to what works.

Studies consistently show the short- and long-term benefits of savings. Young people with their own savings accounts are up to seven times more likely to attend college than similar young people without accounts of their own, even when controlling for factors such as parental education, family income, race, and school achievement.[1]

Low-income families that save set the stage for intergenerational economic mobility. Children from low-income families that save are more likely to climb the economic ladder as they age than children from similar families that do not save; 71 percent of children from high-savings, low-income families rise out of the lowest income quartile over their lives, compared with just 50 percent of children from low-income, low-saving families.[2] Not all the benefits of savings are economic in nature, however. Children participating in the child development account program of the Saving for Education, Entrepreneurship, and Downpayment (SEED) experienced such nonfinancial benefits as improved future orientation and self-esteem.[3] The future well-being of our children depends in part on their ability to build at least modest assets as they transition to adulthood.

However, many modern Americans refrain from saving as much as they should to prepare for financial shocks, to invest in education, and for retirement. An unsustainable 45 percent of working Americans do not have any retirement savings,[4] and just over half of Americans do not have enough savings to cover three months of expenses, the amount that experts recommend.[5] The current lack of household savings threatens not only the financial stability of American families but also the future of the American economy.

The Financial and Economic Literacy Caucus (FELC), a bipartisan caucus of members of the U.S. House of Representatives, was founded in 2005 by former Congresswoman Judy Biggert, a Republican from Illinois (R-IL), and current Co-Chair, Congressman Rubén Hinojosa (D-TX), Democrat from Texas.[6] The message of the Caucus is a nonpartisan one and remains the same with the new Republican Co-Chair, Congressman Steve Stivers (R-OH)from Ohio: policymakers need to empower consumers with the information they need in order to make healthy financial decisions and have access to the financial tools to build a secure future. A focus on financial literacy makes sense for lawmakers from all points on the ideological spectrum; —financial empowerment can alleviate poverty and reduce inequality, while also providing Americans with the tools to be financially independent and self-reliant.

As the co-chairs of the Financial and Economic Literacy Caucus (FELC), we came together to find simple proposals with broad appeal that would encourage savings for young people and improve their financial capability. Studies have shown that pairing a savings account with financial education acts as a force multiplier.[7] Intuitively, we know that learning about financial concepts from a book pales in comparison to engaging with an account of your own. This idea led us to a proposal that has had many proponents over the years in the financial literacy and asset-building fields—that is, to eliminate the Roth Individual Retirement Agreement (IRA) earned-income requirement for young people.

Roth IRAs have become the darling of financial planners; they are tax-preferred, long-term accounts that have high growth potential. With modest income caps, Roth IRAs are limited to low- and moderate-income workers. Unlike traditional IRAs, Roth funds can be withdrawn penalty-free prior to retirement for higher education, a home down payment, or financial emergencies.

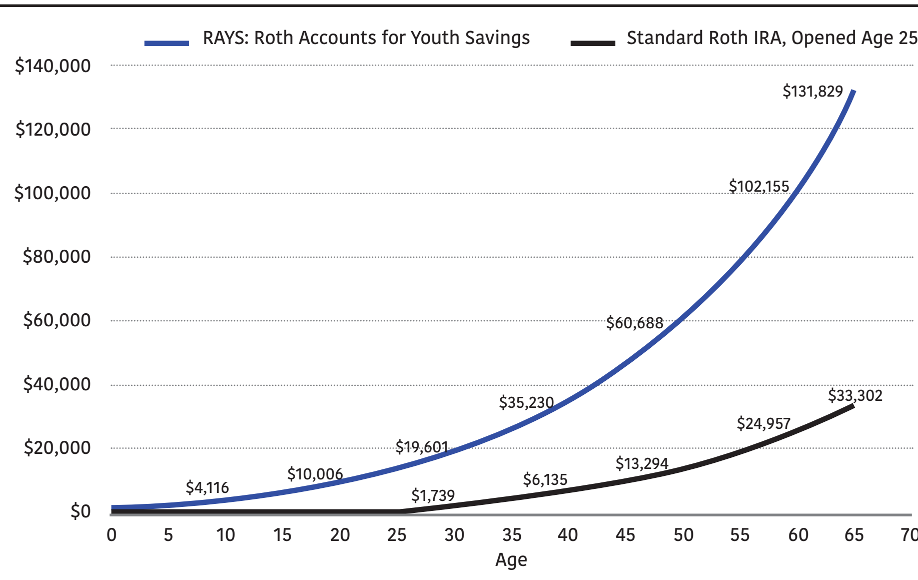
Recognizing the broad appeal of creating a Roth IRA for young people, we recently introduced H.R. 4129, the Roth Accounts for Youth Savings (RAYS) Act. This act proposed removing the earned-income requirement, which would open the door for RAYs to be set up for very young children. Funding for RAYs could come from multiple sources: parents, other family, or organizations. RAYs would use the parents' Roth IRA contribution limits, requiring no new federal spending.

Nonprofit organizations and local governments have expressed interest in seeding child development accounts for low-income children in their communities. For example, in 2010, the city and county of San Francisco launched K2C (Kindergarten to College), the nation's first universal child savings accounts involving seeded child savings accounts for all entering kindergartners.[8] In Cuyahoga County, Ohio, county officials plan on starting a similar program. RAYs would offer better long-term growth potential for these programs than standard savings accounts. RAYs would also offer more flexibility than other savings products aimed at children, such as the state-based 529 plans, Coverdell education savings accounts, and basic savings accounts. Whereas Coverdells and 529s can be used only for education expenses, RAYs could be used for higher education, homeownership, medical expenses, and retirement.

The biggest appeal of RAYs can be found in the simple concept of compound interest and the time value of money. By limiting the Roth IRA to those with earned income, we are truncating the years available for investment growth, which can drastically affect the final account balance. For example, with an initial deposit of $500 at birth and a subsequent $250 annual deposit (about $21 per month), a RAY would be worth $131,829 at age 65 (assuming a 5 percent return). If opened at age 25 with the same $500 deposit and $250 annual contribution, the Roth IRA would only be worth $35,229 at age 65. Future savers should have the opportunity to accrue up to 25 extra years of compound interest, which, in our example, equates $96,600.[9]

Figure 1

Why RAYs?



The RAYS Act calls for a simple change in the tax code and no new federal spending. Nonworking spouses currently have the ability to open a Roth IRA; this bill would simply expand the exemption to dependents. Although the bill makes only a small policy change, it could have a big impact. The current market for tax-preferred, long-term financial products for youth is very limited. Removing an unneeded restriction allows financial institutions to offer new products that would boost the asset-building power of child savings. The result is a win-win for families and financial institutions. There is no reason that Congress should not remove the Roth earned-income barrier for youth.

Undoubtedly, RAYs are no panacea for income inequality, and their availability will not automatically lead to participation. Currently, only 7 percent of workers (and 2 percent of workers who make less than $20,000 per year) have an IRA of any kind, even though IRAs have been available for decades.[10] In fact, too many Americans lack a basic checking or savings account, not to mention retirement and investment accounts. The Federal Deposit Insurance Corporation (FDIC) has found that 17 million Americans lack a checking or savings account, and an additional 51 million have an account but still use costly alternative financial services. Indeed, we need a broader discussion about bringing underserved communities into the financial mainstream.[11]

Access to quality savings products must be coupled with financial education; otherwise, participation will continue to stagnate. It is imperative to teach our young people about the time value of money, the most important financial concept, so they can take advantage of their relative youth. When it comes to the size of retirement savings, time is on their side. The bipartisan RAYS Act would create one very valuable option.

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FIRST FOCUS
MAKING CHILDREN & FAMILIES THE PRIORITY

COMMUNITY SCHOOLS:
A Vehicle for Educational Equity

by

Congressman Michael Honda (D-CA) and
California State Senator Carol Liu (D-CA)

Introduction: Why Community Schools?

The impacts of poverty in this country cast a long shadow over the issues of education, social mobility and global competitiveness. Although we are finally focusing more national conversation on the issues of income inequality we do not talk enough about poverty in America. We seem to be at a loss about specific solutions that could address this overbearing issue. Where do we find solutions to these complex social issues? We have to look no further than our local neighborhood schools that have become community schools.

What does it look like when communities take collective responsibility to strengthen families and support children through community schools? Access to services is enhanced by resources such as school-based health and wellness centers. Curriculum is enriched by connections to local businesses and cultural institutions. Community volunteers are coordinated and trained to provide tutoring and mentoring. Resources are leveraged through coordinating city, school and county leadership and initiatives. Student learning is extended by coordinating afterschool providers with classroom studies. Adult learning is available through school site classes in parenting, ESL and computer skills. Parent and community engagement is amplified by making the local school site a central hub of community activity.

By strategically aligning resources, these intentional collaborations strive to guarantee each child has access to the academic, health and social supports he or she needs to succeed in school and life. The community schools approach provides a structure to solve problems, align efforts and coordinate programs for maximum impact. By working together, each community can leverage its unique resources to focus on the needs of the whole child.

Community schools coordinate community resources using schools as hubs in support of student success and strengthened families. Community schools focus on equity by aligning the resources of an entire community to ensure student success. Educators, families, community volunteers, health and social service agencies, businesses, government, non-profits and others committed to children and families are changing outcomes by establishing deep working relationships and collaborations. They focus on developing new operational structures to ensure that budgets, services and programs are aligned to the school plan to meet the needs of students and their families.

In California, we have thriving community schools across the state in Los Angeles, Pasadena, Redwood City and San Francisco. Two districts - Oakland and Vallejo - are becoming full-service community school districts in which every school will be a community school. Nationally, community schools can be found in about 100 places, from Cincinnati, OH to Hartford, CT to Tulsa, OK and Albuquerque, NM. Over 1,500 people invested in community schools - educators, parents, nonprofit and business leaders, elected officials and community organizers - came together in April for the Coalition for Community Schools National Forum in Cincinnati, OH.[1] More recently, New York City Mayor Bill de Blasio invested $52 million to launch 40 community schools in New York City in partnership with the United Way.

Our work in California is thus part of a growing national movement around community schools as a vehicle for educational equity, to close both the achievement gap and the opportunity gap. Results are promising: a Child Trends 2014 report reviewed national evaluations of integrated student supports and community school initiatives and found growing evidence that community schools reduce grade retention and dropout rates, while increasing attendance, math achievement, and grade point average.[2] The authors also reported that community schools offer a positive return on investment. We offer here our perspectives on community schools as an effective equity strategy for California and nationwide, and our respective work and leadership to elevate this strategy in the discourse of education reform in the state legislature and in Congress.

California State Senator Carol Liu, D-CA: Community Schools – An Equity Strategy Uniting Communities and Families

As a policy maker, I seek to use government resources efficiently to produce positive outcomes. Coordinating the delivery of social services, enrichment and curriculum with the school district, non-profits, local government and the business community maximizes the effective and efficient use of resources and addresses inequities. That is why I support community schools.

I chaired the California Senate Human Services committee at the height of the great recession. As the current chair of the Senate Education Committee, the connections between health, social service supports and educational outcomes could not be clearer. Children burdened with the impacts of poverty and limited social capital have hurdles that most middle class families never imagine. In California over one quarter of all children live in poverty.[3] For Latinos and African Americans, that number is one in three. Fifty-eight percent of California children are poor enough to be eligible to receive free or reduced price school meals. In Los Angeles County that percentage rises to two out of three children.[4]

The impacts of lack of access to healthcare, community violence, and a pervasive lack of social capital are tremendous barriers for students who depend on access to quality education and college and career opportunities to climb out of poverty. Community schools provide on-the- ground, at-the-school, and in-the-neighborhood solutions to address these daunting barriers to learning.

We also know that the cycle of poverty contributes to the cycle of crime. At a time when we are trying to reduce our prison population and redirect investment to education instead of incarceration, the high poverty rate poses a major obstacle. The community schools strategy gives us the opportunity to identify at-risk kids early and intervene with support and services that can assist them and their families. That early investment will pay off in the long term.

In 2013 I held a statewide bus tour examining promising practices among community schools that are making a difference to address the challenges faced by so many of our young people and their families.[5] From Los Angeles to the Bay Area, in both urban, suburban and rural communities we heard from local community leaders who had built effective cross-agency partnerships to support children and families.

The groundwork for community schools is laid when a community comes together to build a common agenda around top priorities. That agenda will vary depending on the needs and strengths of each community. The drive to create that shared agenda can also vary. In Nashville, Tennessee the Chamber of Commerce took the lead. In Cincinnati, a non-profit led the charge along with the school board, and in Portland, Oregon it was the county. Here in California we see school districts like Oakland taking the lead or, as in Pasadena, sharing responsibilities with city government.

In my Senate District in Los Angeles County there are a growing number of local community schools initiatives. The Pasadena School/City/Community Work Plan[6] is an effort based on the Coalition for Community Schools' results framework.[7] The plan was adopted by the city council and school board in 2013 and has been the impetus for a range of new initiatives. Early meetings identified gaps in collaborative efforts and the silos typical in community institutions. All too familiar disconnects surfaced such as city and school district departments that both worked with homeless families yet had minimal cross-agency interaction and coordination while serving the same clientele. The baggage of decades of institutional separation and wariness going back to the days of court ordered desegregation in the 1970's began to give way to a structured collaboration and jointly sponsored projects. The current focus of efforts between the School and City is the development of shared governance to ensure the work is sustained, remains relevant over time, and becomes a part of these two institutions' work together so that Pasadena students graduate college and career ready.

Because of the Pasadena Board of Education and City Council's commitment to the Plan, new and innovative partnership opportunities that support the shared mission are emerging. Two joint use gyms are under construction on school campuses that will have city programs in extended hours. However, deeper collaboration between the School and City demonstrate a movement to extend beyond joint use facilities to joint investments in purpose and mission. More recently, City Human Services and Recreation Department after school program staff were trained in early childhood education practices in a joint venture with nearby Pacific Oaks College. The city and schools in partnership with UCLA Center for Healthier Children, Families and Communities are administering the Early Developmental Instrument; a population-based measure of early child development in five key domains to produce reliable citywide and neighborhood level data and maps representing children's health and development for planning and evaluation purposes.[8] With funding from the Pasadena YMCA the city and school district administered the Search Institute's 40 developmental assets survey to better target programs and services.[9] City administered Community Development Block Grants now give extra points for alignment to the School/City/Community Work Plan. These intentional coordinated community school efforts are a smarter way for communities to achieve measurable goals. They represent smarter, more effective government driven by local priorities. By building the organizational infrastructure at the state, county, city and school level we can leverage our scarce resources and utilize collective impact strategies to change communities.

My office is also engaged in developing the new California Community Schools Network. The intent of the network is to leverage California's unique assets to boost student achievement by promoting, supporting and enhancing collaboration between schools and their community partners. The California Community Schools Network will connect local community school efforts to each other and with statewide stakeholder and advocacy organizations to highlight and share information about impactful community school policies and practices. The network will build broader understanding and support for community schools among local and state-level policymakers and school and community leaders.

The launch of the California Community Schools Network builds on the recent transformative shift in state education funding and accountability. The new Local Control Funding Formula (LCFF) has created a significant opportunity to expand community schools. LCFF represents a commitment to education equity. The new funding formula recognizes that foster youth, low-income students, and English language learners need additional resources to achieve their college and career dreams.[10] The ultimate goal is to close the achievement gap and assure access for all students to a quality education, with an emphasis on the whole child.

In addition to standard academic achievement measures, California educators now must also concentrate on areas such as student engagement, parent involvement and school climate. These broader state measures are a recognition that indicators such as chronic absence, suspension and parental participation rates are critical issues that schools must prioritize to move student achievement. Community schools are a highly effective way to improve all of these measures.

LCFF sets eight state priority areas that every district must address through their new Local Control Accountability Plan (LCAP). Community schools can leverage all of these. The development of the LCAP is designed to include significant parent and community input. LCAP priorities are driven by collaborative outreach to parents, students, teachers, and community members. Parent and community involvement and student engagement are critical elements in a quality educational experience and a central focus of community schools. The new local control framework in California provides a significant lever to expand community schools across the state and focus on education equity, and I am excited to continue to lead efforts to bring the community schools strategy to all schools in California.

U.S. Congressman Michael Honda, D-CA: Community Schools as a Scaffolding Strategy for Educational Equity

Teachers everywhere will tell you about the importance of "scaffolding" in education. Scaffolding is the building of new learning on a framework of existing knowledge and experience. For example, while memorizing multiplication facts may be necessary, it is meaningless without context and application; it is nonsensical if you haven't yet learned to add and subtract or count. Learning is not about filling a child's brain with distinct, isolated chunks of knowledge or facts. Learning is ultimately about a child building a diverse and well-connected network of knowledge and experience upon which new understanding can reside. As a former teacher and principal, I know first-hand the importance of meeting students where they are, academically and in all other ways, and helping them to bring out the best in themselves.

Our children are similarly successful when they are provided with the rich human and fiscal resources they require. They are successful when they are provided with a strong and diverse network of interconnected resources. Community schools are a proven, scaffold-based model of success in education. They help to provide the structure of support that is essential for students who live in the worst poverty and need. Community schools' focus on providing every child with holistic, wrap-around services and enriching opportunities will ultimately help to improve education for each and every child.

America has recognized the interconnectedness of schools and communities since the days of our first public schools. It is clear that schools improve and strengthen communities; in return communities, in the form of public and private entities, as well as individual actions, can improve and strengthen schools. Utilizing the school as a hub of activity empowers communities, and ultimately improves student performance. It is time for the federal government to increase its role in encouraging the development of community-based schools. The federal government has the ultimate responsibility to ensure that every child, in every community, regardless of the zip code in which they live, has access to the fiscal and human resources that schools can provide.

That is why I helped produce a 2013 report, For Each and Every Child, which highlights promising practices to close the achievement and opportunity gaps, and offers policy recommendations at the local, state, and federal levels to increase equity in our schools. Meeting the needs of high-poverty students is one area where the strong school-community partnerships found in community schools are a clearly effective strategy.[11] Our report highlighted the success of Cincinnati's community learning centers (community schools) that the district has invested in. These centers have helped dramatically improve graduation rates, and have raised the expectations for young people and their families about what is possible for their futures. In particular, we highlighted the Oyler School, a preK-12 Cincinnati school that is home to the nation's first school-based vision clinic, along with dental services, mental health counseling, and food assistance and adult education for families. Not long ago, 80% of students from Oyler dropped out of school after grade 10. By 2010, the school's graduation rate had climbed to 82% due to the faithful implementation of the community school strategy.[12]

Part of my charge going forward from this commission is to introduce and enact legislation and funding to support strategies, like community schools, that we have identified as ways to give each and every child an excellent education. That is why Senator Bernard Sanders (I-VT) and I introduced the Supporting Community Schools Act (HR 3873/S 844).[13] This bipartisan act allows the community school model to be utilized as a turnaround strategy for schools that are labeled "in need of improvement." This is a simple, no-additional-cost fix to federal policy. It is recognition that we cannot solve the problems in our education system by simply closing "bad" schools or firing "bad" teachers. The Supporting Community Schools Act reinforces the idea that we need to provide our teachers, schools, communities, and most importantly the children they serve, with the scaffolding provided by community based services.

The idea of community schools is cost-effective, broadly supported, and bipartisan in nature. In July 2014, Representatives Aaron Schock (R-IL) and Steny Hoyer (D-MD) introduced the Full Service Community Schools Act (HR 5168),[14] which I am cosponsoring. The bill authorizes funding for competitive grants to expand community schools across the country. It also would authorize funding for state collaboratives, comprised of state government and nonprofit agencies, to develop greater support and capacity for community schools at the state level.

My colleague, Representative Judy Chu (D-CA), has introduced the Developing Innovative Partnerships and Learning Opportunities that Motivate Achievement Act (HR 2237).[15] This bill would give states block grants to develop a statewide assets and needs assessment of youth outcomes that go beyond test scores to include school climate, access to full-day kindergarten and Advanced Placement classes, and more. The state would then create a plan in response to its assessment, and develop indicators to track their progress on various outcomes. Sub-grants would then go to local partnerships between school districts and nonprofits, community-based organizations, institutions of higher education, and other entities to replicate the same assessment and plan at the local level. Through this work, more schools can move toward the community school strategy as they seek to support and enrich their students' learning, through more than just academic achievement, in order to educate the whole child.

Since 2008, more than 30 million dollars have been awarded as grants to develop successful community schools, including $10 million in Fiscal Year 2014, thanks in part to my work on the House Appropriations Committee. The work that has been completed so far, however, is simply not enough. The demand far outstrips the availability of funds. I applaud President Obama and Secretary Duncan for their administrative action and work to expand the community school strategy through the Promise Neighborhoods Initiative. It is time for Congress to take action and appropriately fund this proven solution by increasing the annual appropriations for the signature grant, the Full Service Community Schools program.

I want to help bring the success we see at Oyler School to all schools in my district, in California, and across the country. Every child and family deserves a community school where they can thrive, and where the community can gather and unite. Community schools are an old idea made new—to essentially make the school the center of the community and house various services and enriching opportunities all in one place. As a former principal, I know the value of adequate dental and vision services for students; of after-school opportunities that motivate children to wake up in the morning and come to school; and of a welcoming environment for families that allows them to learn and lead alongside their children. Community schools offer these attributes.

I will continue to work with my colleagues in Congress, and with my constituents from California, to garner support for policies and funding to help community schools expand to more children, families, and communities across the country. I hope you will join me in this venture to elevate community schools into our national discourse of what really works to achieve both equity and excellence in education.

Conclusion: Bipartisan Momentum for Community Schools

Our joint state and federal public policy goals should be to provide cross-agency collaboration among government institutions, remove barriers and provide incentives for the development of community schools, secure a sustainable funding stream, and design a rational accountability system that allows innovation while promoting the use of best practices throughout the state and the nation.

The recent bipartisan introduction of the Full Service Community Schools Act (HR 5168) in the House illustrates that community schools represent a strategy that everyone can support. They lend themselves to local ownership and development, offer a proven strategy to pursue greater educational equity for all young people, and honor families and communities as vital partners in the success of their neighborhood schools. We cannot imagine a more intuitive, equitable, and promising strategy for school improvement and neighborhood revitalization, and we are thrilled that Representatives Hoyer and Schock have come together on this bill and through a recent joint commentary in Education Week to champion community schools.[16] We are excited and honored to continue to advocate for more schools to become community schools, both in California and nationwide, for we feel that all young people should experience the same degree of success, support and pride that we see occurring in community schools every day.

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UPSIDE DOWN: Higher-Education Tax Spending

by

Jeremie Greer and **Ezra Levin**,
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Every Family Should Be Able to Save and Invest in Its Child's Education

There is no better investment to break the cycle of poverty than to invest in the talents and aspirations of children. Although higher education is one the surest pathways out of poverty,[1] fewer than 10 percent of low-income students graduate from college by their mid-20s.[2] The federal budget and tax code reflect a belief in the transformative power of education, and yet much of our federal higher-education spending fails to support those students who need it the most.

Our Big Idea is to turn this upside-down spending right side up—that is, to expand educational opportunity by redeploying existing spending more effectively and equitably.

In the past two decades, federal tax-spending programs (or tax expenditures) have become an increasingly large source of support for higher education. This spending mostly goes out in the form of after-purchase reimbursements through tax deductions, exclusions, and credits. A small portion also supports college savings.

Years of research document how college savings can expand child educational aspirations while also increasing financial capability for their higher-education years and beyond.[3] We know that pairing a college savings account with financial literacy training for young students works.[4] And we know that even low- and moderate-income children with less than $500 are three times more likely to enroll in college and four times more likely to graduate than those without savings.[5]

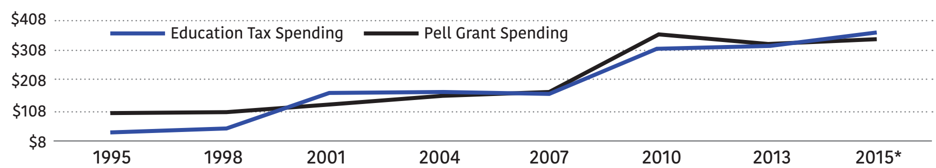
Unfortunately, both after-purchase tax reimbursements and tax-supported college savings programs focus benefits on high-income households, while providing little for most working families and their children. This paper serves as a guide for turning this upside-down spending right side up. We provide an overview of the size and shape of higher-education tax spending, the distribution of these benefits, the tax support for college savings, and federal policy recommendations that can expand educational opportunity for all Americans.

The Tax Code Spends Billions of Dollars to Support Higher Education

Tax spending is one of the largest sources of support for higher education. In 2013, the federal government spent more than $60 billion in the form of nonloan aid to help students pay for higher education. Although spending on Pell Grants for low-income students accounts for a significant percentage of that support, federal tax spending accounts for an even greater share.[6] This is not a new phenomenon. Although most higher-education tax-spending programs came into existence only in the past 20 years, they have grown quickly. Between 1995 and 2003, Pell Grant spending increased 258 percent (adjusted for inflation), whereas higher-education tax spending increased more than 1,050 percent. Given this rapid pace of expansion, it is no surprise that tax spending on higher education has regularly matched or exceeded Pell Grant spending since the early 2000s.

Figure 1

For 20 years, higher-education tax spending has regularly matched or exceed Pell Grant spending.



Source: Authors' calculations based on Office of Management and Budget (Appendix, Budget of the U.S. Government) data for fiscal years 1997, 2000, 2003, 2006, 2009, 2012, and 2015.

Notes: Inflation adjusted to 2013 dollars. Values for 2015 are presidential budget requests, not actual outlays. Tax expenditures include the follow exclusion of scholarship and fellowship income: the Helping Outstanding Pupils Educationally (HOPE) tax credit, the Lifetime Learning Credit, the American Opportunity Tax Credit (including refundable portion), Coverdells, 529s, deduction for student loan interest, deduction for higher-education expenses, parental personal exemption for students, and exclusion of employer-provided educational assistance.

In 2013, the largest sources of this tax spending were as follows:[7]

- **$16.6 billion from the American Opportunity Tax Credit (AOTC).** This is a $2,500 partially refundable credit for tuition, fees, and books for students at degree-granting postsecondary institutions. The AOTC can be claimed for up to four years of undergraduate education, and families without tax liability can claim as a refund up to $1,000 of the credit each year.

- **$5.2 billion for parental personal exemption for students.** Allows families to reduce their taxable income by claiming a student aged 19–23 as a dependent. Without this provision, most students over the age of 18 cannot be claimed as dependents by their parents.

- **$2.9 billion from the exclusion of scholarship income.** Allows students who use academic scholarships to pay for qualified expenses—generally, tuition, fees, and course materials—to reduce their tax liability by excluding those scholarship dollars from their taxable income.

- **$1.8 billion from Lifetime Learning Credit (LLC).** This $2,000 nonrefundable credit applies to tuition and fees. Unlike the AOTC, the LLC can be claimed for graduate school expenses (in addition to undergraduate expenses) and can be claimed for an unlimited number of years.

- **$1.75 billion from 529s and Coverdell education savings accounts.** Allows families to deposit after-tax savings into a restricted savings account that grows tax-free, similar to a Roth Individual Retirement Agreement (IRA). An account's designated beneficiary can use the savings to pay for qualified higher-education expenses (and K–12 expenses in the case of Coverdells).

- **$1.7 billion from the deduction for student loan interest.** This $2,500 above-the-line deduction can be claimed for loans taken out to pay for tuition and fees, course materials, room and board, and other expenses such as transportation.

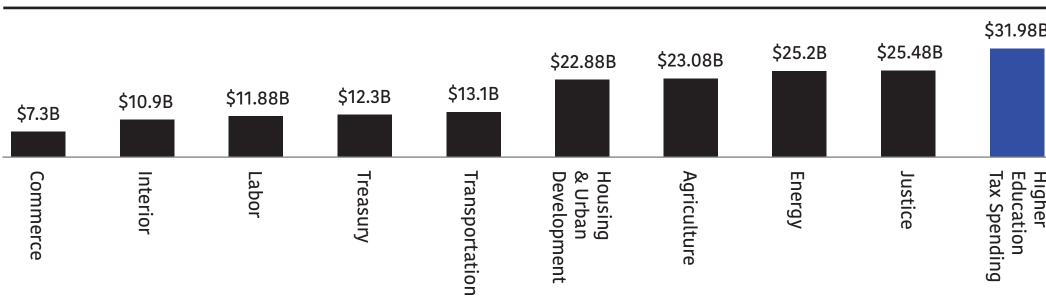
- **$0.7 billion from the exclusion for employer-provided education assistance.** This $5,250 exclusion for education benefits is provided to employees by their employers, covering tuition, fees, and course materials.

» **$0.6 billion from the deduction for higher-education expenses.** This $4,000 above-the-line deduction can be claimed for tuition and fees. Neither room and board nor course-related materials are eligible expenses for this deduction.

To put this funding in perspective, the amount of tax spending on higher education is larger than the discretionary budgets of nine cabinet-level departments. From another perspective, spending through the tax code for higher education is roughly equal to the primary sources of federal support for special education (Individuals with Disabilities Education Act), K–12 (Title 1A), and pre-K (Head Start) *combined*.

Figure 2

Billions in perspective: Federal higher-education tax spending in 2013 outweighed the discretionary budgets of nine federal cabinet-level agencies.



Source: Authors' calculations based on data from the Office of Management and Budget (2014) and Tax Policy Center (2014).

Higher Education Tax Spending Focuses Support on High-Income Households

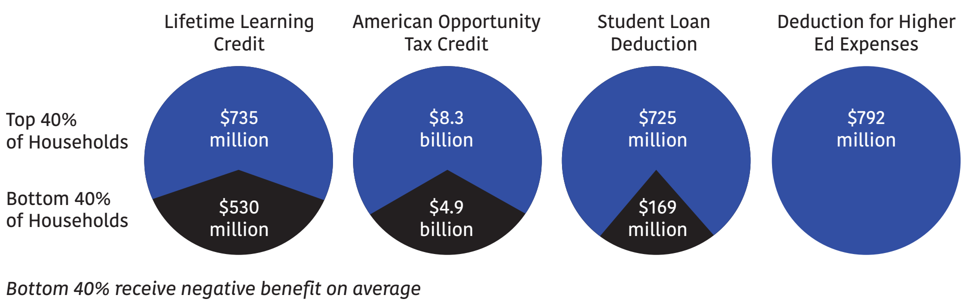
Federal investment in education should aim to expand opportunity, regardless of whether the investment is made through direct or tax spending. Aid may come through tax spending, such as the AOTC, or direct spending, such as Pell Grants; in either case, the most important feature of higher-education support is not the mechanism through which it is provided but the effectiveness with which it expands opportunity.

Pell Grants, for instance, clearly target aid to working families and students who need support the most. Among dependent students who received Pell Grants in the 2011/12 school year, 95 percent came from families that made less than $60,000 per year.[8] Pell Grants primarily help working families and individuals afford college, expanding opportunity for students who might otherwise not attain a higher-education degree. Although tax support may reach further up the income spectrum, the focus of *all* higher-education aid policy should be to expand opportunity in this way.

Here is a simple test of equity and efficiency: Do the bottom 40 percent of households receive as much aid as the top 40 percent? For a four-person household, the bottom 40 percent make less than about $70,000 annually, on average, while the top 40 percent make more than $100,000.[9] An education-aid program that fails the 40/40 test clearly fails to focus support on expanding educational opportunity. The Urban Institute analyzed four of the largest sources of higher-education tax spending— AOTC, LLC, a deduction for interest on student loans, and a deduction for higher-education expenses.[10] Combined, these four credits cost the federal government $20.4 billion in 2013, accounting for the majority of all spending on higher-education tax spending. Not one of these tax credits passes the 40/40 test. In fact, for all but the LLC, the top 40 percent of households receive more than all other households combined.

Figure 3

Upside down: Higher-education tax spending focuses on support for high-income households.



Source: Authors' calculations based on data from Urban Institute (2014).

Poorly targeted tax spending leaves working families behind. For every dollar of aid that a top 40 percent household receives from one of these tax benefits, a bottom 40 percent household receives less than 52 cents. The largest of these programs, the AOTC, is partially refundable, increasing the benefits it provides to low-income households. But even with this commendable feature, the top 40 percent of households received $8.3 billion from the program in 2013, or more than half of all AOTC spending for that year.

Although smaller in size, the most lopsided of these higher-education tax-spending programs is the deduction for higher-education expenses. On average, the bottom 40 percent of households receive *negative* support from the deduction, because it increases tax code complexity. Many families accidentally claim the deduction instead of an alternative higher-value credit (like the AOTC or LLC), thus reducing their overall tax benefit. A 2012 report by the U.S. Government Accountability Office (GAO) found that in 2009, more than 200,000 households claimed the deduction for higher-education expenses instead of the more valuable LLC.[11] Because of its structure, the deduction for higher-education expenses is essentially a Pell Grant for the wealthy, providing support almost exclusively to those at the very top.

Existing Tax Incentives Fail to Help Most Families Save for College

Most higher-education tax spending is poorly timed for working families. More than 90 percent of higher-education tax spending comes in the form of after-purchase subsidies, meaning households receive the tax benefit months after paying for tuition, buying books, or financing some other qualified education expense. This structure of support naturally benefits high-income households, which can tap existing savings for educational purchases today while counting on support in the future after they file taxes. This does very little for the 44 percent of Americans who are liquid-asset poor and do not have the financial resources necessary to front these costs.[12]

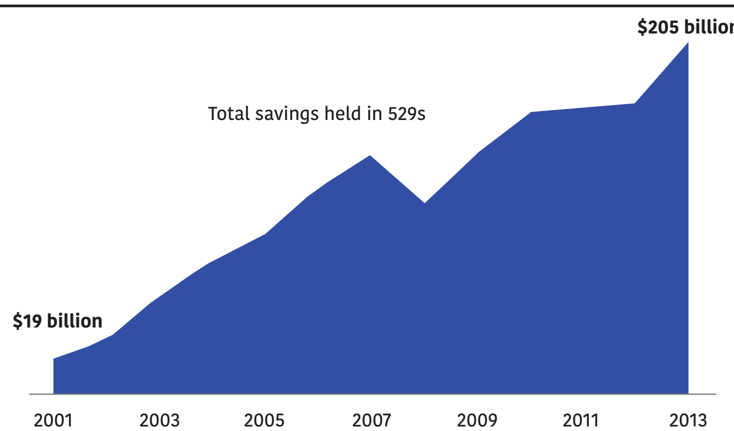
However, there is another way to help families afford college: help them save for college. Families with savings for college can use those savings when they incur education expenses. Investments made today grow every year, boosting the ultimate amount of savings and maximizing its impact. Furthermore, evidence suggests[13] that the act of saving for college itself can significantly improve educational outcomes.

Saving for college can have a big effect on college access and completion. College savings programs not only solve the timing problem presented by traditional tax-based aid but can also expand educational expectations and increase college success.[14] We know that even small savings can make a big difference. The Assets and Education Initiative at the University of Kansas found that low- and moderate-income children with less than $500 saved for college were three times more likely to enroll and four times more likely to graduate than those without savings.[15]

Coverdells and 529s were created to increase college savings. Created in the mid-1990s, 529s function similarly to Roth IRAs but for education rather than for retirement. Although deposits are not tax deductible on federal tax returns, the accounts grow tax-free, and qualified withdrawals are not counted as taxable income. Thirty-four states also provide a state tax deduction for 529 contributions.[16] In the most common version of 529s, parents, children, or others make deposits into state-administered qualified tuition plan savings accounts. Students can make qualified withdrawals to pay for tuition, fees, books, supplies, and room and board. Withdrawals made for nonqualified expenses are subject to a 10 percent penalty, and the earnings of those withdrawals are subject to normal income taxation. Fueled by generous tax treatment of these investments, total savings in 529s has exploded from $19 billion in 2001 to more than $200 billion in 2013.[17]

Figure 4

Savings in 529s have increased 954 percent in 12 years.



Source: Authors' calculations based on data from Government Accountability Office (2009), Savings for College (2013), and Savings for College (2014).

Coverdells are also tax-advantaged savings accounts for higher education, but they function slightly differently from 529s. Coverdells can invest in a more diverse array of assets, including stocks and bonds. And unlike 529 accounts, withdrawals from Coverdells can also be used for pay for K–12 expenses, such as prep school.

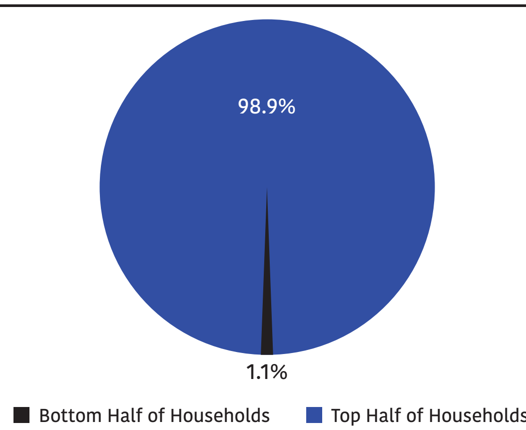
The structure of 529s and Coverdells tilts benefits toward high-income households. Coverdell and 529 tax benefits accrue at the top of the income distribution for two reasons. First, these benefits take the form of deductions and exclusions rather than refundable credits, so higher-income families who have greater tax liability receive greater tax benefit. Second, several features of 529s act as barriers to low- and moderate-income families, including minimum deposits, account fees, and public benefit asset limits that actively discourage saving.[18] "Several states have reformed 529s to close the gap in college savings, but these federally supported savings accounts are, by and large, structured to widen that gap, helping the wealthy grow their wealth further while doing little for the majority of working families."[19]

Coverdells and 529s do little to help most working families save for college. Less than 3 percent of U.S. families use 529s or Coverdells,[20] and those that do tend to be high-income, while working families who need the most help to build savings get left behind.[21] In fact, support for college savings is even more focused on high-income families than the support provided through higher-education tax-spending programs like AOTC or LLC.

In Kansas, more than 80 percent of 529 state tax spending goes to the top 11 percent of households, or those with more $100,000 in income. In Louisiana, households earning more $100,000 hold more than 70 percent of the total savings in 529s.[22]

Figure 5

Top 50 percent of earners own nearly all 529 and Coverdell savings.



Source: Authors' calculations based on data from U.S. Department of Treasury (2009).

This state-level experience is not an anomaly. A 2009 U.S. Treasury report found that the top half of households hold 98.9 percent of 529 and Coverdell savings. Similarly, the Government Accountability Office analyzed households that use 529s or Coverdells and found that across the country, these households:

- **Have higher income.** Families with 529s or Coverdells had about three times the income of those without these accounts.
- **Have greater wealth.** Those who saved in 529 or Coverdell accounts had financial assets worth $413,500, or more than 25 times the average family's assets.
- **Receive more in tax benefits.** Among families that use 529s to pay for higher education, those making less than $100,000 per year received $561 in tax benefits, whereas those making more than $150,000 a year received an average of $3,132 in tax benefits.[23]

Federal Reforms to Turn Higher-Education Tax Spending Right Side Up

Congress has acted before to improve higher-education tax benefits for working families. Tax spending is not the enemy in the fight to expand educational opportunity; rather, it is a potentially potent policy tool. Today, however, this tool exacerbates inequality of opportunity, focusing direct support and savings incentives on high-income households. Congress can change this. Past federal reforms have helped make these programs work better for all working families:

- The 2008 Farm Bill ended the practice of counting 529 savings against asset limits for Supplemental Nutrition Assistance Program (SNAP; previously known as Food Stamps), ensuring that families that use 529s to save for their children's future do not risk losing support that helps them put food on the table today.
- In 2009, Congress converted the 12-year-old Helping Outstanding Pupils Educationally (HOPE) tax credit into the AOTC. The new AOTC became partially refundable; thus, for the first time, those without tax liability could receive some benefit from the credit. Largely as a result of this change, the bottom 20 percent of households now receive a greater share of AOTC than they do from any other source of higher-education tax spending.

But Congress needs to do more to turn upside-down tax spending right side up. Although the reforms listed above are small steps, they are steps in the right direction. Congress should go farther down this road. This does not necessarily require new spending; rather, it could require a restructuring of existing spending. The following reforms would make strides in the direction of turning our upside-down higher-education tax spending right side up:

- **Eliminate the deduction for higher-education expenses and create a savings account for every child at birth.** The deduction for higher-education expenses has three strikes against it. First, it is the most upside-down source of higher-education spending, directing almost all support to high-income households. Second, it actively makes most families worse off by adding complexity to the tax code. Third, rather than providing a forward-looking savings incentive, it provides support in the form of an after-purchase subsidy, which benefits higher-income households.

  Instead of wasting $600 million on a poorly targeted deduction, we could provide a $100 savings account for every one of the four million babies born in the country every year. The $200 million remaining could provide matches to help low- and moderate-income families build savings faster.

The recently proposed myRA program, which aims to create a simple, safe, and affordable option for retirement savings, could serve as inspiration for development of a new universal children's savings account program.[24] Teachers across the country could use the account as a tool for teaching financial education early in life, knowing that every student would have access to an account.

» **Reform the AOTC to support college savings directly.** Families that use 529 savings to pay for higher-education expenses cannot claim the AOTC for those expenses. In other words, a dollar saved today for education may reduce education support in the future. This policy quirk can actively discourage families from saving for college. Simply removing this restriction, however, would mainly benefit the high-income households that are currently most likely to use 529s.

A better reform would be to make deposits into 529s—or into the education myRA accounts proposed above—eligible for the AOTC, allowing the credit to function as a college savings match. Similar to proposals that would advance a portion of the Pell Grant to support college savings,[25] this proposal would advance a portion of the AOTC. Both strategies would more effectively deploy existing federal spending on higher education.

The AOTC reform would not expand the credit, nor would it raise the $10,000 lifetime cap per student. Rather, instead of only providing support months after families incur costs, the reformed credit would support savings years before children go to college. Use of the savings matches provided through the AOTC would only be allowed for higher-education expenses, ensuring that this reform does not divert AOTC dollars to non-education purchases. The reform could be done independently of or in addition to the reform of the deduction for higher-education expenses proposed above.

Limiting this new AOTC savings credit to $250 per year—roughly $20 per month in savings—would encourage regular saving over the course of the child's life. A family maxing out this credit starting at the child's birth would have nearly $15,000 saved by age 18 (assuming a modest 5 percent rate of return). This child would have used only $4,500 of his or her AOTC and thus would remain eligible for $5,500 in additional support from the credit. All this is possible without expanding the maximum size of the credit by a dime.

» **Exempt children's savings from public benefit asset limits.** In some states, as little as $1,000 in children's savings can make a family ineligible for Temporary Assistance for Needy Families (TANF) benefits. The 2008 Farm Bill excluded 529 savings from SNAP asset limits, but other children's savings accounts still count toward SNAP asset limits (which are often as low as $2,000 for a family).[26] Furthermore, both 529 and non-529 children's savings accounts count against asset limits for other public benefits programs. A mother who saves for her child's education should not be punished by being forced off of TANF, SNAP, Low-Income Home Energy Assistance Program (LIHEAP), Supplemental Security Income (SSI), or any other income-maintenance program.

» **Expand the saver's credit to support college savings.** As currently structured, the saver's credit only supports retirement savings. The Savings Enhancement for Education in College Act (H.R. 529), introduced by representative Lynn Jenkins (R-KS) and representative Ron Kind (D-WI), would expand eligible saving products to include 529s. Additional reforms could make the credit fully refundable and make deposits into all children's savings accounts eligible for the credit, greatly increasing the impact of the saver's credit for working families.

Conclusion

Access to higher education is critical for ending the cycle of poverty and expanding economic opportunity. Children who are educated to reach their potential are best able to become self-sufficient contributors to the national economy. These moral and economic grounds justify government investment in higher education.

Yet, although the federal government now spends more than $60 billion every year on nonloan higher-education support, college enrollment and graduation rates of America's low-income students remain disastrously low. We need to rethink how we're supporting higher education.

As this paper illustrates, one of the largest sources of support for higher education is federal tax spending, which has regularly matched or exceeded federal spending on Pell Grants. Unlike Pell Grants, this tax spending disproportionately goes to households that need the least help—that is, to parents who could already finance the education of children who were already college bound. This is no way to expand opportunity.

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TOP TEN FOR 2GEN

by

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Introduction

In today's unfortunate climate of polarized policy debates, few new ideas garner wide support among the American electorate. This is especially true for ideas that call for significant change across the multiple programs and sectors that serve low-income families. Yet the reality remains that unless we build a new path to economic opportunity for low-income families, the nearly 45 percent of all children—more than 32 million—who live in low-income families today face an uphill struggle to reach their full potential.[1]

Two-generation strategies and policy solutions are bold approaches that revise the ways we address intergenerational poverty. At the core of two-generation programs is a focus on supporting parents and children simultaneously. These policy approaches are so promising that they bridge today's political polarization, drawing widespread public and political support.

Families in poverty are diverse. Almost three-fourths of single-mother families are low income.[2] About 65 percent of African American, American Indian, and Hispanic children live in low-income families, as do 32 percent of white and Asian American children.[3] Despite this, parents' dreams for their children are similar everywhere: a good education, economic stability, and a better future. A mom from Detroit describes what she wants for her children: "A secure life, like for my children to have something that they can start with, but I think a lot of times we don't have anything to start with." American parents are painfully aware that their children's dreams and economic future are at risk unless all sectors of society can work together to offer a new path forward.

This new path forward is the promise of two-generation approaches, which provide opportunities for and meet the needs of low-income children and their parents simultaneously, helping the two generations make progress together. Research has documented the impact of a parent's education, economic security, and overall health on a child's trajectory. Similarly, children's education and healthy development are powerful catalysts for parents.

We all want to see families thrive, but fragmented approaches that address the needs of children and their parents separately often leave either the child or parent behind and dim the family's chance at success. Placing parents and children in silos ignores the daily challenges low-income parents face raising a child while working or studying. Two-generation approaches work with children and their parents together to put the whole family on a path to permanent economic security.

Policymakers can take steps now to move two-generation strategies forward and demonstrably improve outcomes for both children and their parents. Unless they rise to this challenge, the next generation will be at further risk—for developmental delays, academic struggles, and, ultimately, the same challenges for economic stability that their parents face. Our nation's long-term economic prosperity will also be at risk, as children and parents struggle to achieve educational and economic success. Two-generation policies offer policymakers the chance to break the cycle of poverty and replace it with one of opportunity.

Many federal policies in place today were created in the 1960s as part of the War on Poverty; they are now incongruous with the makeup and needs of 21st-century families and the scientific advances that have deepened our understanding of how both children and adults learn. Recent findings in brain science underscore this fact: *the development of children and parents is inextricably linked*. Parents gain motivation to succeed from their children and vice versa; their efforts are mutually reinforcing.

Support for 2Gen Is Strong

On the front line of the two-generation movement is the Aspen Institute Ascend Network, made up of 58 leading organizations from 24 states and the District of Columbia. These partners include community colleges seeking to better serve student parents and their children; early childhood centers engaging parents in pathways to employment; and two-generation partnerships spearheaded by Promise Neighborhoods, United Ways, and women's foundations.

Some western states—Colorado, Montana, Utah, and Washington—are on the leading edge of two-generation policy creation. In Colorado, for example, the Department of Human Services is developing an approach to employment for both custodial and noncustodial parents, increasing college savings options for low-income children, and expanding the percentage of low-income children in high-quality early education.

Equally notable, public backing for two-generation policies is strong. Recent postelection analysis of 2014 voters found that strong majorities (81 percent), across party lines, favor a two-generation approach, even if it raised their taxes. Sixty-nine percent believe investing in parents' economic well-being will help their children succeed.

This builds on an October 2014 survey by Lake Research Partners that found Americans overwhelmingly supported programs with a two-generation approach. Eighty-nine percent favored such a program as a means to raise families out of poverty. Moreover, 70 percent favored the approach even if their own taxes were increased to introduce such programs; this percentage includes majorities of voters from both parties. Support for the specific policies that make up a two-generation approach is both broad and deep. Americans support creating partnerships that build on existing policies as well as new policy innovations.[4]

Early childhood education, postsecondary and employment pathways, economic assets, health and well-being, and social capital are the core components that create an intergenerational cycle of opportunity.[5] Human services policies can cut across these components of the two-generation approach, particularly the two critical components of quality early education for children and workforce training and postsecondary education for parents.

At their heart, two-generation approaches are about a commitment to better outcomes for children and parents at the same time, outcomes that must be measured together. If this commitment is met, using a two-generation lens to view policy can offer practical solutions for programs, communities, and states that lead to greater support and higher impacts for children, parents, and families.

In the report *Two Generations, One Future,* Ascend made the case for pursuing two-generation policies now. In *The Playbook*, we offered a clear framework and examples to guide programs and practitioners in considering the needs of children and their parents together. In *The Bottom Line: Impact Investing for Economic Mobility in the U.S.*, Ascend explored the growing field of impact investing in the United States, with special attention to deal flow and returns. We found that federal, state, and local governments are increasingly finding alignment with the goals of impact investors, and they are leveraging a variety of policy levers, such as tax credits, co-investments, and procurement policies, to drive improved outcomes for parents and children in communities across the country.

Top Ten for 2Gen consists of six principles and 10 specific policies to guide the design and implementation of effective two-generation strategies. Informed by an ever-growing field of pioneering practitioners and innovative policymakers, these recommendations span important areas of the two-generation framework and build upon current funding streams and programs.

Most important, they are attainable today. While changes in state and federal legislation and regulation are sometimes necessary, many positive impacts for families can be achieved with current resources and within current programs and funding streams. For example, state and federal human services agencies invest billions of dollars annually to improve the lives of families. Putting even a fraction of those resources to more effective use would represent a major win for the millions of families struggling for economic stability.

New national policies, from the 2014 Workforce Innovation and Opportunity Act to provisions of the Affordable Care Act, also add to the fertile policy climate that has the potential to allow two generations to achieve one bright future.

Policy Principles

Principles to Guide Two-Generation Policies

Top Ten for 2Gen observes six principles that can guide policy and system change at the federal, state, tribal, and local level. While we outline 10 specific policy areas for action in the pages that follow, the six principles enumerated here can enable more effective and equitable use of resources in any policy to improve outcomes for families. These principles differentiate two-generation policies from other policies that serve parents or children separately.

Ascend uses these principles to guide its work. They build on several years of conversations within the field and offer a commitment to building policy agendas with tangible outcomes for families.

Measure and account for outcomes for both children and their parents.

Dual outcomes are at the heart of true two-generation programs. Whether explicit or implicit, outcomes for children and their parents must be embedded in policies that use two-generation approaches to improve family economic security and break the intergenerational cycle of poverty. Assessing how well a policy meets a family's needs should include indicators that measure the impact on both children and parents.

Engage and listen to the voices of families.

Undergirding all of Ascend's work—from principles to practice to policy—is a commitment to listen to families and ensure that their perspectives and experience inform program and policy design. Policies provide the scaffolding and structures that support parents; parents themselves fuel and create their family's successful path toward economic security. As one mother from Nevada said to a group of policymakers and practitioners, "You don't know what a parent is going through. So respect each parent as an individual and let them tell their own story."

Foster innovation and evidence together.

Tap insights from prior evidence-based research and work at both policy and program levels to build upon what has worked for families. Recognize that programs that meet evidence-based thresholds serve only a fraction of children and parents, so we must innovate to develop better ways to meet families' needs. A deliberate pipeline must be developed to ensure that innovation and promising efforts can build evidence where appropriate. Policies should strongly encourage the integration of innovative approaches into emerging evidence, evaluations of effectiveness, and best practice.

Align and link systems and funding streams.

Resources exist to serve children and families, but they must be used more efficiently. Rarely will single funding streams fully address all the needs of children, parents, and families. Programs will need to blend and coordinate funds to deliver two-generation services. Aligning and linking systems at the state and community level—eligibility standards, performance benchmarks, and coordinated administrative structures—while simultaneously pursuing improved outcomes for both parents and children will lead to two-generation success.

Prioritize intentional implementation.

Evaluations and analyses of past initiatives that attempted to address the needs of both children and parents yield an important lesson: being intentional about policy implementation details is essential. Support for the direct-service workforce, careful consideration of program outcomes, attention to the level and intensity of services, and the use of data are all critical details that will ensure that child and parent outcomes match a policy's intent.

Ensure equity.

Two-generation strategies should evaluate and fix structural problems that create gender and/or racial and ethnic disparities in the ways that programs provide services and assistance. Many current funding streams and policies do not reflect the demographic realities of 21st-century American families, where one in four U.S. children is growing up in a single-parent family, many headed by women, and where children and parents of color are disproportionately low-income.

Top Ten Policies

Top Ten Policies for 2Gen

Our work in the field and the best thinking of experts, practitioners, and families have yielded the policies presented here, which we believe have strong potential to advance two-generation work and put more families on a path to permanent economic security.

While we focus primarily on federal initiatives, we provide examples of ways that states, tribes, and communities may leverage federal resources and use flexibility to enact additional reform. These policies are not detailed legislative models. Rather they are policy areas in which the federal government, states, and communities can play a role in building opportunities for families.

In the coming months, in partnership with the field, Ascend will deepen its work in these policy areas, sharing models, identifying trends, and linking leaders and ideas.

The Top Ten span the core areas of the Ascend two-generation framework: early childhood and postsecondary education, economic assets, and health and well-being. Joining those four is social capital—or the trusted networks of friends, family, and institutions—the fifth core component of the framework. Social capital does not lend itself to legislation, but it should be integrated throughout program design and implementation because it is also a crucial contributor to the well-being of children and their parents.

Moving Forward

Top Ten for 2-Gen is more than a counting exercise: it is a significant to-do list for achieving better outcomes. And the policy principles can guide comprehensive policy analysis and development at the local, state, tribal, and national levels.

Central in all of this are the voices of families. Heeding those voices will ensure that policies support programs that generate real opportunities for family economic success. Low-income families have shown strong resilience despite great odds. This resilience should be encouraged in any new vision for effective approaches to education, economic assets, human services, and health and well-being that are based on strengths and assets rather than deficits.

Top Ten Policies to Promote Two-Generation Strategies

1. Help Head Start and Early Head Start fulfill their two-generation missions by strengthening family supports and increasing the emphasis on parents, not only in their role as mothers and fathers but also as breadwinners.
2. Reform the Child Care and Development Block Grant to increase access to and quality of early childhood settings for children and to ensure greater access to job training and education for parents.
3. Increase efforts to support economic security outcomes in home visiting programs.
4. Promote cross-system collaboration and partnership among human services agencies and institutions of higher education, especially community colleges, to increase bundled services and access to benefits for low-income students, many of whom are parents.
5. Increase postsecondary education access and completion through institutional financial aid reform and policies that more accurately reflect the needs of enrolled student parents, a growing national demographic.
6. Use the 2014 Workforce Innovation and Opportunity Act to allow for state and local changes that enable two-generation support.
7. Redesign Temporary Assistance for Needy Families (TANF) for 21st-century families—mothers or fathers, married or single.
8. Strengthen family connections through support and promotion of work opportunities for noncustodial parents.
9. Leverage provisions of the Affordable Care Act to improve economic security and family health and well-being.
10. Maximize opportunities for whole-family diagnosis and treatment for mental health.

Here are specific recommendations for federal, state, local, and tribal policy on how to implement the Top Ten for 2-Gen policy ideas.

Early Childhood

Help Head Start and Early Head Start fulfill their two-generation missions by strengthening family supports and increasing emphasis on parents, not only in their role as mothers and fathers but also as breadwinners.

Provide incentives for programs to formally partner with education and workforce programs.

Highlight best and next practices, especially around early childhood workforce training and competencies, and share learning across formal and informal care and early learning settings.

Encourage new approaches, especially through partnerships, to support family economic security through the new Early Head Start–Child Care Partnerships funding opportunity.

Reform the Child Care and Development Block Grant to increase access to and quality of early childhood settings for children and to ensure greater access to job training and education for parents.

States should allow job seekers and those enrolled in postsecondary education or workforce training to be eligible for child-care subsidies, so child-care concerns do not become a barrier to pursuing economic security.

Align application and eligibility requirements (such as income verification) across different programs to expand access.

Ease the "cliff effect" by ratcheting up income eligibility criteria, so working families will not lose child-care support due to small wage increases.[6]

Provide incentives to increase the quality of a child's early learning and development through tiered reimbursement that pays more for higher-quality programs.

Increase efforts to support economic security outcomes in home visiting programs. Funding streams, such as Maternal, Infant, and Early Childhood Home Visiting (MIECHV), require that programs demonstrate not just improved child outcomes (e.g., school readiness) but also adult outcomes (e.g., economic self-sufficiency).[7] Parents in these programs often cite increased education and employment opportunities as significant personal goals.[8]

Explore options in home visiting programs to include an additional focus on education and employment opportunities for parents while maintaining the integrity of current evidence-based models.

Provide professional development to frontline home visiting staff to enhance their knowledge and ability to connect interested parents with opportunities to increase economic security.

Support the use of MIECHV's flexible funds for training and community partnerships to create innovative models that include meaningful pathways to adult education, postsecondary education, and workforce training opportunities.

Postsecondary Education

As nearly a quarter of postsecondary students are parents, program design and implementation should take into account the needs of student parents and their children and ensure that this important population receives equitable access.[9]

Promote cross-system collaboration and partnership among human services agencies and institutions of higher education, especially community colleges and public regional colleges and universities, to increase bundled services and access to benefits for low-income students, many of whom are parents.

> Pilot the provision of more systemic, comprehensive, and high-impact support to low-income student parents who attend community colleges and other regional or open access institutions that receive funds from the Child Care Access Means Parents in School Program. Offer bundled services and access to benefits to support both children and their parents to stabilize households and increase graduation rates for student parents.
>
> Use demonstrated strategies for student success, including career coaches, mentors, navigators, and access to child development programs, and offer programs during hours that match working parents' schedules.
>
> Provide incentives for cross-system collaboration with state and county human services agencies and local institutions of higher education to increase service uptake, ease loan burdens, and improve graduation rates.

Increase postsecondary education access and completion through institutional financial aid reform and policies that more accurately reflect the needs of enrolled student parents.

> Allow 12-month (i.e., year-round) financial aid plans for certificate and other programs.
>
> Take a broad two-generation approach to financial aid need calculations: include transportation needs; cover child care as an allowable expense, not just for class time but also for critical study time; and offer the other broader supports that low-income student parents need.
>
> Use a 12-month funding calendar for Pell Grants and state financial aid to increase opportunities for student parents to maintain full-time status and use summer semesters to complete required coursework.
>
> Increase both work-study and educational opportunities for student parents that are meaningfully connected to career pathways. For example, the Trade Adjustment Assistance Community College and Career Training Grant Program provides community colleges with funds to expand delivery of education and career training programs that can be completed in two years or less and prepare students for employment in high-wage, high-skills occupations.
>
> Ensure that financial aid is available for part-time, adult students, many of whom are parents.
>
> Prioritize need over merit aid, and create aid programs that target students seeking credentials for high-demand fields.

Economic Assets and Human Services

Use the recently passed Workforce Innovation and Opportunity Act to allow state and local changes that enable two-generation support.

Implement more flexible support for the education needs of adults—from contextualized adult education to integrated education and training opportunities, including bridge programs.

Streamline multiagency plans and reports to create a state job-training strategy that better supports a two-generation approach.

Evaluate progress with a common set of performance metrics that span employment, earnings, and education to encourage partnership among programs more narrowly focused on either education or employment.

Increase workforce and training opportunities for populations with greater barriers to employment, including young parents and homeless families with children.

Encourage states and local workforce boards to provide much-needed support services (e.g., child care, career coaching) to support parents as they participate in training.

Provide technical assistance to states and local workforce boards in developing and operating career pathway programming for parents consistent with the new legislation.

Redesign TANF for 21st-century families—mothers or fathers, married or single.

Count postsecondary education, adult basic education, English as a second language, and training linked to high-wage jobs and employer demand as work activities. Likewise, include school activities like class time, homework, and work-study hours in individual employment plans.

Revise reporting outcomes to include family economic security indicators such as credential attainment, employment, earnings, and job retention.

Allow common outcome measures across workforce development policies such as TANF and the Workforce Innovation and Opportunity Act.

Ensure that sanctions do not counteract other two-generation reforms. Consider reducing the severity of sanctions, ending full-family sanctions, and allowing families enrolled in TANF to keep more child support money.

Strengthen family connections through support and promotion of work opportunities for noncustodial parents.

Support and provide incentives for employment opportunities for noncustodial/nonresident parents across federal programs.

Monitor the results of the multistate National Child Support Noncustodial Parent Employment Demonstration project and create flexibility to expand the use of effective practices. Intriguing program elements include participation in peer-supported parenting activities and programs to reduce child support debt.

Health and Well-Being

Health coverage and access and quality of care are major factors in family well-being and economic stability.[10]

Leverage opportunities in the Affordable Care Act to improve economic security and family health and well-being.

Identify and enroll parents and children who are eligible individuals into expanded Medicaid coverage to ensure the health and well-being of both.

Streamline the enrollment process: increase efforts to identify the uninsured and keep those who do enroll covered as their life circumstances change.

Increase the focus on education and employment opportunities for parents in home visiting programs, while supporting young children's school readiness and health and well-being.

Minimize the financial burden on families by ensuring that subsidies allow access to care and a safety net of care for those who do not have it.

Support coordination and integration within the system, building on progress made by patient-centered medical homes and community health centers.

Promote links between the healthcare, education, and human services systems, using community health teams, a focused use of resources in geographic areas with high costs and high-need families, and other approaches.

Focus on eliminating health disparities through care accountability processes that emphasize equity.

Maximize opportunities for whole-family diagnosis and treatment for mental health. Parental, especially maternal, depression is a two-generation issue, harming the quality of parenting and sometimes inhibiting child development.[11]

Parity in coverage between mental and physical health for those newly enrolled in Medicaid can further destigmatize mental health issues and allow both families and providers to cooperate around the importance of screening, diagnosis, and treatment of major issues like depression.

The diagnosis, screening, and treatment of mental health issues can be encouraged for both parents and children using the new preventive services coverage.

Home visiting programs can be expanded to support two-generation treatment for parents who are not Medicaid-eligible.

Moving Toward a Two-Generation Future

These policy recommendations come at a seminal time as the path to economic and social mobility in the United States is being fundamentally challenged. Yet families possess a profound resilience, and communities offer us hope anchored in experience and evidence. Families and communities are hungry for policies like these that can provide guidance on effective and powerful uses of limited resources.

Strong public support for the elements of the two-generation approach is evident. We must now build the political will and advance the policy solutions that can lift children and their families. Ascend stands ready to work with policymakers, so together we can move two generations toward one future that creates new opportunities for families to break out of poverty.

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FIRST FOCUS
MAKING CHILDREN & FAMILIES THE PRIORITY

COORDINATING COMPREHENSIVE HEALTHCARE WITH HOME VISITS FOR NEW FAMILIES:

A Case Study of Home Visitation Integration with the Family-Centered Medical Home at Carolina Health Centers

by

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The Impact of Early-Life Experiences

It is well documented that early-life experiences have profound effects on the brain and body that can last throughout a child's lifetime.[1] In addition to having an affect on physical health, these early-childhood experiences also determine emotional and cognitive development. Early experiences, environmental influences, and genetics affect young children's brains as they develop, which, in turn, affects long-term health and lifetime trajectories.[2]

We also know that healthy child development is the foundation for community economic development.[3] Investing in the social, emotional, cognitive, and healthy development of children from birth to age five is where the greatest impact can be made toward improving the well-being of our children and our communities. Healthy brain development is most critical in infancy, and the use of child healthcare is highest in infancy.[4]

Researchers have found that when children and their families have a stronger connection to a medical home, children experience better pediatric health outcomes; experience improved healthcare use; are less likely to need emergency department facilities or have outpatient sick visits; and have increased health-promoting behaviors, including reduced missed days of school due to illness or injury, improved family reading, better sleep hygiene, improved health use, and decreased screen time.[5] The near-universal reach of medical homes to child healthcare may result in significant public health impacts.

Home Visiting: Building Parental Ability for Better Child Health and Development

Used for prevention or intervention, home visiting (HV) is a service delivery instrument that has been used across many disciplines. HV programs typically use either a professional or paraprofessional worker to provide services, guidance, and information in an innovative way that eliminates many of the traditional barriers to service delivery.[6]

In the case of early childhood, HV is a service delivery strategy that reaches families as early as the prenatal stage, at the birth of a child, or prior to school entry. Many early-childhood HV programs target families and caregivers at high risk for poor health, development, or economic outcomes; other programs are universal, reaching all new parents. Most HV programs are able to address child health and development by reaching mothers, fathers, and caregivers.[7] The range of HV categories within the early-childhood sector include maternal, infant, and early childhood HV; home visitation for children in at-risk families; and home visits as an integral part of child-care or school-based educational programs.[8]

Although it is important to note that home visiting is not a cure-all, the available empirical evidence suggests that HV programs show promise to reach families in need and affect positive change for children and their parents.[9] HV must be one of several service strategies included in a comprehensive, high-quality early-childhood system that promotes maternal, infant, and early childhood health, safety, and development; strong parent-child relationships; and responsible parenting.[10]

Although home visiting has been a tool since the 1800s, maternal and child HV services have become a prominent part of the national policy conversation for the past five years. In 2009, the American

Academy of Pediatrics (AAP) released a policy statement reaffirming home visiting as an intervention to enhance developmental, health, and safety outcomes for children and states.[11] In 2010, a grant award funded by the Children's Health Insurance Program Reauthorization Act of 2009 was used to create the foundation for a more responsive and effective national system of high-quality healthcare for children.[12] In March 2010, the Maternal, Infant and Early Childhood Home Visiting (MIECHV) program was created as part of the Patient Protection and Affordable Care Act of 2010 (ACA). Under the ACA, home visitation must be part of an early-childhood system of care.[13]

There are many benefits of home visitation programs that target pregnant women or families with children from birth to age five.[14] Most HV models have had favorable impacts on child development, school readiness, and positive parenting practices. Research has also shown that HV models produce cost savings longitudinally, with the greatest savings realized among those who were at greatest risk.[15]

Introduction to the Family-Centered Medical Home

The medical home concept focuses on changing the way care is provided by putting the patient at the center of his or her medical care. The medical home provides a central place for patients to feel like they are part of the care they are receiving. The medical home concept was originally developed in the 1960s and 1970s[16] and is identified by the U.S. Department of Health and Human Services Agency for Healthcare Research and Quality as a promising way of revitalizing the nation's primary care system in order to achieve high-quality, accessible, efficient healthcare for all citizens.

The concept of the medical home was more fully defined by policy statements from the AAP in 1992 and 2002. The AAP defines the medical home as care that is accessible, continuous, comprehensive, family-centered, coordinated, compassionate, and culturally effective; delivered or directed by well-trained physicians who provide primary care and manage and facilitate essentially all aspects of pediatric care, with a physician known to the child and family and able to develop a partnership of mutual responsibility and trust.[17] Under the umbrella of the medical home are the patient-centered medical home (PCMH) and family-centered medical home (FCMH).

The Joint Principles of the Patient-Centered Medical Home[18]

- Personal physician. Each patient has an ongoing relationship with a personal physician trained to provide first-contact, continuous, and comprehensive care.
- Physician-directed medical practice. The personal physician leads a team of individuals at the practice level who collectively take responsibility for the ongoing care of patients.
- Whole-person orientation. The personal physician provides all of the patient's healthcare needs or takes responsibility for appropriately arranging care with other professionals. This includes care for all stages of life.
- Coordinated or integrated care. Care is coordinated and/or integrated across all elements of the complex healthcare system and the patient's community. Care is facilitated by registries, information technology, health information exchange, and so on to ensure that patients get the indicated care when and where they need and want it in a culturally and linguistically appropriate manner.

- **Quality and safety.** These are the hallmarks of the medical home.
- **Enhanced access to care.** Enhanced access is available through such systems as scheduling, expanded hours, and new options for communication among patients, their personal physician, and practice staff.
- **Payment.** Payment appropriately recognizes the added value provided to patients who have a PCMH.

The PCMH integrates patients as active participants in their own health and well-being. Within this model, patients are cared for by a physician who leads the medical team that coordinates all aspects of the preventive, acute, and chronic needs of patients by using the best available practices and appropriate technology.[19]

Key Elements of a Medical Home for Child Health[20]

- Care is delivered using a population-based approach.
- Registries of children with chronic conditions are created with information about condition severity, diagnoses, and needed supports.
- Care is coordinated with the multiple health and related services that children and families need.
- Parents are involved in decision making and practice-based quality improvement.
- Clinical practice standards reflecting children's conditions are applied.
- Newborn screening and surveillance ensues for developmental milestones and unique conditions.
- Children and families are educated about their conditions.
- Community agencies, especially schools, are involved.

The national conversation on PCMHs was spurred by the 2004 American Academy of Family Physician's "Future of Family Medicine" report, which described the PCMH as a "new model of family medicine" that could revolutionize the way family healthcare is provided.[21] There have been many studies and demonstrations on the applicability, success, and cost of PCMHs. In addition, research has demonstrated that when primary care is emphasized in health systems, patients experience better outcomes at lower costs.[22]

The patient-centered medical home has many benefits. The implementation of this model is promising for overall healthcare reform as a means to attaining broader goals of a reformed system that promotes the interests of the patient as an individual to be communicated with, rather than a case to be managed.[23] The PCMH betters the patient's experience by improving access to care and by better matching their needs and preferences with the care they receive.

Why Should Home Visiting Models and Patient-Centered Medical Homes Collaborate?

Home visiting integration with the PCMH can create a system of high-quality well-child care, with the potential to promote child health and well-being and reduce disparities in health and healthcare.[24] Many benefits can result from a meaningful partnership of the PCMH and HV models. Bringing together the FCMH and the community through HV programs will help integrate personal and population approaches to health and healthcare delivery. This will allow healthcare to become more about optimizing each child's life and family's course trajectory, improving outcomes and reducing costs more than the current system allows.[25] The benefits of PCMHs are only amplified by coordinating the medical home with home visiting models.

Benefits of Partnerships between Home Visitation and the FCMH[26]

» Sharing of information to identify child and family needs, collaborate in educating families, and "refer" to each other

» Assisting families in care coordination

» Facilitating referrals to community resources, medical evaluations, and community supports

» Identifying community needs that are important in managing population health

» Assisting transitions across multiple settings

» Assisting parents and patients in communicating with FCMH providers and preparing for FCMH visits

» Reinforcing advice and anticipatory guidance given by FCMHs

» Monitoring up-to-date immunizations and FCMH visits

» Fostering cultural and linguistic competence of families and patients, because HV providers see families in their home environment

» Identifying nutritional and living condition needs and performing environmental and safety assessments

» Reinforcing injury prevention strategies

» Improving identification, treatment, and prevention of parental depression

» Overseeing provision of complex healthcare in the home of children with serious health conditions and helping to balance the needs of the child with those of other family members

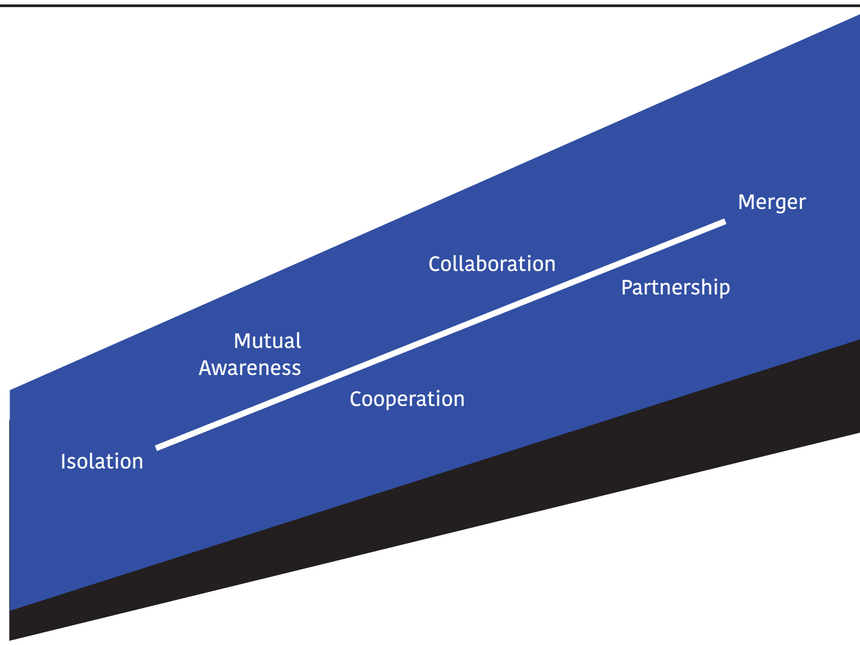
» Identifying needs for special needs equipment and for implementing prescribed care in the least disruptive manner

The shared goals, greater efficiencies, and reductions in disparities of health and healthcare show that there are many benefits of a partnership between HV models and the children's medical home. The MIECHV program has underscored the potential impact of these collaborations, as integration could create significant results in public health and the well-being of children and families.[27] There has been recent investment in HV programs and an emphasis on the FCMH through the ACA. Two of the leading pediatric associations in the United States—the AAP and the American Pediatric Association—have endorsed collaboration between home visitors and primary care providers as a unique opportunity to integrate and improve services provided to children and families.[28] All of these considerations show that now is a good time to partner FCMHs and HV models, as there is support from the federal government and major pediatric professional associations.

The continuum of integration between the patient-centered medical home and home visiting goes through several stages, as outlined Figure 1.[29]

Figure 1

Continuum of integration



Source: Adapted from the Institute of Medicine of the National Academies Committee on Integration of Primary Care and Public Health

The Children's Center of the Carolina Health Centers Inc.

An example of true integration of the PCMH and HV programs is taking place in Greenwood, South Carolina, at the Children's Center of Carolina Health Centers Inc. The center's movement across the integration continuum is an ongoing process, with continual improvements, but Carolina Health Centers has seen success and is moving forward through the continuum.

The Children's Center was incorporated as the Greenwood Community Children's Center in 1996 to provide a stable medical home for the children of the greater Greenwood area. Carolina Health Centers Inc. (CHC) is a nonprofit, federally qualified health center that has been providing medical and dental care to the medically underserved residents of a seven-county area in the west-central portion of South Carolina for more than 30 years. The service area (Greenwood, Laurens, McCormick, Abbeville, Saluda, Edgefield, and Newberry counties) is rural and has a large low-income white population.

The Children's Center (TCC) of CHC serves more than 8,000 children annually. Most of the children in CHC's service area come to TCC, which is the primary site of integrated care of their HV and PCMH framework. This pediatric medical home has been designated a PCMH by the National Committee for Quality Assurance. Through shared administrative oversight and dedicated leadership, the HV services and pediatric medical home have been able to reduce the challenges and practical realities that often impede meaningful collaboration to improve outcomes for patients.

The Children's Center Model capitalizes on the following:

1. Families' perception of the medical home as a trusted source of information

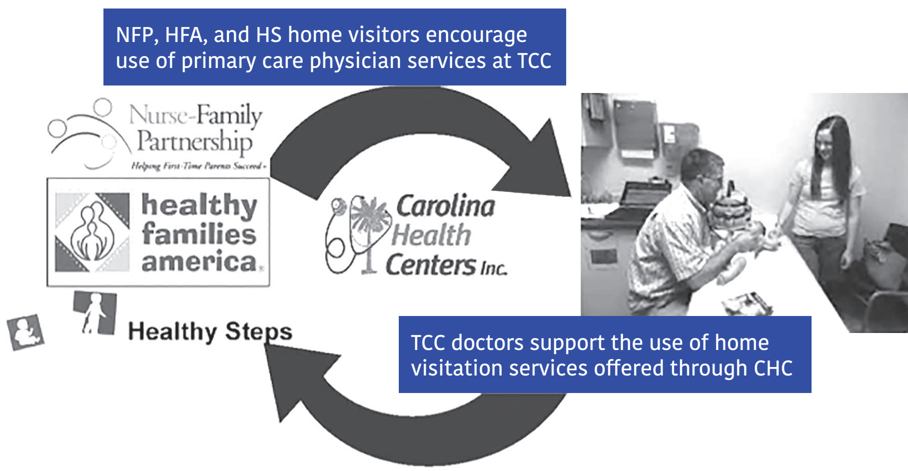
2. The medical home as a natural point of contact to engage all families, even hard-to-reach families, with young children

3. The opportunity to expose families to the consistent health messaging from both medical professionals and nonmedical professionals that is necessary to change behaviors

TCC's integrated system enables them to meet the needs of the 40–60 newborns they enroll monthly. This system also allows them to identify, recruit, and engage mothers and newborns who are at highest risk of poor health and other adverse outcomes, as well as those who are at moderate risk or who need universal preventive education and skills development. Because TCC runs a continuum of programming, they are able to triage families into the service intervention that best meets the needs of the individual family for service intensity or duration. By integrating their HV programs with PCMH, TCC reduces typical barriers that slow access to evidence-based care, allows families to be triaged into the model that best fits their individual needs for intensity or duration, and reduces the practical barriers that can limit meaningful collaboration among pediatric providers, behavioral health providers, and home visitation providers. The PCMH and HV staffs function as a team to improve quality indicators in both pediatric care and early-childhood home visitation.

Figure 2

The Children's Center continuum of care



The Children's Center provides multiple models of evidence-based home visitation integrated within primary health care. The primary goal of their HV programs is to promote healthy child growth and development through responsive and responsible parenting. TCC hosts three HV models: Nurse-Family Partnership (NFP), Healthy Families America (HFA), and Healthy Steps for Young Children (HS).

Carolina Health Centers has a specific plan for selecting the HV program to which children and their families are assigned. Nurse-Family Partnership enrolls mothers during the prenatal stage. CHC triages all first-time families who have selected TCC as their child's medical home and who are not already enrolled in NFP services into either HFA or HS. At the initial newborn weight check appointment, all families of newborns complete a new patient questionnaire, which includes demographic and family assessment information that determines whether the family is eligible for HFA or HS services.

Coordination of physician services with HV programs extends beyond the initial screening process. Coordination and communication between the home visiting program and the medical home is essential. All home visitors are co-located at TCC and are seen by families as an integral part of their healthcare team. Within TCC's PCMH/HV integrated model, all children receive primary healthcare interventions. Behavioral health interventions are reserved for those families screening positive for mental health issues at service entry, identified with mental health issues at any time after services begin, or upon family request.

TCC has moved through the integration continuum as any medical home moving toward integration of the FCMH and a community's HV programs would. Their process has consisted of the following:

1. Compete. Home visitation and pediatric services exist separately of one another.
2. Co-exist. Healthy Families and Greenwood Community Children's Center (GCCC) Pediatrics until 2001 with blended funding and shared administrative staff.
3. Communicate. Referrals to parenting services; joint use of parent library.
4. Cooperate. Limited shared parent education classes; shared service plan for high-risk families identified with crisis.
5. Coordinate. GCCC Pediatrics was sold to Carolina Health Center in 2001; home visiting is a co-located but legally separate nonprofit
6. Collaborate. Multiple legal agreements were put into place.
7. Integrate. There was a full merger of the PCMH and HV programs in August 2011, after a two-year pilot that started in 2009.

Consistent leadership of the merging organizations has been critical to the integration experience. Integration has meant that many things have changed for the primary care providers and home visitors. TCC has implemented the use of the same standardized measurement tools and screening tools across all HV models and within the pediatric clinical services. Co-location removes barriers to care. Shared use of electronic health records facilitate the identification, engagement and retention of families, the sharing of child and family service plans, and assist families in care coordination to other community resources.

Multiple benefits have been gained through TCC's integration. Improvements have been created for individuals, providers, and systems, including improved communication and trust. Home visitors can reinforce provider's instructions and assist families with setting incremental steps to reach a health goal. The partnership has also led to greater efficiencies through reductions in risk factors that lead to chronic health conditions, reductions in cost due to decreased emergency department visits, and reductions in duplicated services. Integration has resulted in improved recruitment, engagement and retention of children and their families in HV programs and healthcare services.

Figure 3

A well-child checkup at The Children's Clinic, in which a Healthy Steps specialist, pediatrician, and mom and baby all participate

Integration is not simple. The original vision for TCC set the stage for collaboration, but there was a limited understanding of the challenges and opportunities for improved care. Pediatric primary care and early-childhood home visitation typically function within two very different cultures. The most frequent barrier noted by medical providers has been concerns about impediments to patient flow because providers are under pressure to see as many patients as possible. Integration cannot hinder home visitors' ability to provide the services of their national models with fidelity. Over time and with many service delivery strategy variations, the TCC team has learned how to accommodate the needs of families, medical providers, and HV providers.

The lessons learned through the merger have shown that integration takes time, can be complex, and requires flexibility and mutual problem solving. However, the benefits become clear, and baby steps toward successful child outcomes build momentum with individual providers. The TCC integration took place in August 2011; although it is successful, it is not a perfect system. Providers at TCC understand the need for a continual system of improvements. The system improvements are vast and have led to better care and coordination for the children and families affected by the integration of the PCMH and HV programs. Increased access and decreased barriers to healthcare and HV services has been an important system improvement that has resulted in stronger care for the children of TCC and their families.

Figure 4

Children participate in a group meeting of families served by home visitation programs at The Children's Clinic

Coming out of the improvement process, TCC has been able to create a seamless team approach to using medical providers, home visitation providers, and behavioral health providers. Based on this team approach, families hear consistent messaging, which has led to better use of services from all models. This team approach allows TCC to truly become the medical home for these patients, where needs can be met and everyone involved in care is on the same page.

Applicability of the Model at the Children's Center to Other Family-Centered Medical Homes

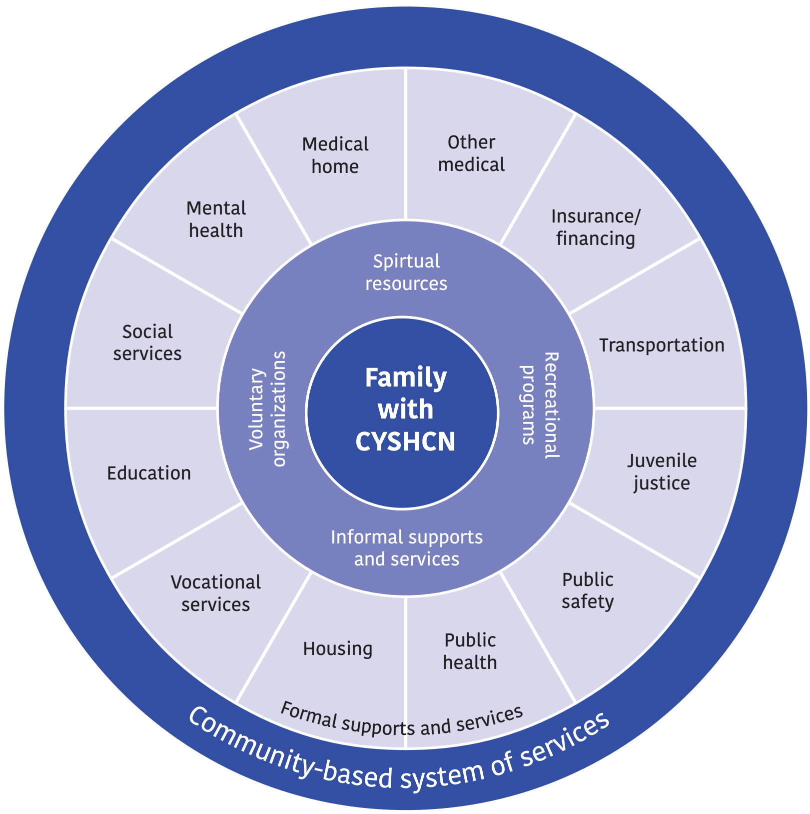
The TCC integration shows that the PCMH and HV models can be successfully merged to create a truly all-encompassing medical home. In South Carolina, there are several current opportunities that help facilitate the application of TCC's successes to the broader state model. Currently, South Carolina has the potential to spread both the individual program model interventions and the holistic model of integrated home visitation and primary health care through MIECHV program funding and expansion.

Under the recent MIECHV expansion, South Carolina secured additional federal funding to expand HV services to approximately 1,290 additional families and to add 40 new HV positions across the state. This expansion would increase the areas served by 22 additional counties, bringing the total to 38. South Carolina MIECHV has made the integration of home visitation into primary care a priority and will use expansion funds to scale up existing MIECHV-funded integrated sites. It will also extend services to additional areas based on needs assessment and the readiness of pediatric providers for integrated systems building.

The successful model at The Children's Center in Greenwood, South Carolina, can inform the process of integration in this state and beyond. The national landscape reveals that the country's main pediatric health associations and the federal government have shown interest in creating a successful integration of primary care and home visitation. In addition to the federal funding given to South Carolina, $62.5 million in grants were awarded to 12 other states to expand MIECHV program activities funded by the ACA.[30] Since the MIECHV program was enacted in 2010, it has been implemented in 544 communities across all 50 states, the District of Columbia, and five territories. The funding of the MIECHV program in all states demonstrates the great opportunity for expanding HV services across the country.

If integration occurs, the healthcare of our children will be significantly affected in a positive way. This will allow for stronger healthcare for children, starting with mothers in the prenatal age through young adulthood. This national interest in the integration of PCMH and HV models has the ability to positively affect our country's early-childhood system. In fact, MIECHV grantees are encouraged to coordinate HV and related services at the state and local levels, moving toward an integrated early-childhood system.[31] Too often, health systems are either ignored or minimally included in systems building efforts. The merging of HV services and primary care is an important step in creating an integrated early-childhood system that our country's youngest children truly deserve.

Figure 5



Source: Chart adapted from James M. Perrin

Figure 5 shows the need for a community-based system of services for families of children and youth with special healthcare needs. This idea, which can be applied to all young children, is built on six central principles of care:

1. Being responsive to family challenges, priorities, and strengths
2. Developing a partnership with constituents
3. Being reflective and respectful of the family's cultural norms and practices
4. Being universally accessible
5. Being affordable for those who require assistance
6. Providing resources that are equitably distributed through organized collaboration to ensure that care is delivered in an efficient, effective manner

In this service system, the medical home, mental health, and other medical services are part of a larger system of formal supports that connect with informal supports and services to create a community-based system of services that support the healthy development and well-being of young children and their families.

Investing in early-childhood development, which can be strengthened by the partnership of the family-centered medical home and maternal and child home visitation programs, builds the capital we need for economic success. Later remediation is less effective and more costly than preventing problems early in children's lives. Therefore, social policy should be directed toward creating an encompassing and effective early-childhood system. This requires a major shift of policies to understand the life cycle of skill and health formation and the importance of the early years of children's lives in creating inequality. Investing in early-childhood initiatives, such as the integration of PCMH and HV programs, has short-term and long-term benefits, including creating an effective work force, preventing chronic conditions, and lowering the costs of health and other care. The family-centered medical home is one way to combine all aspects of the family-centered, community-based systems of service. The integration of the patient-centered medical home and maternal and infant home visitation programs is just one piece of creating an early-childhood system worthy of our nation's most valuable asset—our children.

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ENDING POVERTY ISN'T ENOUGH:
A Piketty-Informed Policy Agenda to Expand Economic Opportunity

by

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Fifty years after Lyndon Johnson launched the War on Poverty, we have a new guide for economic opportunity policy. Leading economists and political thinkers call Thomas Piketty's Capital in the 21st Century groundbreaking, revolutionary, "the most important economics book of the year—and maybe of the decade."[1]

The Big Idea in this paper is big indeed—a wholesale shift in thinking around economic opportunity policy, informed by Piketty's research. Prior research showed that savings and investments are closely linked to economic mobility. Piketty's groundbreaking work finds that this type of wealth is also the driving force behind growing income inequality. This paper will show the extent to which America's existing "upside-down" federal tax policies actively work to concentrate that wealth among the most prosperous citizens.

This Big Idea is not just a theory; it's an actionable agenda with evidence-based policies ready for Congress to adopt and the White House to enact. Right-side-up policies would include but go further than traditional antipoverty proposals, because income is essential but not sufficient to build financial security and wealth. For example, if we want to focus on expanding opportunity for children, we cannot stop with policies that simply move their parents across the income poverty line. Children also need a financially secure household in which to thrive.

This is an exciting time for economic opportunity advocates. The country is engaged in a national debate about poverty, inequality, and mobility. We have groundbreaking research explaining centuries-long trends. And we have new evidence-based policies that could harness the research to ensure that every family can build wealth and invest in the talents and aspirations of their children.

This article begins with the War on Poverty and the relationship between income poverty and opportunity. It proceeds with a review of Piketty's research and the connection between concentrated wealth and growing income inequality. With these connections in mind, the paper then reviews the existing federal transfer system, which provides income support to some and wealth support to a few. It concludes with a review of federal policy reforms that would give every family the opportunity to build wealth and invest in the talents and aspirations of their children.

From Poverty to Financial Security

Too often we forget the key line preceding President Johnson's announcement of an "unconditional war on poverty."[2] Leading up to his famous declaration 50 years ago, LBJ first noted that "many Americans live on the outskirts of hope. ... Our task is to help replace their despair with opportunity." Poverty was the immediate enemy, but expanding economic opportunity was always the ultimate goal.

The enemy labeled "poverty" was defined in terms of income, with an arbitrary line intended to mark the minimum flow of cash needed to pay for basic recurring expenses. Today that measure equals $11,670 for a childless graduate student, $15,730 for a single mother, and $19,790 for a family of three.

Scholars and policymakers have argued convincingly that the old definition of poverty fails to measure what it really takes to get by.[4] In response, in 2011, the federal government began releasing the supplemental poverty measure, which takes into account costs such as healthcare and transportation, as well as income-enhancing programs including Social Security and the earned income tax credit.[5]

However, the fundamental problem with both of these measures runs deeper than statistical methodology. The problem is with the assumption that opportunity is determined by income alone. Decades of experience have taught us that ending income poverty is not enough to move families beyond "the outskirts of hope."

Consider the single mother with an income of $15,700. When her income increases to $15,800, statisticians will celebrate that we've moved her and her child out of poverty. This extra $100 will undoubtedly allow the mom to meet crucial immediate needs. But is she now financially secure? Is she more likely to invest in her own education? Is her child more likely to make it to college? Is she more likely to save enough to buy a home or build a retirement nest egg? In other words, by ending this family's income poverty, have we replaced despair with opportunity?

Financial insecurity is broader than income poverty. We know that nearly all families experience fluctuations in income from year to year, and low- and moderate-income families are more likely to experience significant drops. One in three of these families experiences at least a 25 percent drop in income over the course of a year.[6] We also know that fully one-quarter of families have no savings at all, meaning they are one big medical bill or broken-down car away from an economic crisis.

The combination of income fluctuation and little savings is a recipe for financial insecurity and constrained economic opportunity. Research shows that even modest liquid savings allow families to overcome the negative effects of income volatility—fewer missed housing payments, less food insecurity, less unmet essential expenses.[7] And we know that there is a strong link between savings and economic mobility.[8] Children born to low-income parents with savings are much more likely to move up the income ladder as adults.[9]

This research tells us that escaping the perpetual financial insecurity of low-wage work requires more than incrementally higher wages; it also requires savings and investments for the future.

Piketty's Insight: Concentrated Wealth Drives Growing Income Inequality

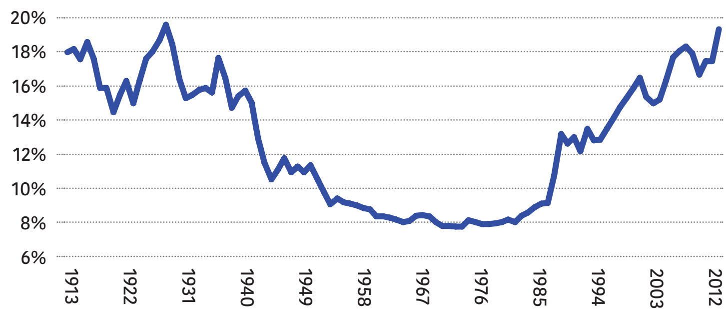
Savings and investments (or "capital") are where Piketty's Capital in the 21st Century comes into the picture.

Piketty starts with a focus on income inequality, which has been on the rise for several decades. In the years leading up to the Great Depression, the share of income held by top earners rose quickly before precipitously dropping with the onset of depression and world war. There it remained, more or less, for the next three decades. But starting in the late 1970s, the share of income held by the top began to skyrocket again, even surpassing its previous 1920s' record.

The revelation in Piketty's book is not about what happened to income inequality over the past several decades; rather, it is about why income inequality grows.

Figure 1

Top 1 percent share of total U.S. income, 1913–2012



Source: Data World Top Incomes Database

For a 700-page book, Piketty's explanation of growing inequality is surprisingly simple. Reviewing centuries of data across several industrialized countries, he finds that the rate of return on capital (home ownership, business ownership, stocks, bonds, and everything that makes up a household's net worth) has regularly outpaced the growth of the broader economy, which includes the incomes of all working families. The economy tends to grow at 2–3 percent annually, whereas capital tends to grow at 4–5 percent each year. Because capital is concentrated among wealthier households, inequality accelerates. It's simple math.

This is a particular problem in countries where wealth is distributed very unequally. In the United States, the top 1 percent of the population owns more than 35 percent of the wealth—more than the entire bottom 90 percent combined. In fact, the Corporation for Enterprise Development (CFED) has found that 44 percent of U.S. households have little or no savings.[10] These "liquid asset poor" families are not only missing out on the returns from wealth; they're also one economic shock away from financial disaster.

Income Support for the Poor; Asset Support for the Wealthy

Each of the two strands of research focuses on wealth. The first strand finds that wealth is closely linked to financial security and economic mobility. The second strand, Piketty's research, finds that wealth is the driving force behind long-term trends in income inequality. So, how do our public policies support the accumulation of wealth?

The federal government spends more than $500 billion annually to encourage Americans to save, invest, and build wealth. But the majority of this support goes to high-income households in the form of tax spending (also known as tax expenditures).[11] From a federal budget perspective, spending a dollar directly is the same as forgoing a dollar of revenue. The former is direct spending, the latter is tax spending, and the effect on the nation's bottom line is the same. For the recipient of the support, the effect is the same. So, although it may seem counterintuitive, a dollar of support received through a direct-spending program is the same as a dollar of support received through a tax-spending program.

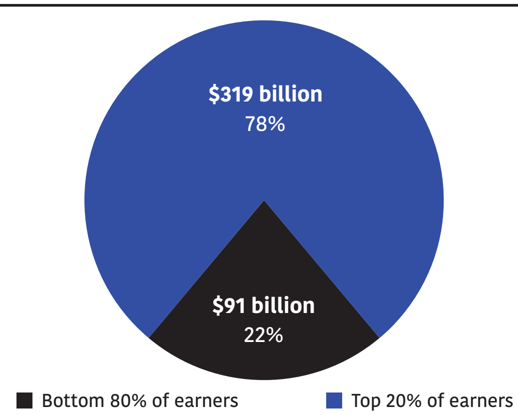
Still, there is a key difference between existing government transfer programs. Support for low-income households tends to come in the form of income support for everyday expenses—for instance, to pay for food (Supplemental Nutrition Assistance Program [SNAP], formerly Food Stamps), rent (Section 8 vouchers), and health insurance (Medicaid). In contrast, support for high-income households tends to come in the form of asset support—for instance, to buy a house (mortgage interest and property tax deductions), invest in stocks (reduced rates on capital gains), and save for retirement (exclusion for 401k and Individual Retirement Agreement [IRA] contributions).[12]

This distribution of asset-based support occurs because these program benefits primarily flow through tax spending, which disproportionately benefits high-income households. These households receive greater support simply because they have higher tax liabilities that can be reduced through exclusions, deductions, and credits.

Imagine if our welfare policies were structured so that a family received more nutritional assistance as their income increased, with chief executive officers, oral surgeons, and investment bankers receiving the most SNAP assistance. This is functionally how federal tax policy boosts savings and investments, and it is upside down.

Figure 2

Upside down: Four largest tax incentives to build wealth



Source: Data World Top Incomes Database

In other words, the government spends to help low-income families get by, while it spends to help high-income families get further ahead. Piketty finds that concentrated wealth is the driving force behind income inequality, and federal policy is actively concentrating that wealth. This is no way to reduce inequality or expand opportunity.

Some may argue that low- and moderate-income families do not receive support for savings and investments because these families are simply unable to save for the future. But decades of research show that low- and moderate-income families will save if given the same opportunities afforded to high-income households. The five-year American Dream Demonstration, implemented by CFED in 13 communities across the country, showed that even the lowest-income families, when provided access to savings accounts and incentives, will save for college, home ownership, and entrepreneurship.[13] A separate 10-year national demonstration project found that low-income families will save for their children's future if given the opportunity.[14]

In short, low- and moderate-income families have great capacity but little opportunity to build wealth. And existing federal policies do little to expand this opportunity for these families.

A Piketty-Informed Policy Agenda to Expand Economic Opportunity

Facing down the larger enemy of financial insecurity means empowering even very poor families to save and build wealth. The federal government already spends billions to ensure that the wealthy build more wealth, but we can expand opportunity by using these resources better. This is an American spin on the Piketty policy prescriptions. Whereas Piketty argues for taxing away wealth at the top, we argue for growing wealth at the bottom. We highlight a few of these policies below.

- **Empower every child to start building wealth early.** Children's savings accounts (CSAs) give children the opportunity to start building assets early in life. Research shows that children's savings can have a long-lasting impact well into adulthood.[15] Early savings can change aspirations, improve childhood development, and increase college access and success. Children in low- and moderate-income families with even less than $500 saved for college are three times more likely to enroll in college and four times more likely to graduate than children without any savings.

  CSAs are not just interesting theory; they're an evidence-based policy that has been implemented on the ground for thousands of children through the country. Local and statewide CSAs have launched or are launching in San Francisco, Cuyahoga County (Ohio), Nevada, Colorado, and Maine. At the federal level, congressional leaders in House and Senate tax-writing committees have committed to support large-scale CSA legislation to provide every child born in the United States with a savings account.

- **Eliminate asset limits.** A parent who saves as little as $1,000–$2,000 risks getting kicked off public benefits like Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), and SNAP. These asset limits force families to choose between building (or rebuilding) a financial cushion and receiving benefits that help them make ends meet. Personal savings are precisely the resources that allow families to move off public benefits when they are ready. But instead of encouraging self-sufficiency, asset limits discourage families from saving for emergencies, education, home ownership, or retirement. If we want all families to build wealth, we must eliminate severe financial penalties for doing so.

- **Turn the upside-down tax code right side up.** The tax code is the single most important source of support for savings and investment in federal policy. However, most of this support goes to high-income households. For instance, the main source of support for higher-education savings is tax-preferred 529 and Coverdell college savings accounts. Although families have more than $200 billion saved in these accounts, the bottom half of households own just 1.1 percent of this treasure trove. In other words, the existing tax benefits build wealth for the wealthy, while doing little for most working families. When we examine the tax benefits for retirement savings and investments in home ownership, entrepreneurship, and liquid savings products, we find the same upside-down shape. As policymakers consider broad reforms to the tax code, they should turn these upside-down tax benefits right side up to ensure that all working families can build wealth.

» **Ensure universal access to safe, simple, and affordable savings accounts.** All the incentives in the world will not expand financial security if families lack access to a savings product. As a step toward addressing this issue, California and Illinois are exploring a policy called automatic-enrollment IRA to guarantee that families without an employer-sponsored retirement plan can save for the future. In addition, President Barack Obama recently announced the myRA, a U.S. Treasury–sponsored account aimed at removing barriers to retirement savings by creating a simple, safe, and affordable retirement savings product for working families. Building on these policies, additional reforms could guarantee that all families have access to accounts to save for emergencies and build wealth through home ownership, education, and entrepreneurship.

Conclusion

Like Piketty, many U.S. policy thinkers and advocates focus their attention on the concentration of wealth at the top. Instead, they should be considering what we can do to empower all working families to save, invest, and build wealth.

We know that wealth is closely linked to both income inequality and economic mobility. We know that existing federal asset policies focus, counterintuitively, on building more wealth for the wealthiest households. We believe that we can do better.

For families to escape the perpetual financial insecurity of low-wage work, our public policies must ensure that all families can save for college, buy a home, start a business, and invest in our nation's economic growth. The federal budget and tax code devote billions of dollars annually to these goals, yet they fail to expand opportunity for most families. An asset agenda would use these resources more effectively and equitably by turning these upside-down policies right side up.

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First Focus
MAKING CHILDREN & FAMILIES THE PRIORITY

ENSURE EVERY CHILD HAS A LIFELONG SAVINGS ACCOUNT

by

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Building savings over the life course can be a key contributor to financial security and upward economic mobility. One of the most effective ways to trigger these outcomes is to start the process of saving as early as possible. Every child should be provided a savings account to serve as a vehicle to plan for their future.

Connecting children to savings accounts early on exposes them to the experience of saving, facilitates the delivery of basic financial education during the school years, and jumpstarts saving habits.[1] Successful demonstration projects show that children's savings accounts increase a sense of financial inclusion; promote financial literacy and fiscal prudence; protect against economic shocks; improve access to education; improve health and education outcomes; and help develop a future orientation.[2]

In the early 1990s, Michael Sherraden articulated the idea of giving all individuals tax-advantaged savings accounts at birth. Sherraden posited that programs like Aid to Families with Dependent Children (AFDC) and, later, Temporary Assistance for Needy Families (TANF), which provide income supports while actively discouraging saving, were not enough to help families climb out of poverty. What were needed to bring about a meaningful improvement in the long-term economic conditions of low-income families were asset-building policies like children's savings accounts (CSAs).[3] His assets-based perspective on the needs of American families in poverty helped drive the development of privately-funded national demonstration projects and a series of legislative proposals, including proposals for universal CSAs like the America Saving for Personal Investment, Retirement, and Education Act (the ASPIRE Act). These efforts have generated a series of insights that continue to inform policy development.

A successfully implemented national CSA policy would promote overall economic growth while providing a means for individual households to build assets, engage in meaningful financial education, and plan for a financially-secure future. This paper will introduce the central arguments for CSAs, provide examples of existing CSA efforts that can serve as models for broader CSA policies, and describe a proposal for a national system of CSAs.

The Case for Children's Savings Accounts

Research shows that the presence of savings plays a key role in facilitating financial security and economic mobility.[4] The positive effects of having savings are enhanced when families start saving early on for their children. Having access to savings generally – and particularly when the assets are in the child's own name – is associated with a range of positive outcomes throughout the lives of children, including better academic performance, higher rates of college matriculation, and higher rates of college completion.[5] Beyond these effects, evidence also suggests that there is a significant aspirational effect of having savings early in life. When children know that funds are available for college, they are more likely to embrace what William Elliott and others have called a "college-bound identity."[6] Having savings changes the way children think about themselves and their future and leads them to perceive that higher achievement is within their grasp.

Looking across generations, we see that having savings is an important factor in achieving economic mobility. Research from the Pew Charitable Trusts has shown that children of low-income – but high-saving – parents are more likely to experience upward mobility than children of low-income, low-saving parents. According to Pew's research of children raised in the bottom 25 percent of the income distribution, 71 percent of those with high-saving parents moved up from the bottom quartile over the course of a generation compared to only about 50 percent of children raised by low-saving parents.[7] These results show that saving for children today can do more than bestow positive benefits on a single lifetime; it can project the benefits of saving in the form of greater economic mobility into generations to come.

Not only do children's savings promote economic mobility, they build a bridge to retirement security. While Old-Age, Survivors, and Disability Insurance (Social Security) does play an important role in ensuring the retirement security of many Americans, outside of a massive expansion of this program, building individual assets for retirement will continue to be an essential part of families' lifelong financial planning. And starting to save early in life – even as early as childhood – is one of the best ways to achieve long-term financial goals.

Many families realize the wisdom of this advice: they want to save. But millions of families are placed at a disadvantage in their efforts to build savings by ineffective federal savings policy. Current policy rewards savers through preferential tax treatment, but this public support of private saving almost exclusively benefits households at the very top of the income distribution.[8] Households at all income levels can and will save if they have access to appropriate, safe, and easy-to-use products with the right incentives and support systems in place.[9]

A national, universal platform for children's savings could provide an infrastructure to help all families build the assets they need to increase their children's chances to financially succeed.

As a Pathway to Lifelong Saving and Asset Building

One of the primary justifications for creating a system of children's savings accounts is that it creates a pathway to the large-scale accumulation of assets. Savings built up over time can be deployed in a variety of productive ways that make a significant difference in people's lives. These include being able to pursue post-secondary education and training, saving up for a downpayment on a home, and saving for retirement security. These investments can provide returns that lead to greater economic stability, mobility, and prosperity for families.

Today, the federal government promotes asset building and long-term savings exclusively through the income tax code. These tax incentives do not reach the millions of lower-income families that have little or no income tax liability. A universal CSA system that includes everyone would be a major step towards remedying this policy failure. Low-income families already face significant barriers to saving, such as high housing costs, counterproductive public assistance eligibility rules that put a cap on assets, and simply having low incomes. Current federal savings policy must be changed so as to not exclude these families.

As a Meaningful Opportunity for Financial Education

The incidence of account ownership and access provides an excellent opportunity for families to be exposed to the lessons of financial education. The opportunity to actively contribute to one's own account is a powerful tool for developing the habit of saving, a behavior linked to healthy personal financial management. Financial education is widely recognized as a necessary component of economic security. Regardless of income, families that have a poor understanding of personal finance have a harder time managing and holding on to their resources. A 2008 study on asset building among low-income families found that the benefits of asset ownership "might be raised significantly with the addition of expanded financial education, especially for low- and middle-income families."[11]

As a Promoter of Financial Inclusion

The lack of access to mainstream financial services is a primary source of economic insecurity for millions of American families. Costly alternatives, such as payday loans, refund anticipation loans, and pawn shops, often serve to strip away assets and savings rather than help families build them up. Broad access to children's savings accounts will not alone solve the unbanked and underbanked problem, but making universal CSAs a reality would offer an avenue for greater financial inclusion. First, these accounts could offer access to a long-term savings platform. Second, these accounts would represent an affordable and safe point of entry into the world of personal finance. Third, the accounts would have the potential to be linked to mainstream financial services. Creating access to low-cost and high-quality financial services is essential for reducing reliance on the higher-cost products that are currently used by many low- and moderate-income families.

Models for Policy

In recent years, there has been a proliferation of efforts at the state and local levels to expand opportunities for children to save. Philanthropic institutions have financed the development of pilot projects to model and study the impacts of these accounts. States and municipalities have observed the positive effects of these projects on children and families and have followed through with their own efforts. Taken together, these pilot programs, demonstration projects, and policies at the local and state levels have explored a range of approaches that have implications for a federal policy effort in the United States.

Saving for Education, Entrepreneurship and Downpayment (SEED)

The SEED initiative was a Children's Savings Account pilot project implemented in 12 states with almost 1,200 participants. SEED research results offer insights to inform the design of an inclusive system of CSAs. SEED research suggests that children in low-income families can and will save; that universal, automatic access to accounts is critical to success; and that CSAs promote positive behavioral and attitudinal changes in children.[12]

SEED for Oklahoma Kids

SEED OK is an outgrowth of SEED, designed to experimentally test the effect of CSAs. In 2007, SEED OK became the first randomized controlled trial of a universal and progressive CSA program in the country. Over 2,600 newborns were randomly assigned to either a treatment or control group. The treatment group was automatically enrolled in Oklahoma's 529 College Savings Plan and was provided with a $1,000 initial deposit. The SEED OK experiment demonstrated that automatic account opening is a highly successful strategy for inclusion of a full population, with 99.9 percent of treatment participants accepting Child Development Accounts (CDAs), a type of children's savings account, and holding them several years later. Follow-up research has found that SEED OK increased young children's social-emotional development as early as age four among families that have low education, low income, receive welfare benefits, and rent their homes.[13]

Kindergarten to College (K2C) San Francisco

In 2011, San Francisco launched the Kindergarten-to-College (K2C) program, which opened accounts for every kindergartner in the city's public schools. K2C accounts are opened with a $50 seed deposit. Parents and students can contribute up to $2,500 each year and earn matching funds on the first $100 of contributions each year in the ongoing program. An additional $100 is available for parents who sign up for automatic contributions. Children eligible for free or reduced price lunch can receive an additional $50 bonus. The funds are specifically reserved for expenses related to post-secondary education and are held in a special account administered in partnership with Citi Bank.[14]

Cuyahoga (OH) College Savings Program

In the fall of 2013, Cuyahoga County, Ohio launched its own College Savings Account Program, which provided savings accounts seeded with $100 each for 15,000 incoming kindergarten students. The program's organizers have stated that saving incentives will be made available, but no details have yet been offered about this aspect of the program. The funds are restricted for post-secondary educational expenses, though emergency withdrawals are allowed. Cuyahoga County holds the funds in a special account until disbursement.

The Alfond Challenge (Maine) and Nevada College Kick Start

In 2008, the Alfond Challenge, funded by the Harold Alfond Foundation, began offering $500 in a 529 college savings account to any parent of an infant in Maine who enrolls before the child's first birthday. The funds are reserved for post-secondary educational expenses, in accordance with the standard rules governing 529 programs. Any unused Alfond funds and earnings revert to the fund upon the child's 28th birthday. Between 2008 and 2013, this program used an opt-in model, but recently the Alfond Foundation announced that it would transition to an automatic-enrollment structure, offering an account to every child in the state.[15]

This past year, Nevada College Kick Start began a similar program offered to over 30,000 kindergartners in the state. The program automatically provides a 529 college savings account with the option for parents to opt out. Each 529 account is seeded with $50 and offers a potential lifetime total of $1,500 in matching funds.

Towards a National Children's Savings Account Policy

All Americans should have the opportunity to build assets. But in order to make saving feasible for many low- and middle-income families, the saving process must be supported by the right set of incentives and institutional structures. The ASPIRE Act (America Saving for Personal Investment, Retirement, and Education), introduced with bipartisan support in four consecutive Congresses between 2004 and 2010, represents a promising proposal to bring this aspiration to reality.[16]

As generally envisioned throughout its several iterations, the ASPIRE Act would offer a seeded account to every child born in America. The original seed amount would be based on a progressive sliding scale that increases in inverse proportion to family income, meaning that lower-income families start with a larger seed amount. Additionally, the accounts would include a progressive incentive structure for subsequent contributions in order to encourage families to make routine contributions to the account throughout the child's life. Contributions would be after tax and would be limited each year to a reasonable amount such as $2,000. Earnings would grow tax-free. Funds would be automatically held in default investment plans like the federal government's Thrift Savings Plan (TSP), but account custodians would have the option to transfer the funds to other investment options. Eventually, upon maturation, the funds could be used for restricted purposes such as paying for post-secondary education, buying a home, and serving as a source of income in retirement.

Default accounts would be administered by an entity similar to the Federal Retirement Thrift Investment Board that oversees the Thrift Savings Plan (TSP). The TSP has low administrative fees and a limited but diverse set of investment options. Under the ASPIRE Act, participants would be free to roll their accounts out of the default TSP-like investment and into one managed by a private financial institution. Accounts would also be supported with financial education services that would be available to both accountholders and their families.[17]

This system of CSAs proposed in the ASPIRE Act would provide a meaningful saving opportunity to the millions of American families that cannot take advantage of the federal government's regressive, opt-in savings-policy regime based solely on income-tax incentives. The current upside-down tax incentives for saving provide the greatest incentive to the highest earners, but no incentive for the roughly half of American households at the bottom of the income ladder who have no income tax liability to offset.[18] Moreover, the nearly exclusive focus of federal policy on building assets for use during retirement, and its neglect of saving for all other purposes, distorts rational saving behavior. Creating opportunities to save for other purposes over the life course, such as education, homeownership, entrepreneurship, or financial emergencies, is a necessary step for families to build a solid bridge to retirement.[19]

Families currently have very few options to save on behalf of their children in an incentivized vehicle. One example that does exist is the 529 College Savings Plan, but these plans are almost exclusively utilized by high-income families. Indeed, less than 3 percent of U.S. families make use of these plans.[20] CSAs, as envisioned in the ASPIRE Act, represent an opportunity to buck the trend of the nearly uninterrupted pattern of inequitable government policies that concentrate the benefits of saving in the wealthiest families. A universal, progressive system of CSAs would broaden opportunities to save by specifically targeting disadvantaged families who need more help in building assets, thereby turning at least some upside-down saving incentives right-side up. Yet although this system of CSAs would provide a much-needed counterweight to existing federal policies by establishing meaningful saving incentives specifically targeted at low-income families, it would not categorically exclude any child because of her family's income. The universal approach of the ASPIRE Act would automatically offer the same opportunities to all families, regardless of income or existing saving habits, in order to bring about a cultural shift towards savings, ownership, and prudent financial decision-making.

A new savings infrastructure, like the one the ASPIRE Act would create, should automatically provide a vehicle for saving with targeted and accessible incentives to every child in America.

Creating an opportunity for every child to save and build assets over her lifetime is a concept whose time has come. It is a concept that draws upon the enduring American values of individual responsibility and equal opportunity. Previous proposals have attracted the attention of policymakers from across the political spectrum, and with renewed leadership, it is a concept that could be a foundational element of a bipartisan economic mobility agenda.

Reviving an economy capable of producing long-term sustainable growth will require both increased saving and investment. But this change in Americans' approach to finances will not happen by itself. We need a CSA policy that will provide the right set of incentives, institutions, and vehicles to support saving. Recently implemented CSA programs at the state and local levels have demonstrated how a system of children's savings accounts could be the centerpiece of such an effort. Not only would CSAs empower people to start saving early, CSAs would also encourage positive behavioral changes, increase financial knowledge, and facilitate greater financial inclusion. These changes would provide the foundation for a more financially secure and economically mobile America and create a more vibrant economy whose benefits accrue to all Americans.

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BEST INTERESTS OF THE CHILD STANDARD: Bringing Common Sense to Immigration Decisions

by

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Many Americans are now aware that unaccompanied children from Honduras, Guatemala, El Salvador, and Mexico are coming to the United States through the Mexico–U.S. border. Given the political firestorm, many also know that immigration officials have the authority to decide whether those children may remain in the United States or be sent back. What most Americans likely do not know is there is no requirement that immigration authorities should consider the children's best interests—specifically, the children's safety and well-being—in making these decisions. Border patrol agents do not have to consider best interests when returning a vulnerable child to Mexico. Immigration judges do not have to consider best interests when deciding whether to deport a child. Immigration officials who adjudicate visa applications do not have to consider best interests when deciding whether to grant a visa to a child trafficking survivor. Immigration and Customs Enforcement (ICE) attorneys who prosecute cases against children and arrange for their repatriation do not have to consider whether their decision may place a child directly in harm's way or permanently separate the child from a parent.

Not surprisingly, the absence of a best-interests standard for children in our immigration law has led to absurd results. Consider the following:

- At the age of 11, Julia fled to the United States to escape a home in which her caregiver (her grandmother) had been sexually assaulted by a police officer and where Julia was a witness to the event. Julia's hope was to find safety with her mother in the United States. After more than six months in a locked "shelter," where she had just a weekly, 10-minute phone call with her mother, Julia unexpectedly told her lawyer she wanted to quit fighting her case and ask the judge whether she could go back to Honduras. Julia was so devastated at being prevented from being with her mother that she had decided she would rather return to a family member who could not protect her from danger, rather than remain so close to, but separated from, her mother. Until that moment, Julia's attorney had been preparing a petition for asylum. The lawyer knew that when Julia went to court and asked for permission to go back to her country, the judge would have no obligation to ask any questions about whether Julia would be safe or who would care for her in her home country. Julia's mother would have no role at the hearing. Even if Julia's mother called the court asking to be present telephonically, the court would have no obligation to speak to Julia's mother or include her in the proceedings before deciding whether to repatriate Julia. Because Julia's attorney was obligated to tell the court Julia's expressed interests (her desire to return), there was no one to advise the court of the risks of return to Julia's safety and well-being.
- Baby Ana, just 13 months old, was discovered when a smuggler was caught bringing her into the United States. Ana's mother had been killed only weeks before. Prior to that, Ana had been raised by her mother and her maternal grandparents, who desperately wished for Ana's return to their country. Despite Ana's age and the fact that she was still preverbal, the Department of Homeland Security (DHS) decided to charge Ana with entering the United States without permission and require her to appear in immigration court to defend against these charges. For Ana to be reunified with her family—her grandparents in her home country—the request would have to be made by Ana, through an attorney she would have to retain, in formal immigration-removal proceedings. This procedure was certainly not in her best interests nor in the interests of government efficiency, given the many additional immigration court officials now involved in her case.

When children like Julia and Ana become the subject of federal immigration proceedings and decision making, what standards should inform the decisions? How do we ensure a fair and just adjudication of a child's request for a visa or asylum? How can we ensure that the recommendation of the child advocate—appointed to identify and advocate for the child's best interest—is not colored by subjective beliefs? How do we ensure that the child advocate's determination does not ignore the child's wishes or disregard the child's culture or the family's wishes for the child? Is it possible to establish the appropriate weight an immigration judge or other immigration authority should give to a recommendation about a child's best interests?

The answers to these questions are to be found in universally accepted law and policy—that consideration of best interests is both necessary and possible. There is a process and set of standards for gauging the best interests of the child. Moreover, these procedural and substantive protections can be applied for all children subject to immigration removal without undermining the decision-making authority of immigration officials. Finally, this can be done in a manner that ensures the child's voice and rights are heard and upheld and that weeds out bias and paternalism.

Surprise 1: *Clearly Articulated Standards for Assessing "Best Interests"*

The "best interests of the child" standard is a hallmark of U.S. child protection laws. The laws of all 50 states require consideration of a child's best interests in any decision "about a child's custody or other critical life issues."[1] This standard is also a foundational principle of international guidelines governing the treatment of children—in particular, the Convention on the Rights of the Child (CRC).[2] At this moment, only two countries—the United States and Somaliahave failed to ratify the CRC.[3]

Best interests is a term of art; there is no exact definition. The term encompasses both a substantive right—the child's right to have his or her best interests considered in any decision about him or her—and procedural protections to ensure that there is "an evaluation of the possible impact" of decisions upon a child or group of children.[4] The factors entering into the determination of *best interests* vary case by case. Nevertheless, certain factors—safety, well-being, permanency—appear consistently in statutes, case law, regulations, and policies defining best interests. In 2013, the Committee on the Rights of the Child articulated seven specific elements for assessing a child's best interests:[5]

1. The child's views
2. The child's identity
3. Preservation of the family environment and maintaining relations
4. The care, protection, and safety of the child
5. A situation of vulnerability
6. The child's right to health
7. The child's right to education

The Young Center for Immigrant Children's Rights has worked for more than a decade to distill these criteria into a meaningful framework for considering the best interests of unaccompanied children facing deportation. Under the 2008 Trafficking Victims Protection Reauthorization Act (TVPRA),[6] the Secretary of Health and Human Services has the authority to appoint independent child advocates—the equivalent of a best interests guardian *ad litem*—for unaccompanied children charged with being in the United States without permission. By way of context, these children are charged with breaking the law, placed in adversarial immigration court proceedings, and (at least temporarily) detained and separated from their families. The Young Center served as the model for this statutory provision and remains the only organization providing child advocate services to unaccompanied children at this time. The independent child advocate's role is to identify and advocate for the best interests of child trafficking victims and other vulnerable immigrant children. Consistent with the CRC and most domestic statutes, child advocates assess children's best interests by applying the framework shown in Figure 1.

Figure 1.

Child advocate paradigm for assessing best interests

Source: Young Center for Immigrant Children's Rights © 2014

Child's Wishes. The Young Center has adopted a child's rights–driven model based on the CRC, in which a child's wishes *must* be considered, giving due regard to the child's age and maturity.[7] There is no age threshold below which children cannot express their wishes: the center has worked with toddlers who could express their desire to be with a particular parent or caregiver.

Immigrant children in removal proceedings are treated much like defendants in the criminal system. They are charged with violating immigration laws. As such, their desires—often the right to live permanently in the United States—cannot trump U.S. laws and regulations. However, their wishes are not only relevant to the adjudication of their cases but also should be a *primary consideration* when deciding whether a child is permitted to remain in the United States or is ordered deported. We have no doubt that the best way to ensure that a child's voice is heard is to ensure that the child is represented by qualified counsel with experience representing children, provided at government expense if the children or their family are unable to retain counsel on their own. A "federal defender" model of representation for children who do not receive pro bono or nongovernmental organization (NGO)–based attorneys would ensure that every child has an attorney to advise the child of his or her rights; prepare applications for relief or request discretionary action on the child's behalf; or if the lawyer did not believe the child could make a claim under the law, ensure that the child could express his or her wishes directly to the judge, who would determine whether the child could proceed.

Safety. The Young Center will only make a recommendation that contradicts a child's expressed wishes when the child has stated a desire that endangers his or her safety or well-being; and even then, we will only do so after convening a panel of independent, interdisciplinary experts who participate on a "best interests determination" (BID) panel, described in more detail below. Safety includes "the right of the child to protection against all forms of physical or mental violence, injury or abuse, sexual harassment, . . . as well as protection against sexual, economic, and other exploitation, drugs, labor, armed conflict, etc."[8] Although safety is a relevant factor for some forms of immigration relief, a child's lack of safety in home country is not, standing alone, a basis for remaining permanently in the United States. Our country routinely deports children to unsafe situations.

Family Integrity. Family integrity is a central component of a child's best interests.[9] The CRC recognizes the family as the "natural environment for the growth and well-being of all its members and particularly children"[10] and insists that "a child shall not be separated from his or her parents against their will, except when competent authorities subject to judicial review determine, in accordance with applicable law and procedures, that such separation is necessary for the best interests of the child."[11] For years, the Young Center has relied on these principles—and corresponding principles in U.S. child welfare laws—to advocate for the release of children from detention to parents and other family members determined to be safe sponsors. In recent years, the federal government explicitly recognized the potential for immigration enforcement to disrupt families and threaten parents' constitutional rights to the care and custody of their children, though in the context of parents facing deportation.[12]

Nevertheless, there is no such policy when it comes to children facing prolonged or permanent separation from a parent *when the child* is the subject of immigration proceedings.

Liberty. A child's right to liberty[13] is particularly relevant for unaccompanied children who are apprehended by immigration authorities and then transferred to the custody of the Department of Health and Human Services. Under a 1997 settlement decree, unaccompanied children may be released from detention to the care and custody of a parent, family member, or other sponsor during the pendency of their proceedings.[14]

Periods of detention prior to a child's release—when a child is not free to leave and during which the government compiles a custodial file that can be used against the child in adversarial court proceedings—must be recognized as detention. There are few foster homes for children awaiting family reunification. Detention in locked facilities is potentially traumatic, even when that time is used to provide information about legal rights or other services or to identify a safe placement for the child. Holding children in highly restrictive detention, separated from family, while their cases are adjudicated thus runs afoul of two central tenants of a child's best interests—the child's right to be raised by family and the child's right to liberty. The practice of detaining families—particularly mothers with young children—also violates a child's liberty rights and poses risks to the child's safety, health, and development.

Development. In a system that generally treats children as adults-in-miniature, Young Center child advocates have advocated that decisions be made in light of a child's right to development considering the particular needs, vulnerabilities, and strengths of each child. The right to develop includes the right to health and education and may be best understood as *well-being*, which "in a broad sense includes their basic material, physical, educational, and emotional needs, as well as needs for affection and safety."[15] The Committee on the Rights of the Child defines this need as one of "protection and care"[16] and "expects States to interpret development as a holistic concept, embracing the child's physical, mental, spiritual, moral, psychological, and social development."[17]

Surprise 2: *Application of the Best Interests Standard Is Consistent with the Goal of Fair and Just Adjudication*

With few exceptions, our immigration laws do not require consideration of a child's best interests.[18] Incorporating a best interests standard as a primary consideration in all decisions and assigning judges dedicated to children's immigration court dockets would not only ensure the fair and just adjudication of children's cases (from decisions made at the moment of the child's apprehension through the determination of where the child will reside permanently), but would also reduce some of the burdens on our immigration system and ensure that decisions about children are made by judges and officials with particular expertise in children's cases.

> "Every child has an individual story. The best interests of the child standard ... requires that each child's story be known and understood before immigration authorities make decisions that could put the child in harm's way. Such individualized inquiries are the hallmark of fairness and due process."

For example, 13-month-old Ana was charged and placed in removal proceedings by DHS authorities who first found and brought her into custody. Removal proceedings are formal, adversarial proceedings, which take place before a judge and where there is an attorney representing the government. Once placed in removal proceedings, children, like adults, must make a formal request of the judge for the right to remain in the United States or to withdraw their application for entry. And children, like adults, do not have a right to government-appointed counsel when they appear in immigration court.

If DHS had a policy and procedure for considering the best interests of children in *all* decisions, the agency might have decided not to formally charge Ana until more could be learned about her family. This would have eliminated the expense of convening multiple immigration court proceedings—each of which required the presence of an immigration judge, a DHS attorney, a court clerk, and a court reporter—so that the immigration judge could eventually entertain the fiction that Ana was "withdrawing her application for admission."

Immigration courts (part of the U.S. Department of Justice, a separate federal agency) also lack a framework for considering best interests, which in Ana's case would have required consideration of her right to grow up with her family. In our current system, Ana's grandparents, despite being appointed her legal guardians in their country of origin, were denied any role in their granddaughter's immigration case, which may have deprived the court of valuable information—such as their appointment as her legal guardians and their willingness and ability to provide her with a safe home in their country. In this case, a Young Center independent child advocate, appointed under TVPRA, was able to provide this information to nonprofit attorneys who stepped in to represent Ana free of charge, as well as to the court—but only after the court exercised its discretion to consider and give weight to our best interests recommendation, a procedure not yet statutorily required under current immigration law.

In 11-year-old Julia's case, her attorney requested a Young Center child advocate because the attorney feared for Julia's safety in Honduras. The attorney had been preparing an asylum application based on Julia's fear of persecution by police and others. If Julia insisted on requesting voluntary departure (a way of returning to her country, without penalty), her attorney knew that the request was likely to be granted. The absence of a best interests standard in the immigration courts and within the agency (DHS) responsible for returning children meant that the immigration judge *might* ask Julia a few questions about the person(s) to whom she'd be returning but that neither the judge nor the government attorneys prosecuting the case against her would ask questions such as, "Where are your parents?" "Will you be safe if you go back?" "Will you be able to go to school when you return?" "Did anyone try to hurt you before you left?" No questions would be asked of the family in home country, such as: "Are you able to care for this child?" "Do you want to care for this child?" "Can your family raise another child?" "Who lives in the home?" The answers to those questions would have revealed that Julia faced persecution in her country, making her eligible to apply for asylum and possibly other visas that would lead to lawful permanent status in the United States. The inquiry also would have revealed that there was no adult in Julia's country able to care for her or protect her from harm.

Not all children have a viable claim under U.S. law to remain permanently in the United States, but every child has an individual story. The best interests of the child standard, which is inherently individualized, requires that each child's story be known and understood before immigration authorities make decisions that could put the child in harm's way. Such individualized inquiries are the hallmark of fairness and due process, which are stated goals of our immigration courts.[20]

> "The role of the child advocate is to ensure that the child's voice is heard and considered and that relevant evidence about the child's safety and well-being is provided to all immigration authorities with the ability to make decisions about the child."

Surprise 3: *Best Interests Recommendations Can Be Child Driven, Child's Rights Oriented, and Valuable for Federal Immigration Authorities*

Establishing and implementing a best interests standard, in which the decision maker considers the child's safety, wishes, separation, or reunification with family, liberty, and ability to grow and develop would not require a radical departure from our immigration laws, nor would it upend our immigration system such that every child in immigration proceedings would be permitted to remain permanently in the United States. Under U.S. law, immigration decisions are discretionary. Even when a child or adult establishes that she or he satisfies the criteria for asylum, the government is not obligated to grant petition for asylum.[21] Rather, immigration judges, asylum officers and other officials with the power to issue visas retain the discretion to grant or deny requests for relief from removal.

Requiring a judge, asylum officer, or immigration official to consider a child's best interests does not strip that official of the discretion to weigh all of the facts. An immigration judge in a jurisdiction that lacks a child advocate program once explained that when he makes a decision about a child's case, he wants to have as much information as possible. Immigration judges know the legal standards for establishing a claim and can determine how to weigh the information in front of them. The judge we spoke with expressed a clear preference for receiving all relevant information about a child's decision to leave his or her country, particularly information about the child's safety.[22]

Adversarial proceedings presume a worthy adversary. Every effort must be made to ensure that the expressed wishes of children—who are still developing, maturing, and learning to communicate and put their life experiences in context[23]—are heard. A best interests of the child standard requires that immigration authorities take special care to elicit the child's opinion and give that opinion due weight in accordance with the child's age and maturity (while also considering the child's safety, family integrity, liberty, and ability to develop).

When a child's desires do not endanger his or her safety or well-being, the role of the child advocate is to ensure that the child's voice is heard and considered and that relevant evidence about the child's safety and well-being is provided to all immigration authorities with the ability to make decisions about the child. However, in particularly challenging cases—such as when the child's wishes put him or her in harm's way, or when the child lacks capacity to express an opinion, or when the child faces long-term or permanent separation from a parent—the Young Center convenes BID panels to guide its recommendations[24] regarding the child's best interests.

BID Recommendations. The Young Center's BID panels are modeled on a procedure developed by the UN High Commissioner for Refugees.[25] The BID panels comprise a group of diverse experts who are unrelated to the case and whose expertise allows them to apply the best interest framework to the specific facts of a child's case. A typical BID panel includes an immigration attorney, an expert in domestic child welfare law, someone from the child's country of origin, and a subject matter expert (for example, an expert in domestic violence or in labor trafficking), as well as the child advocate and the BID panel supervisor. After reviewing the facts of the case, BID panelists ask questions of the child advocate and then work to reach consensus on what is in the child's best interests or determine what additional information would be needed to make a recommendation. The BID panel's recommendations are incorporated into the final recommendation (again, a recommendation as opposed to a final decision) of the child advocate.

The BID panel provides the child with procedural protection against the risk that a well-intentioned lawyer, social worker, or volunteer, acting alone, may allow his or her bias to cloud a best interests recommendation. The BID process also protects against paternalistic recommendations of the "for their own good" variety.

Most important, "an adult's judgment of a child's best interests cannot override the obligation to respect the child's rights under the Convention."[26] This concern for preventing the substitution of an adult's judgment for the child's expressed interests is grounded in both international law and domestic child welfare law. Thus, a child advocate's best interests recommendation is formulated in consideration of where the child feels safe, as opposed to where the child advocate believes the child will be safe.[27]

The Young Center's BID panels are designed to bring as much expertise as possible to the best interests recommendation process. In some ways, they reflect the domestic child welfare model in which a guardian *ad litem* gathers information from everyone connected to the child and is entitled to have access to all of the information about the child's case. Outside of immigration law, the best interests standard is such a well-accepted principle that during the 2008 debates over comprehensive immigration reform, three senators took to the Senate Floor to express their dismay over the absence of a best interests standard in immigration law and their disappointment that such a provision would be considered controversial.[28] Nevertheless, there remain critics of incorporating a best interests standard into immigration law.

Concerns. In particular, children's attorneys are concerned that best interests may be used to trump the child's expressed interests. But this should not be the case if a child-rights best interests framework, such as the one applied by the Young Center and required by the CRC, is applied. Even when a child advocate's ultimate recommendation contradicts the child's expressed interests (for example, in cases in which a child requests a decision that puts her or him in harm's way), the child advocate has an obligation to identify the child's desires and ensure those desires are heard. Moreover, the child advocate is subject to cross-examination by the child or the child's attorney, as well as by the immigration judge and the trial attorney in immigration court proceedings. At the Young Center, our first endeavor on behalf of a child's best interests is often to ensure that the child has an attorney to represent him or her.

Government officials have expressed concern that considering children's best interests will open the floodgates to children's claims to remain in the United States. Principles of due process require that all children have an opportunity to tell their story, to explain what they were seeking when she came to the United States, and why they wish to stay or why they now wish to return. The best interests standard would require *consideration* of children's best interests in making that decision. It would not prohibit immigration judges, asylum officers, U.S. Customs Border Protection or U.S. Citizenship and Immigration Services officials from considering other important factors—for example, safety to the community or national security concerns. Those and many other factors would continue to be incorporated into the decision-making process. Understanding the difference between best interests as a *primary* consideration and best interests as the *sole* consideration should alleviate the fears of both attorneys and enforcement authorities.

> "This is precisely what child welfare and human rights principles call upon us, as a country, to do—to protect children."

In addition, without change to the forms of relief available to children—which are limited primarily to asylum, U visas, T visas, special immigrant juvenile status, and occasional Violence Against Women Act claims—consideration of the child's best interests will not change the bases under which children can gain permanent status. It may help tip the scales in cases where an adjudicator finds that the child has established his or her eligibility for relief but is on the fence about whether to exercise discretion in the child's favor. It may also result in more discretionary actions by enforcement authorities, who may choose not to charge a child with removability or may agree to close a child's immigration case. Yet this is precisely what child welfare and human rights principles call upon us, as a country, to do—to protect children. If a discretionary grant of asylum or the termination of a child's immigration case ensures that the child does not face harm at a moment when he or she is still growing and developing and is in the care of a parent or guardian, then we've applied the best interests principle for which it was designed—to ensure the safety and well-being of children.

Conclusion

Ultimately, both Ana and Julia reunified with their families—Ana, to her grandparents in her country of origin; and Julia, to her mother in the United States, where she applied for and was granted asylum. Both decisions were made after an independent child advocate submitted a best interests recommendation—in Ana's case, to an immigration judge; and in Julia's case, to the agency responsible for deciding whether she could be released to her mother and later to the asylum officer adjudicating her claim. In both cases, the immigration authorities considered the best interests recommendation in making their decisions—even though there is no explicit best interests standard in the immigration law as it presently exists. It is not terribly difficult to imagine an immigration system in which every child has the opportunity to have his or her best interests considered, particularly when authorities are making decisions that could result in permanent separation from family, banishment, or returning the child to a dangerous environment. Consideration of the best interests of the child in immigration deportation proceedings makes sense. It requires asking questions, gathering information, and then balancing that information with other equities in the case. In other words, a process of fair adjudication.

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Notes

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2. United Nations Convention on the Rights of the Child (CRC), G.A. Res. 44/25, art. 3, Annex, U.N. Doc. A/44/736, 1577 U.N.T.S. 3 (November 20, 1989).
3. L. Blanchfield, "The United Nations Convention on the Rights of the Child," Congressional Research Service, April 1, 2013, 1, http://fas.org/sgp/crs/misc/R40484.pdf; D. B. Thronson, "Kids Will Be Kids? Reconsidering Conceptions of Children's Rights Underlying Immigration Law," Ohio State Law Journal 63 (2002): 979, 988.
4. United Nations Committee on the Rights of the Children, General Comment No. 14 (2013) on the right of the child to have his or her best interests taken as a primary consideration (art. 3, para.1), ¶6, U.N. Doc. CRC/C/GC/14 (May 2013), http://www2.ohchr.org/English/bodies/crc/docs/GC/CRC_C_GC_14_ENG.pdf ("the child's best interests is a threefold concept . . . (a) A substantive right . . . (b) A fundamental, interpretative legal principle . . . (c) A rule of procedure").
5. Ibid. ¶¶48–79.
6. 8 U.S.C. §1232(c)(6).
7. CRC, supra note 3, art. 12; see also Committee on the Rights of the Children, supra note 5, 53.
8. Committee on the Rights of the Children, supra note 5, 73.
9. CRC, supra note 3, arts. 5, 7, 8, 9.
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11. Ibid. art. 9.
12. See, for example, U.S. Immigration and Customs Enforcement, 11064.1: "Facilitating Parental Interests in the Course of Civil Immigration Enforcement Activities," August 23, 2013, 2, http://www.ice.gov/doclib/detention-reform/pdf/parental_interest_directive_signed.pdf (recognizing the "fundamental rights of parents to make decisions concerning the care, custody, and control of their minor children without regard to the child's citizenship, as provided for and limited by applicable law").

13. CRC, supra note 3, art. 37(b) ("The arrest, detention, or imprisonment of a child shall be in conformity with the law and shall be used only as a measure of last resort and for the shortest appropriate period of time." [emphasis added]).

14. Flores v. Reno, No. CV 85-4544-RJK (Px) (C.D. Cal. Jan. 17, 1997), http://aclu.org/files/pdfs/immigrants/flores_v_meese_agreement.pdf.

15. Committee on the Rights of the Children, supra note 5, ¶71.

16. Ibid.

17. Ibid. ¶4, n.2 (internal quotations and citation omitted).

18. See Carr, supra note 1, at 123 ("The failure of immigration law and procedure to incorporate a 'best interests of the child' approach ignores a successful means of protecting children that is common both internationally and domestically."). The Immigration and Nationality Act (INA) references the "best interests" of children subject to its intricate provisions only a few times. The Department of Health and Human Services is required to place unaccompanied children "in the least restrictive setting that is in the best interest of the child" (8 U.S.C. § 1232(c)(2)). In 2008, the TVPRA amended the INA to permit the appointment of independent child advocates, who must be provided "access to materials necessary to effectively advocate for the best interest of the child" (8 U.S.C. § 1232(c)(6)). The TVPRA also permits support for "best interest determinations" for certain unaccompanied children, "to identify child trafficking victims and to assist in their safe integration, reintegration, and resettlement" (William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008 § 104(1)(B), 22 U.S.C. § 7105(a)(1)(F)). The term also appears in the definition of a special immigrant juvenile (8 U.S.C. §1101(a)(27)(J)(i–ii)), requiring, among other things, a determination that it is not in a child's best interests to return to his or her country of residence.

19. Executive Office for Immigration Review (EOIR), Department of Justice, "About the Office: Goals," accessed July 25, 2014, http://www.justice.gov/eoir/orginfo.htm ("EOIR's primary mission is to adjudicate immigration cases in a careful and timely manner . . . while ensuring the standards of due process and fair treatment for all parties involved").

20. E. Frankel, "Detention and Deportation with Inadequate Due Process," Duke Forum for Law and Social Change 3 (2011): 63, 92 (stating that all forms of immigration relief are considered a "benefit" and not a right and that a judge may always exercise discretion and deny that benefit, even if a child makes a showing that he or she qualifies for one).

21. Notes on file with authors.

22. See A. I. Schoenholtz, "Developing the Substantive Best Interests of Child Migrants: A Call for Action," Valparaiso University Law Review 46 (2012): 991, 999–1000 (recognizing child migrants as "developing beings, both cognitively and biologically" and acknowledging general agreement "that children are evolving beings").

23. It is important to note that the Young Center uses the BID process to develop a recommendation and not a determination (or decision).

24. Office of the United Nations High Commissioner for Refugees, "UNHCR Guidelines on Determining the Best Interests of the Child," May 2008, http://www.unhcr.org/4566b16b2.pdf.

25. Committee on the Rights of the Children, supra note 5, at ¶4 (internal quotations and citation omitted).

26. See, for example, 705 ILCS 405/1-3 (requiring consideration of the child's sense of attachments as part of any best interests determination, and defining attachments as "where the child actually feels love, attachment, and a sense of being valued (as opposed to where adults believe the child should feel such love, attachment, and a sense of being valued")).
27. 159 Cong. Rec. S4667, S4669 (daily ed. June 19, 2013) (Senators Mary Landrieu (D-LA) and Harry Reid (D-NE) discussing amendments to the Border Security, Economic Opportunity, and Immigration Modernization Act and expressing disbelief that inclusion of a "best interest" standard could be controversial); 159 Cong. Rec. S4736 (daily ed. June 20, 2013) (Senator Patrick Leahy (D-VT) urging his colleagues to vote on a proposed "best interest" amendment to immigration reforms).

FROM THEORY TO PRACTICE: Creating Victim-Centered Systems of Care to Address the Needs of Commercially Sexually Exploited Youth

by

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Human trafficking, which includes both labor and sex trafficking, is a growing criminal enterprise that amounts to a $32 billion industry worldwide.[1] Once thought to be a problem only affecting the international community, there is now a growing awareness that high rates of forced labor and commercial sexual exploitation of children are occurring within our borders. This paper focuses on the commercial sexual exploitation of children (CSEC), which is defined as the "sexual abuse of a minor entirely, or at least primarily, for financial or other economic reasons". The economic exchanges involved may be either monetary or nonmonetary (i.e., for food, shelter, drugs).[2] This paper provides a background on the prevalence of the problem, risk factors, dynamics of trafficking, and challenges in serving this population. It then offers two sets of recommendations: one focusing on changing the framework of how these youth are viewed and creating a victim-centered approach; and one laying out key components for any effective reform on the ground.

Understanding the Prevalence and Risk Factors of Child Sex Trafficking

The Federal Bureau of Investigation estimates that 100,000 children are sold for sex each year within the United States;[3] others believe that the number hovers closer to 300,000.[4] Unfortunately, although many estimates exist regarding the scope of the problem, no solid figures are available. Child-serving systems do not use a consistent definition for *exploitation*, and they rarely screen youth for trafficking. Moreover, available estimates are often inflated because children are counted multiple times when data are aggregated across systems.

However, some major metropolitan areas have started tracking data on exploited youth. For example, approximately 200 children are arrested for prostitution and related crimes in Los Angeles County annually. This number, however, does not account for youth who may be arrested on other charges and who later disclose their exploitation. In the San Francisco Bay area, Westcoast Children's Clinic provides specialized, therapeutic services to nearly 100 identified CSEC youth each year.[5]

The National Human Trafficking Resource Center (NHTRC), a 24-hour hotline run and monitored by Polaris Project, experienced a 259 percent increase in calls between 2008 and 2012.[6] The NHTRC received 9,298 unique reports of human trafficking, 64 percent of which involved sex trafficking;[7] 85 percent of the sex trafficking calls involved women and girls.[8] Of the cases that involved child trafficking, 74 percent were sex trafficking, a majority of which were pimp-controlled trafficking.[9]

These numbers underreport the extent of the problem and, most likely, the populations affected. Because few programs serve boys and youth who identify as lesbian, gay, bisexual, transgender, or queer (LGBTQ), the estimates of these populations are largely unknown. LGBTQ youth "are at an increased risk for becoming sexually exploited due to their overrepresentation in the homeless youth population (20–40 percent of homeless youth in California identify as LGBT)."[10]

A majority of exploited youth have faced significant traumas and challenges during childhood and adolescence, which can detrimentally impact decision making and behavior. An overwhelming majority of identified victims of sex trafficking have experienced sexual abuse[11]—up to 90 percent of clients, according to some studies.[12] Many other children have experienced physical abuse and neglect. As a result, a large percentage of exploited children are or were previously involved with the child welfare system.[13] Without a caregiver to protect and nurture them and having experienced multiple traumatic experiences in early childhood, these youth are at significantly high risk of being manipulated and coerced into selling sex.[14] In addition, once in "the life," the phrase used by children who are selling or trading sex for money, these experiences make it more difficult to leave. Children who are sexually abused during childhood are 28 times more likely to be arrested for prostitution than youth who have not experienced abuse.[15]

Exploiters also target foster youth because of their vulnerabilities. Youth placed in group homes are at greater risk and are more attractive to exploiters—they often lack a caring adult in their lives, they reside in an institutional-like setting, and they have the highest needs. Traffickers recruit outside of group homes and runaway and homeless youth shelters.[16] Apart from a handful of promising placements, most child welfare agencies and providers have been unable to develop and implement strategies to prevent recruitment of these vulnerable youth.

Racial minorities are also disproportionately represented in the child welfare system. According to the Adoption and Foster Care Analysis and Reporting System, in fiscal year 2012, close to 400,000 children were in foster care; of those youth, just over 25 percent were African Americans, and 20 percent were Hispanic.[17] In contrast, the 2012 census indicates that 13.1 percent of the general population was African American, and 16.9 percent was Hispanic.[18] Disproportionality tends to increase for foster youth who then enter the juvenile justice system.[19] This trend seems to apply for trafficked youth as well. For example, 90 percent of the girls participating in Los Angeles County's STAR Court, a specialized court for probation-involved children identified as sex trafficking victims, are African American,[20] and 80 percent of the participants have had child welfare involvement.[21]

Children who grow up in communities plagued by poverty, violence, and illicit street industries are particularly at risk of exploitation. The prevalence of drugs, gangs, violence, and the sale of sex normalizes these activities. Gangs have become increasingly active in the sex trafficking of women and girls. Selling youth for sex proves more lucrative than selling drugs, as children can be sold more than once. Gang members are now forming alliances, despite previously having had violent rivalries, in part because of the lucrative nature of trafficking and their ability to maximize profits through collaboration.[22]

In addition to the risk factors discussed earlier, a child's age, lack of support systems, familial/individual substance abuse, and status as a runaway, homeless, or throwaway youth all increase the risk of exploitation.[23] Youth who suffer from poor self-esteem, chronic depression, sexual identity issues, or the belief that they have no control over their lives are also at higher risk of being exploited.[24]

The Dynamics of Exploitation

Exploiters recognize these risk factors and prey upon traumatized and otherwise disconnected children. Many ingratiate themselves by fulfilling the unmet needs of their victims. These "romeo" or "sneaker" pimps present themselves as adoring boyfriends or girlfriends and sweep in, promising affection, presents, and romantic dates.[25] Often, youth refer to these exploiters as their "daddy" or their "boyfriend." A recent study found that nearly 40 percent of the participants were unaware of or actively denied or rationalized their exploitation.[26] Exploiters routinely target an age group that is "too young to recognize they are being manipulated and too old to see themselves as helpless children. ... [T]hey come to endure, if not accept, their own exploitation because, rightly or wrongly, they do not see a better alternative."[27]

Other traffickers use violence to trap their victims. Exploiters are known to kidnap and gang rape their victims to instill fear and force their compliance. Some children do not have a trafficker, per se, but instead trade sex as a means of survival—exchanging sexual favors for food, shelter, and clothing.

These youth often feel constrained by the lack of resources outside the exploitative relationship with their adult "purchasers." Unfortunately, many of the youth in these situations are runaways or have been kicked out of their homes, frequently because they identify as LGBTQ.

Challenges in Serving Exploited Youth: Trauma Bonding, Trust, and Health Problems

Exploited youth can be extremely challenging to work with and are often mislabeled as troublemakers and runaways by the systems that serve them. Many providers become frustrated when exploited children refuse services and instead return to their exploiters. As noted above, many youth are unaware that they are being exploited. Similar to the domestic violence context, victims of sex trafficking form a bond with their exploiters in which the victim has "a certain dysfunctional attachment that occurs in the presence of danger, shame, or exploitation."[28] Known as Stockholm syndrome or trauma bonding, this attachment is a psychological response to a "powerful mix of loving care alternated with violence, threats, and dehumanizing behavior" exerted by the exploiter.[29] Because a majority of these youth have experienced extreme trauma in early childhood, their judgment and ability to negotiate interpersonal relationships is often affected.[30] One study of exploited youth found that 84 percent of the participants had problems with judgment that put them at risk of physical harm and that 79 percent were in unhealthy relationships.[31]

Exploiters and traffickers go to extreme measures to conceal their victims from law enforcement and other system officials. Because these youth have not experienced healthy relationships, their exploiters' expert manipulation normalizes isolation and encourages the distrust of others, such as parents, law enforcement, social workers, and community-based service providers.[32] Because so many exploited youth have cycled between the child welfare and juvenile justice systems and feel these systems have failed them, exploiters do not have to work hard to foster this distrust. For example, one survivor advocate testified before the U.S. House of Representatives' Ways and Means Committee: "While I was in care, my social workers were aware that I was being exploited and did nothing about it."[33]

Traffickers also manage to stay one step ahead of law enforcement. When policing efforts increase in one area, they move their victims elsewhere, both to avoid police detection and to maximize their profits. These circuits often cross county and state lines and can also extend beyond international borders.[34] The increasing involvement of gangs and other criminal enterprises in the commercial sex trade has helped facilitate the seamless movement of victims.[35] Exploiters also use this constant movement to keep victims "disoriented and less likely to know where to seek help."[36] Because purchasers are often willing to pay more for sex with young children, traffickers expend additional energy to conceal youth, such as by sending adults on the street as decoys for law enforcement so that children remain undetected.[37]

Victims often feel trapped because they do not know how to leave; they fear for their own and their families' safety, and they have feelings of shame associated with selling sex.[38] Exploiters use extreme violence to maintain control over their victims. For example, once a youth has seen her exploiter kill and maim other child victims, she is far less likely to disclose information about her trafficker out of fear, thus keeping her further hidden.

Technology and the Internet have also increased traffickers' ability to profit off of children and keep them hidden.[39] They commonly use mobile phones to "recruit, advertise, organize, and communicate, … effectively streamlining their activities and expanding their criminal networks."[40] Exploiters use the

Internet to make introductions, initiate the grooming process (when they woo the youth and begin the process of exploitation), and eventually market children for sex.[41]

Serving exploited children presents unique challenges because they often suffer from chronic physical and mental health problems as a result of their trafficking. Researchers have analogized the effects of the trauma suffered by trafficking victims to those of "hostages, prisoners of war, or concentration camp inmates."[42] One international study of sexually exploited adolescents and women in Europe found that more than 60 percent of the participants reported experiencing sexual health problems.[43] Another study of trafficked youth found that 68 percent of the participants suffered from posttraumatic stress disorder and had increased risk for both suicide and depression.[44] The most common health concerns for exploited youth are sexually transmitted diseases and infections,[45] "posttraumatic stress disorder, anxiety disorder, panic disorder, obsessive-compulsive disorder, dissociative disorder, major depressive disorder, and substance abuse disorder."[46]

These serious health concerns also negatively affect trafficked children's future educational and vocational opportunities.[47] For example, exploiters often make their victims work all night, so that many trafficked youth skip school to catch up on needed sleep.[48] Not only does this delay their progress in school, but it also leaves them at risk of being apprehended by law enforcement for truancy. Even with sleep, many exploited youth skip school because their classmates ridicule them once it becomes known that they are selling sex.[49] Further isolated from other people and opportunities to succeed, these youth are pushed more deeply into the arms of their exploiters.

Recommendations

Reframing Our Approach: Building Systems That Are Victim-Centered

Over the past 15 years, the federal government and several states have made enormous strides in reframing the issue of child trafficking. The national dialogue has moved away from terms like *child prostitution* in favor of more accurately labeling these youth as victims of child sex trafficking. Although the narrative is changing, child victims still feel stigmatized, isolated, and ashamed. Recognizing these youth as victims is not enough, as this theoretical, narrative shift does not easily translate into changes in practice on the ground. By and large, our child-serving systems, including child welfare, probation, and mental health, are deficits-based and do not take into account the families' strengths or the child's resilient characteristics. To ensure that efforts working with this population are more effective in moving forward, jurisdictions must shift the way systems engage youth and their families, provide services and supports that prioritize the victims' needs and strengths, and account for the complex trauma to which victims have been exposed.

Creating a Trauma-Informed System of Care

Sexually exploited youth experience unimaginable trauma and violence at the hands of their exploiters and purchasers. Beyond the sexual violence that punctuates the daily lives of these youth, they also endure severe beatings and psychological manipulation. As discussed earlier, their exploitation is layered on top of previous trauma. Youth who have experienced multiple traumatic experiences are frequently described as suffering from "complex trauma," and they often adapt their behavior to cope with the ongoing abuse they have experienced throughout their lives.[50] To address these issues, the systems and providers serving youth must create a trauma-informed system of care.[51] In 2010, the U.S. Department of Health and Human Services released an informational brief addressing the mental health needs of trafficked persons. It stressed the importance of providing trauma-informed care for these victims of complex trauma, citing that it "plays an important role in service delivery by providing a framework for accommodating the vulnerability of trauma victims."[52] Noting that "processing the psychological consequences of human trafficking requires long-term, comprehensive therapy," the brief highlighted the length of time it can take for victims of exploitation to learn to manage their trauma.[53]

Trauma-informed systems of care acknowledge that exposure to trauma "can alter brain activity patterns in children that can lead to mental, emotional, and behavioral disorders."[54] A trauma-informed approach understands that youth may be triggered by everyday occurrences, such as someone moving in too close when talking to them, and that their reactions may be perceived as excessive or disproportionate. A trauma-informed approach is not prescriptive; rather, it adheres to six key principles: "safety; trustworthiness and transparency; peer support; collaboration and mutuality; empowerment, voice and choice; and cultural, historical, and gender issues."[55] A true trauma-informed approach:

» "Realizes the widespread impact of trauma and understands potential paths for recovery;

» Recognizes the signs and symptoms of trauma in clients, families, staff, and others involved with the system;

» Responds by fully integrating knowledge about trauma into policies, procedures, and practices; and

» Seeks to actively resist re-traumatization."[56]

When working with CSEC and children at risk for such exploitation, it is of paramount importance that staff are trained to recognize and address trauma and to employ strategies to avoid retraumatization.

Incorporating Stages of Change: A Victim-Centered Framework

The Stages of Change Model (SCM) is one framework that can be particularly useful in addressing trauma and meeting the needs of exploited youth. Often used to treat addiction or other harmful coping behaviors, SCM is used to contextualize the point where someone currently is in the decision-making process to change a behavior. SCM consists of five stages: (1) pre-contemplation (not ready), (2) contemplation (getting ready), (3) preparation (ready), (4) action, and (5) maintenance.[57] Notably, SCM does not focus on failure or noncompliance, and it recognizes that relapse is part of changing behavior.[58] The model provides a framework to deliver services and interventions through a victim-centered, trauma-informed approach because it is grounded in the notion that meeting the client at his or her current stage of readiness will make the victim more receptive to the intervention.[59]

When looking at exploitation through the lens of SCM, the healthy behavior change would be "leaving the life." Below are examples of how a CSEC may present in each of the five stages:

» **Precontemplation.** The child may disclose that she is involved in the life but may be in denial or unaware that she is being exploited. She does not want help at this point.

» **Contemplation.** The child may acknowledge that being in the life is harmful. While she may not be ready to leave at this point, she is open to talking about it and discussing consequences of remaining with her exploiter.

- **Preparation.** The child has decided that she will leave the life and has started to show some independence by taking small, preparatory steps to leave, such as researching resources and gathering information on future opportunities.
- **Action.** The child is in the process of leaving the life.
- **Maintenance.** The child remains out of the life for a time and is developing new skills, such as identifying and resisting triggers and building social skills needed to find a job or go to school.

Although not a stage in SCM, it is important to understand that many children will relapse and return to their exploiter as they move through the stages; relapse episodes are "almost inevitable and become part of the process of working toward lifelong change."[60]

Although originally a medical model, SCM can be applied more broadly in system reform. Child-serving systems should prioritize training on SCM. Each adult working with an exploited child (not just clinicians and medical professionals) should gather information to understand the child's current stage. This information will be key to defining the intervention strategies that move the child to the next stage. For example, group home staff employing SCM will acknowledge that a youth who runs away from placement back to her exploiter is in the precontemplation stage. By using this frame, staff would avoid labeling this child a runaway or kicking her out of her placement. Recognizing that the child may be unaware that she is engaging in harmful behavior and welcoming her back without judgment could help her move to the contemplation stage by building trust and fostering positive relationships. Applying SCM at every point of contact with exploited youth allows them to build trust and develop a network of support, which can be an impetus to them leaving "the life."

Prioritizing Survivor Voice

Survivors must be meaningfully engaged and involved in any victim-centered approach. Doing so not only supports survivors in the maintenance stage, but also allows systems to actually understand the population and identify interventions that have an impact. Limiting survivor participation and expertise to "their story," treating them differently from other professionals, and ignoring the uniqueness and different experiences of survivors tokenizes them and undermines their abilities.[61] Survivors are vital to effective reform; system players can gain their input by employing survivors, involving them in focus groups, and ensuring that they are involved at all levels of the decision-making process.

Decision makers can use focus groups to better understand the needs and concerns of victims and survivors, seek input about their needs and services, and identify the strengths and gaps in policy and programing. Focus groups can be particularly effective, as they avoid tokenization and may ensure a safer environment where survivors can express concerns and feelings. As agencies develop new policies and protocols, they should involve survivors to provide input on what interventions will work with victims. However, decision makers should only solicit input if the survivor is willing to share, and they must compensate survivors equal to any other professional, including stipends, travel costs, and per diems for their time and expertise, so as not to further exploit them.

As mentors, survivors can help youth move from contemplating leaving to actually leaving the life. Any effort to engage survivors in work related to individual clients or system reform *must* be carefully planned and structured so that the survivor is supported, comfortable, and not retraumatized. It is important to train and employ survivors in a "wide range of positions that go beyond simply speaking about their experience" and are based on their strengths and interests.[62] Employers must provide survivors with adequate and appropriate supervision to ensure the survivors can address any triggering events and vicarious trauma.

Jurisdictions need to do more than just recognize these children as victims. They must actually change policies and practices to provide them with necessary, individualized supports.

Making Change on the Ground: Integral Components to Systemic Reform

As discussed earlier, sexually exploited youth are incredibly challenging to serve, in part because of the hidden nature of trafficking, the coercive tactics the exploiters employ, and the fact that they are difficult to engage in services. Within the overarching framework of creating victim-centered and trauma-informed policies, system reform also needs to incorporate five components: (1) identification and assessment, (2) individualized and specialized services, (3) multisystem collaboration, (4) training, and (5) tracking and using data to inform policies and practices.

Identification and Assessment

No reliable data exist on how many youth are commercially sexually exploited in the United States, in large part because most jurisdictions lack systematic identification protocols. Because many exploited youth are unaware or are trained not to disclose that they are being trafficked, identifying these victims is a vital first step in any strategy to combat the sex trafficking of children.[63] To effectively identify these children, jurisdictions must first identify a screening tool that can be used across systems, develop a protocol for identifying youth, and establish a strategy to identify less-visible populations, such as boys and youth who identify as LGBTQ. Once youth are identified, they need to be assessed for their strengths and needs so that child-serving agencies can provide them with individualized and appropriate services.

To establish the prevalence of CSEC, jurisdictions must decide on a definition of CSEC and incorporate it into a screening tool. The screening tool should include questions that focus specifically on sex trafficking and are framed in clear, specific and understandable language for youth. For example, many youth have no idea what trafficking is, but if they are asked whether they have traded sex for something in return, they are more likely to answer. In addition, the screening tool should be flexible enough that it can be adapted by multiple systems and short enough that it does not fatigue or retraumatize youth. The questions should take into account the stages of change so the person administering the tool can identify children who are resistant or unaware and do not otherwise disclose their exploitation. As discussed earlier, exploiters often target foster youth, because those children frequently run from group homes and other placements. Agencies should create policies that require children be screened upon returning from a runaway episode to identify whether they were exploited during their absence. Staff should be trained on how to assess a child's level of trauma and current mental state so that they can use discretion about when to administer the tool.

In addition to identifying youth as exploited or at risk for such exploitation, child-serving agencies must also assess the children's strengths and needs to provide them with individually tailored services. The assessment should address their needs, including but not limited to physical and mental health, substance abuse, education, legal, vocational, housing/placement, system involvement, family composition, interests, and future goals.[64] It should also identify strengths—for example, resilience or supports in the community. This extensive assessment will allow the team serving the child to develop a balanced and comprehensive case plan. Assessment should also include questions that provide insight into the child's current stage—that is, precontemplation versus maintenance. This information will inform the intensity of services and level of support the child will need. Once a child has been assessed, the team should arrange and connect the child to services. One available specialized assessment tool is the Child and Adolescent Needs and Strengths Assessment—Commercial Sexual Exploitation (CANS-CSE), which was developed by Westcoast Children's Center and the CANS creator, John Lyons, to identify the strengths and needs of this population in order to provide them with appropriate services.

Individualized and Specialized Services

Children who have been exposed to traumatic events at multiple points in their lives will require comprehensive services that can address their trauma, the resulting behaviors, and their short- and long-term needs. The goal of providing such services is to move the child through the stages of change toward maintenance. The services should be tailored to the youth's needs and build on the child and family's or caregivers' strengths. As such, the services must address the voids in the child's life that the exploiter is currently filling—often basic needs such as food, shelter, and clothing. Providers should use information gathered from the assessment to tailor services to the child's needs. Services should include case management, ongoing physical and mental health services, civil legal advocacy, and a continuum of placement options.

Because exploited youth are often involved with multiple systems and providers, case managers can serve a key role in coordinating among the agencies and ensuring that youth and their families or caregivers gain access to the services and supports they need. When one person serves as the coordinator for all services and helps track multiple appointments and obligations, youth are less likely to be retraumatized, and services are far more likely to be delivered efficiently. Providers should have youth and their families play an integral role in defining needs and structuring the service plans; a case manager can help prioritize youth and family voice and ensure that their needs are met. Integrating youth voice may help those youth feel more in control and provide opportunities for empowerment. The case manager should connect these youth to survivors and other mentors in the community who can demonstrate the possibility of moving beyond exploitation and living a life full of opportunity and success. It is imperative that case managers receive training on the dynamics of exploitation, stages of change, trauma, and vicarious trauma and that they are aware of the services available for exploited youth in the community.

Child sex trafficking victims require ongoing medical and mental healthcare because of the severe violence and trauma they have endured. Providers should administer routine medical exams and offer trafficked youth reproductive health services, including contraception, pregnancy testing, and pregnancy-related services. If a youth exhibits signs of being sexually assaulted, they should be offered a sexual assault exam or rape kit. In addition, if they have had unprotected sex, they should be offered HIV postexposure prophylaxis treatment if within 72 hours and emergency contraception within 120 hours of exposure. Youth will also need comprehensive mental health services that address both exploitation and any prior abuse and neglect.

All services provided to youth should incorporate the SCM. If a clinician recognizes that a child is in the precontemplation stage and is not aware that he or she is in an unhealthy relationship, the clinician will understand that suggesting supports directed at educational opportunities may be premature and could make the child less likely to engage in the services. Services should also be flexible and provided in the community. For example, Westcoast Children's clinicians meet youth in the community for therapy sessions and will travel within a 90-mile radius to meet with children. Recognizing that clients may return home at some point, Westcoast engages family members and encourages them to participate in family therapy.

Often, trafficking victims may be eligible for a number of benefits and services that can help make their living situation more stable, but they may not be receiving those services. Linking them to civil legal advocates can help bring resources into victims' lives and may increase stability and permanency in the community. Legal advocates can assess the child's and family's needs to see whether they may be eligible for public benefits or victim-of-crime compensation. They make also check whether there are any outstanding legal issues, such as housing instability, consumer law problems, or record sealing or expungement. Bringing money into the home through public benefits and sealing juvenile records can allow trafficking victims to apply for jobs without the fear of stigmatization and shame.

Child-serving systems often face considerable challenges in finding safe, supportive placements within their continuum of care for exploited youth. Many jurisdictions hesitate to place these children in unlocked facilities for fear they will run back to their exploiters. From a SCM lens, exploited youth run because they have unmet needs or may be in one of the earlier stages. In addition, they know that relapse is part of the transition toward maintenance and a full exit from "the life." Youth may not realize that their exploiter does not have their best interest in mind. Foster homes and group homes should have a "no eject, no reject" policy so that youth are not removed from placements for behavior that is a manifestation of their exploitation and trauma, whether that behavior is aggression, running away, or general disengagement from services. Anecdotally, several providers have noticed that once youth understand they will be accepted back and begin to feel that group home staff or the foster parents care about the them, they run away less frequently. When they do run away, they stay on the street for much shorter periods.

Jurisdictions should provide a continuum of placements for exploited youth. Many children want an unlocked setting where they can be like "normal" kids; however, others are so fearful of their exploiter, they request to be in a locked facility. No single placement will be the solution for all youth, because they all have unique needs and are at different stages of exploitation. Staff in each placement used for exploited youth must have adequate training on exploitation, must understand and apply the SCM, and must provide a trauma-informed system of care.

For those youth who are placed outside of their community, whether in detention or in a specialized program, transition planning is absolutely vital. It should occur from the moment the child enters the placement. The programming while the child is in placement should address the potential triggers and challenges in the community to which he or she will return. Ideally, any transition plan should include identified supports from the community, as well as the child's social worker or probation officer and any therapeutic providers. Although a child may do well in placement when isolated from exploiters and other community triggers, if that child is sent back to the same environment without any supports and services in place, he or she is far more likely to return to the streets within a matter of weeks—sometimes days.

Multisystem Collaboration

Sexually exploited youth often move between multiple child-serving systems, including but not limited to child welfare, probation, mental health, public health, health, and law enforcement. Each agency has different goals and perspectives on how to best meet the needs of this population; unfortunately, they often do not communicate with other systems.[65] As a result of this lack of coordination, youth and families suffer, either because the systems work in conflict with each other or because clients are retraumatized or fall through cracks in each system. To better deliver service to CSEC, the child-serving agencies and providers must collaborate and coordinate at two levels: (1) the systems level to ensure that policies and protocols are adequately integrated and agencies can share pertinent information and (2) the individual child level to address the unique needs and strengths of each child and his or her family or caregiver.

Collaboration among child-serving agencies at the systems level "has the potential to help diverse entities gain a mutual understanding of commercial sexual exploitation and sex trafficking of minors, which may enable them to address the crimes themselves, as well as the needs of the victims/survivors more effectively."[66] Systems-level collaboration requires the engagement of decision makers and mid-level and line staff from all child-serving agencies. This multilevel participation ensures that everyone is invested in the reforms, decision makers have supported them, and policy changes will actually be carried out at the line level. Ideally, the same representatives from each agency should meet regularly to foster effective communication, establish clear guidelines to share information, and promote awareness of the issue and each agency's internal response. The team should develop formal protocols, so that reforms become institutionalized and less based on relationships between individuals carrying out the work. The team should also set clear parameters on the roles and responsibilities of each agency and establish a structure for accountability. Survivors should also be included as equal members of the team to ensure that the reforms are actually victim-centered.

As an example, the team should develop a joint protocol that guides child-serving professionals on when and how to screen children for exploitation. The protocol must ensure that children are screened at key decision points and in a systematic manner. For example, the first point of contact for these youth is often law enforcement during an arrest or medical staff during a medical appointment or visit to the emergency room. These first responders need protocols that help them identify and engage victims of exploitation and require them to call the Child Protection Hotline to report the suspected abuse.

This collaborative approach ensures that everyone understands how youth will move through each system, what services are available, and each person's role in serving exploited youth. The team must develop separate protocols and policies for sharing information at the individual case level that comply with laws on consent and confidentiality. It is critical to engage the attorneys representing each agency to navigate the complex web of federal and state laws governing information sharing.

The systems-level team should also oversee the implementation of reforms aimed at serving exploited youth. It should establish guidelines for jointly reviewing the effectiveness of the policies and protocols, identifying challenges or barriers to implementation, and developing solutions to address the systems-level concerns. This team should use data to evaluate the outcomes and refine protocols as needed. Once agencies begin collaborating at the systems level, coordination at the individual child level will be more effective.

Teaming should also happen at the individual case level. Upon identification, the primary agency responsible for the child should form a multidisciplinary team (MDT) to identify the child's and family's needs, develop a case plan and a safety plan, and provide the child or family with services and any necessary referrals. The MDT should include the community supports identified by the child and the agencies and community-based providers serving the youth and family. Ideally, a case manager will facilitate the MDT. To be victim-centered and effective, the MDT must prioritize youth participation and ensure that their opinions are incorporated into decisions on case and safety planning, treatment, and placement. Involving youth in decision making will empower them, encourage them to feel in control of their lives, and help cultivate trust with the agencies and providers that previously may have

Case Study

Camila's mother was crippled by addiction and often turned violent and abusive while under the influence. As a result of this abuse, Camila's two older siblings were placed in foster care before Camila was even born. After receiving eight calls over the course of eight years alleging abuse and neglect, child protective services removed Camila, age 11, from her mother's care.

Entering the foster care system caused even more tumult in Camila's life. Within a year, she had been placed in four different foster homes and one relative placement. Child welfare returned Camila to her mother after approximately 18 months, only to remove her again within three months because of continued physical and substance abuse. The child welfare system continued to allow Camila to return home, but nothing had changed. In response, Camila began running away for days at a time to escape the violence and abuse. It was unclear how she met her basic needs while on the run. No one in the system ever took the time to address the dynamic in the home or to explore what triggered Camila to run. Instead, Camila was dumped in a toxic environment with absolutely no supports or services for either her or her mother. No one ever asked Camila or her mother what they needed for Camila to remain safely in the home.

After a few months of the cycle of running away and returning home, an incident occurred that catapulted Camila into the juvenile justice system. In response to one of her mother's violent attacks, Camila threatened her mother with a knife. At this point, Camila, now 12, asked the police to put her in detention because she was "addicted to the streets."

Things continued to worsen for her once she was in the juvenile justice system. A psychologist who evaluated her while she was in detention recommended that Camila be placed in a therapeutic group home to treat her extensive mental health needs resulting from her childhood trauma. Following Camila's six-month stint in detention, probation instead placed her in a general group home with no mental health supports.

failed them. However, providers should manage expectations so that when youth have a voice in their team planning meetings, they are not let down if things do not go exactly as they wish.

Training

Currently many exploited children go unrecognized by social workers, teachers, and probation officers. They are often mislabeled as defiant troublemakers who are engaged in self-imposed, risky behavior. To dispel these myths and coordinate a trauma-informed response, staff from child-serving agencies and community-based providers must receive training on working with exploited youth. Training should be divided into three-levels: (1) awareness training for a broad audience to develop a baseline understanding of risk factors, warning signs, the dynamics of exploitation, trauma, and stages of change; (2) profession-specific training to prepare selected professions that routinely encounter CSEC on how they will interact with these children, tools to identify them, mandatory reporting requirements,[67] and strategies for engagement; and (3) protocol and response training to guide all agencies and staff on their responsibilities under any protocols or memoranda of understanding that are developed. Each

Isolated and alone, Camila was miserable, and ran away after three weeks. After two more months on the street, she was picked up on a probation violation and detained for six months in a locked camp, again with no mental health services. Upon her release, the court returned Camila to her mother's house, with no transition plan or services in place. Again nothing had changed, so she ran away after two weeks. A month later, police arrested her for prostitution.

During questioning, police learned Camila had been kidnapped, locked up, and chained in an apartment basement, where her trafficker forced her to sell herself to strangers and turn over any money she earned. The court decided against detention and instead placed her in a foster home, which was only temporary before she was returned to her mother. Realizing her mother could not meet her basic needs, Camila returned to her exploiter. Recently, police in another state arrested her on solicitation charges.

Sadly, Camila's story is not unusual. Like many of her peers who have been involved with the child welfare system, she suffered constant turmoil at home, punctuated by parental substance abuse, placement instability, failed family reunification, and violence. Some of these circumstances led to her involvement in the child welfare system, while others were the result of her interaction with the system. Given her lack of a loving supportive home, extremely young age, and high exposure to violence and trauma, she was an easy target for exploiters. Rather than being treated as a victim of serial abuse, she was neglected by the system that was supposed to protect her. After years of the system failing her, she turned to the streets. Once entangled in the juvenile justice system, she was viewed as a criminal, and despite recommendations for therapeutic services, she was continually locked up and returned home with no transitional services to help her and her mother stabilize. If either the foster care or juvenile justice systems had approached her from a victim-centered, strengths-based framework, however, perhaps Camila could have actually enjoyed a normal childhood.

training is essential to ensure a coordinated and consistent response and will minimize the number of children who fall through the cracks.

Tracking and Using Data to Inform Policies and Practices

Reform related to exploited youth should focus on improving their access to services and supports so they can safely and smoothly exit from "the life." Collecting data and using it to drive policies can ensure that jurisdictions are assessing the efficacy of intervention and prevention strategies, monitoring emerging trends, and demonstrating that children are positively affected by the efforts. Each child-serving agency should collect baseline data to establish the prevalence of the problem in their jurisdiction, as this will help them identify and justify any additional resources needed to serve the population. Increased identification will give them a better sense of the scope of the problem. Baseline data can also be used to track the effectiveness of new policies. For example, using data, a placement can assess whether using the SCM and instituting "no eject, no reject" policies is effective at addressing runaway episodes. The program can analyze whether runaway episodes have decreased, both in number and length of time, and whether youth are staying in contact with at least one adult while on the run. Similarly, data on arrest location and type of arrests may highlight emerging trends in trafficking.

Collecting data on exploited youth is critical because many of the practices currently used to work with CSEC are "promising" and have anecdotal evidence that demonstrates their efficacy, but have not yet been thoroughly tested and established as evidence-based.[68] This can create barriers to applying for grants or accessing funding to provide specialized services because of the emphasis placed on evidence-based practices. Survivor organizations can use data to establish the efficacy of their interventions in order to help fund and sustain their programs.

Jurisdictions can also use qualitative information to better understand the barriers to success for exploited youth. Case studies can be incredibly useful in analyzing systemic breakdowns and trends in barriers to meeting children's needs. Jurisdictions should also analyze the policies and procedures in place at each decision-making point in their child welfare and juvenile justice systems to identify gaps in assessing and linking youth to services, as well as in sharing information between agencies.

Ultimately, jurisdictions should prioritize the collection and use of data to inform policies and practices surrounding CSEC. A coordinated system must be established to collect and analyze data, identify emerging trends, monitor the effectiveness of programs and services, and eventually disseminate the practices that are proven effective. As more jurisdictions begin collecting data, we can begin to craft a better sense of the problem nationally and improve practices for serving CSEC.

Conclusion

The commercial sexual exploitation of children is a problem that has existed for a long time. But society has only recently begun to view these children as victims, rather than as criminals and prostitutes. As the dialogue around this population continues to shift and legislation continues to be passed recognizing exploited youth as victims, jurisdictions can no longer ignore this problem. Indeed, the "[c]ommercial sexual exploitation and sex trafficking of minors not only are illegal activities, but also result in immediate and long-term physical, mental, and emotional harm to victims and survivors. A nation that is unaware of these problems or disengaged from solving them unwittingly contributes to the ongoing abuse of minors and all but ensures that these crimes will remain marginalized and misunderstood."[69] To avoid turning a blind eye to this problem, child-serving systems need to shift their policies and practices to become more victim-centered and trauma-focused, begin identifying exploited youth as early as possible, and begin connecting them to services that are appropriate for their level of need and their stage of change.

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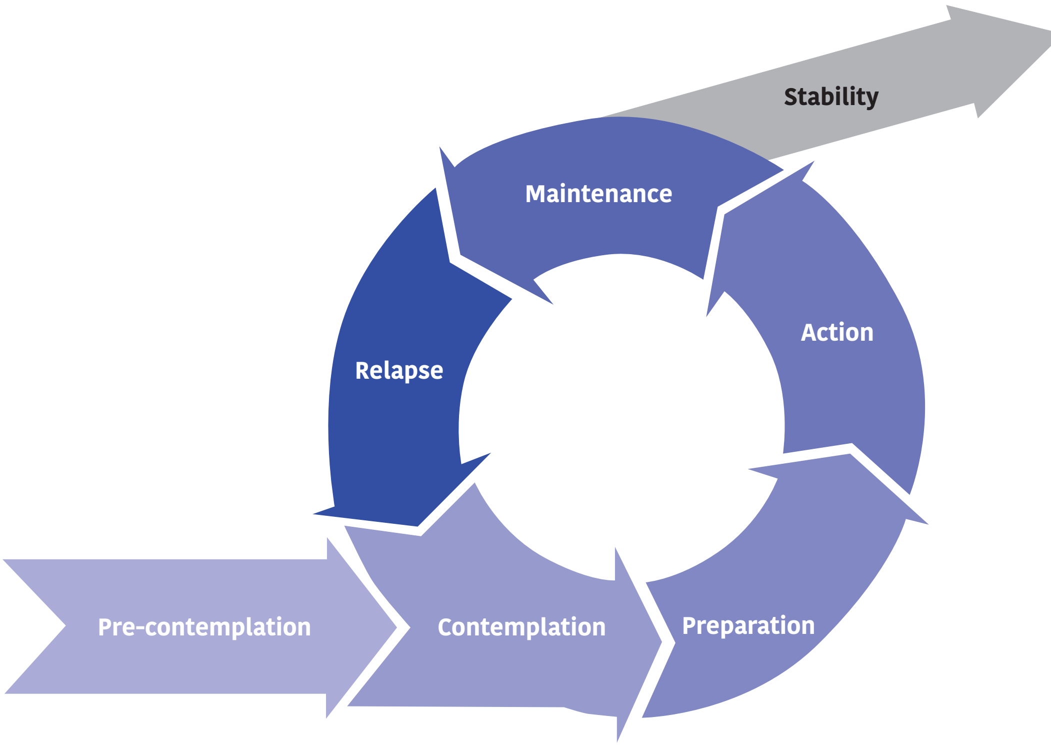

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WHEN ASTHMA MANAGEMENT ISN'T ENOUGH:
Reducing the Burden of Childhood Asthma: From Practice to Policy

by

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Regional Asthma Management and Prevention (RAMP),
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Childhood asthma has been prevalent for so long that we risk being lulled into complacency, even as the disease becomes an ever-increasing fixture in our homes, schools, and communities. However, we should be anything but complacent: asthma is one of the most common chronic conditions among children in the United States, responsible for deaths, hospitalizations, emergency room visits, missed school days, and other physical, emotional, and economic costs. Although the data are compelling enough, the terrifying and heartbreaking experience of a childhood asthma attack—the tight chest, the telltale wheeze as airways constrict, the look of panic on a child's face as she struggles to breathe—carries its own special weight.

It doesn't have to be this way. Asthma can be controlled, the worst outcomes of the disease are largely preventable, and we can lower the risk for the onset of asthma in otherwise healthy children. But how do we get there? How do we better manage and prevent childhood asthma?

The answer is clear: we need to take a comprehensive, policy-focused approach that goes beyond disease management for children with asthma.

The Burden of the Disease

Asthma is a chronic disease of the lungs characterized by wheezing, shortness of breath, and coughing. Asthma symptoms are triggered by a variety of factors, from allergens like pollens and cockroaches, to irritants like tobacco smoke and air pollution, to other issues like stress or colds. These triggers cause inflammation, obstruction, and constriction of the lungs' airways, making it difficult—and sometimes impossible—to breathe.

Currently, approximately seven million U.S. children under the age of 18 have asthma, with low-income and minority children suffering a greater burden of this disease.[1] Despite advances in diagnosis and treatment and increased attention to prevention, asthma prevalence has been rising for several decades,[2] reaching nearly 1 out of 10 children in 2011.[3] According to the Childhood Asthma Leadership Coalition, "[W]hile asthma symptoms can usually be controlled with guidelines-based management, most children do not have well-controlled asthma. Nearly 60 percent of children with diagnosed asthma have experienced an attack within the previous 12 months."[4]

The economic impact of asthma is substantial. Asthma costs the United States approximately $56 billion each year.[5] In 2008, asthma caused 10.5 million missed days of school and 14.2 million missed days of work,[6] imposing significant real-world burdens that impact a child's ability to learn and an adult's ability to work.

Disparities and Inequities

Although asthma affects children of all ages, races, and ethnic groups, some populations are inequitably effected. Nationally, African American children are twice as likely to have asthma as white children[7] and nearly twice as likely as Hispanic children.[8] The rates for emergency department visits and hospitalizations are higher for African Americans than whites.[9] African Americans are two to three times more likely to die from asthma than any other racial or ethnic group,[10] and Hispanic children are 40 percent more likely to die from asthma than white children.[11]

Asthma disparities also exist across income level. Lower income is associated with higher asthma hospitalization rates and worse symptoms. In California, the rate of asthma hospitalizations is three times higher among people from places where the median income is less than $20,000 compared with people from places where the median income is greater than $50,000.[12] These income-based asthma disparities are directly connected to and amplified by asthma disparities based on race and ethnicity, as African Americans and Latinos have disproportionately high rates of poverty.[13,14]

The distribution of asthma according to race and socioeconomic status is influenced by larger inequalities in society.[15] Take healthcare, for instance: People of color make up the majority of uninsured Americans.[16] Even among those with access to healthcare, people of color experience discrepancies in care compared with that received by whites.[17] African Americans and Latinos are less likely to receive appropriate asthma medications for preventive care, acute exacerbations, or post–emergency department care.[18] These differences in diagnosis, quality of care, and treatment methods lead to consistently poorer health outcomes among people of color.[19]

There are also significant inequities in exposure to environmental risks, both indoor and outdoor. This context is critical. Even with the highest quality clinical care, a child will continue to suffer from asthma if frequently exposed to environmental triggers. Mold, rodents, and cockroaches are asthma triggers associated with physically deteriorating housing, schools, and child-care settings—deterioration that is more common in low-income communities and communities of color. Similarly, outdoor air pollution is higher among African American and Latino communities due to the proximity of ports, freeways, and other polluting facilities.[20] This dynamic is particularly noteworthy because, in addition to exacerbating asthma, certain components of outdoor air pollution have been implicated in the development of new asthma cases.[21]

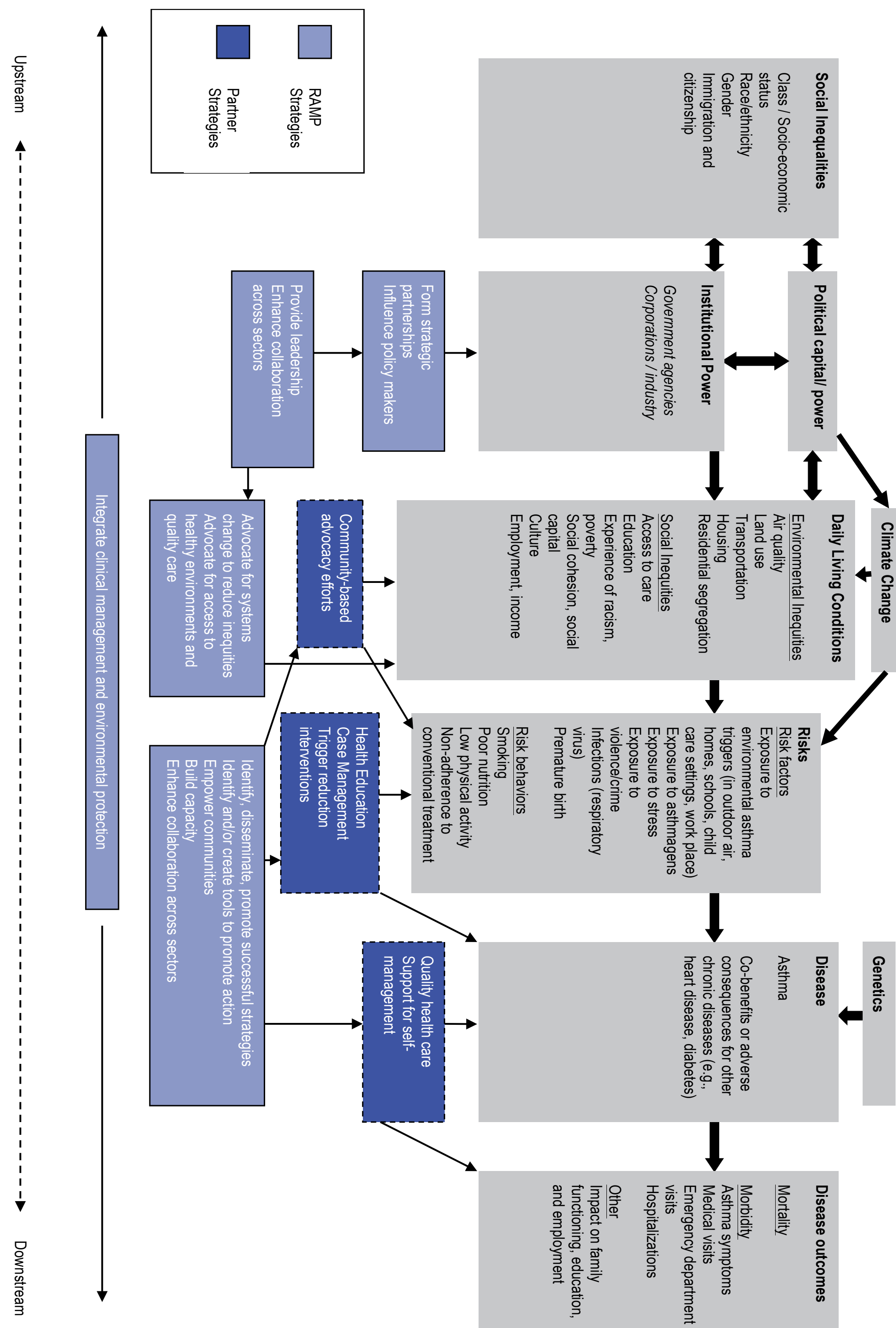
By associating differences in health outcomes with social determinants of health, such as access to care or indoor and outdoor air quality, policy change becomes a key solution to addressing the problem of childhood asthma.[22] By challenging the social and economic policies at the root of inequities, it becomes possible to reduce disparities in access to quality clinical care and support for asthma management, as well as disparities in exposure to environmental asthma triggers.

A Framework for Reducing the Burden of Asthma

Based on our understanding of childhood asthma, disparities, and underlying societal and environmental inequities, the Regional Asthma Management and Prevention (RAMP) program created a framework for reducing the burden of asthma (Figure 1). This framework demonstrates the relationships among the array of factors impacting childhood asthma outcomes and the need for interventions at multiple target points, ranging from "downstream" interventions, such as support for self-management, to "upstream" interventions, such as land use policies.

Figure 1

RAMP's framework for reducing the burden of asthma



Source: Adapted from the Bay Area Regional Health Inequities Initiative's Public Health Framework for Reducing Health Inequities.

To illustrate the framework, let's take 10-year-old "Tanya," a child with persistent asthma that recently led to an emergency department (ED) visit. Outcomes like ED visits, represented in the far-right box of the framework, include disparities based on race, ethnicity, and income level. To directly address Tanya's "Disease" (the next box to the left), she needs access to quality healthcare and support for self-management (e.g., how to use inhalers, what to do in an emergency). To help her breathe easier, we also need to address Tanya's "Risks" (the next box to the left), which include exposure to environmental asthma triggers in the home. Health education and case management can help her family reduce some asthma triggers within their control, such as animal dander and tobacco smoke. However, some housing-related asthma triggers are beyond the control of tenants like Tanya's family. These "Daily Living Conditions" (one more box to the left) are connected to social and environmental inequities: if Tanya is African American or from a low-income family, then she is more likely to be exposed to substandard housing conditions where landlords fail to remove mold, repair leaks, or address other structural problems. For Tanya and her neighbors, their housing is more likely to be near freeways, ports, industrial facilities, and other polluting sources. By necessity, then, interventions can't just be child centered; they must also consider the role that policies related to housing codes and code enforcement, affordable housing, residential segregation, and land use play in fostering (or hindering) Tanya's health. Finally, as the framework suggests, we need not stop there: we could also focus on racism, lack of political power, and the other root causes of the inequities that lead to disparities in health (the far left portion of the framework).

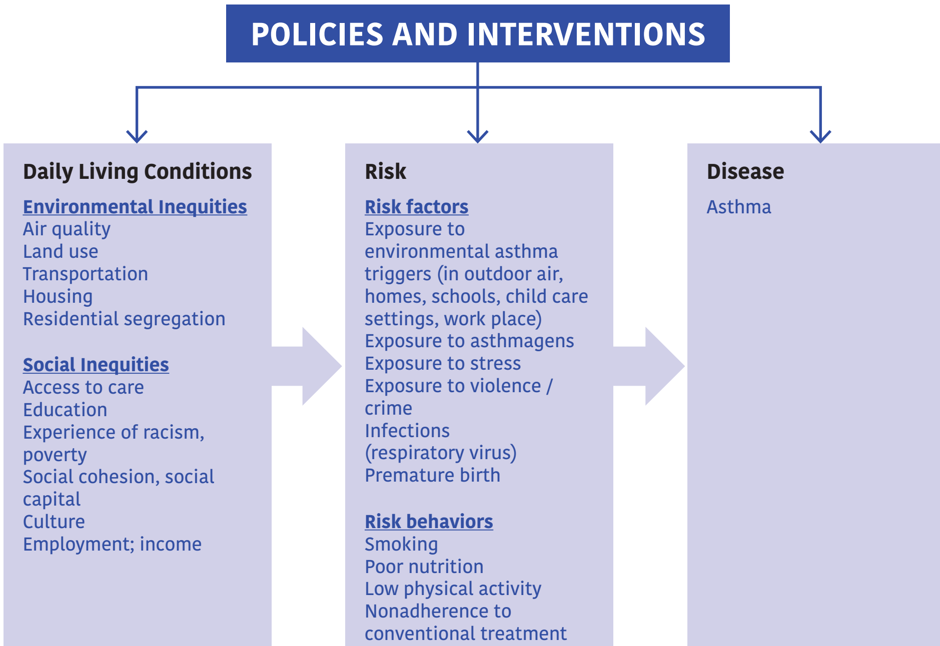
Managing and Preventing Childhood Asthma: Model Policies and Interventions

Taking a comprehensive, policy-focused approach that goes beyond disease management necessitates a broader understanding of childhood asthma, including its influences and causes. It demands interventions that address not just clinical management but also housing, school and child-care environments, outdoor air quality, transportation, and land use. Of course, caring for individual children will be the central and motivating factor behind any asthma intervention, but we have to consider *both* the child and the community in which he or she plays.

Fortunately, there are numerous model interventions and policies from across the country. Asthma outcomes can improve quickly when conducting evidence-based interventions—particularly those focused on addressing disease symptoms and trigger reductions. We also need to address the factors that shape daily living conditions and that contribute to risk factors and behaviors. Such interventions may lack a robust evidence base to support their effectiveness—largely because traditional evaluation measures are designed for individually focused interventions and are not equipped to assess the impact of policies, systems, and environmental changes on communities. However, these interventions have the potential to not only limit asthma exacerbations but also reduce asthma prevalence by preventing the onset of asthma in otherwise healthy children. Both evidence-based and promising practices are essential.

The following policy recommendations and examples of interventions tackle one or more of the contributing factors identified within different sections of the framework, with a particular emphasis on Disease, Risks, and Daily Living Conditions. Taken separately or together, these approaches offer an array of possibilities for improving childhood asthma.

Figure 2



Policy Recommendations and Interventions

1. Promote a systems change to increase the delivery of culturally responsive, guidelines-based care to all children with asthma. Although clinical practice for children with asthma continues to improve, the healthcare sector needs to systematically promote the use of clinical guidelines and strategies for enhancing cultural responsiveness. Providing care consistent with the "Guidelines for the Diagnosis and Management of Asthma," developed by the National Heart Lung and Blood Institute, would have an enormous impact on childhood asthma outcomes, and yet implementation is limited. One telling example: despite the recommendation that all patients with asthma receive an asthma action plan, one survey found that less than one-third (31 percent) of patients received one.[23]

   Healthcare providers can and should use existing curricula and tools to help them consistently use guidelines-based care. Physician Asthma Care Education (PACE) is one of many curricula for improving physician practices,[24] including cultural competency.[25] In addition, asthma action plans are available at no cost and in multiple languages.[26] Many clinical programs include community health workers as key members of the care team, thus emphasizing the value of cultural competency.[27] Other programs expand access to clinical care by providing clinical management at community sites, such as school-based health centers or through mobile clinics.[28]

In addition to these interventions, we also need continued policy improvements related to access to care. We should keep advocating for insurance coverage for the millions of people who remain uninsured, despite advances in healthcare reform.[29] Changing insurance practices for chronic diseases like asthma is another option; for example, researchers have cited co-pays as a barrier to effective chronic disease management.[30]

From Practice to Policy: Expanding Reimbursement for Asthma Education

A recent rule change from the Centers for Medicaid and Medicare Services (CMS) provides a potentially significant opportunity for asthma management. The rule expands the types of providers that can be reimbursed for preventive services. Previously, regulations limited the scope of allowable coverage for preventive services to those that are *provided* by a physician or other licensed practitioner. The new rule allows state Medicaid programs to reimburse for preventive services provided by those professionals that may fall outside the state's clinical licensure system, as long as they have been *recommended* by a physician or other licensed professional. This change means that Medicaid can cover and pay for community-based asthma interventions when carried out by asthma educators, healthy homes specialists, or other community health workers. However, implementation at the state level is optional; policymakers and advocates must play a key role in pushing their state Medicaid program to adopt the rule.[31]

2. **Increase patient education and case management to support asthma self-management and support behavior changes that reduce exposure to risks.** Medical providers in a variety of settings need to offer more education to support self-management and reduce exposure to environmental triggers. Health Resources in Action puts it well: "In dozens of studies, asthma education sessions delivered in the clinic [or] home … have helped patients overcome key factors in poorly managed asthma. Demonstrated benefits of asthma education include reduced asthma symptoms, enhanced quality of life, improved medication adherence, fewer activity limitations, and reduced medical costs."[32]

   Education doesn't start and end with a visit to a doctor; many other people provide effective asthma education, including nurses, health educators, case managers, and community health workers. There are also multiple settings in which education can be effective, including clinics, in-home visits,[33] school-based health centers, and classrooms (e.g., the American Lung Association's Open Airways for Schools).[34] Education programs also target specific age groups (e.g., the Asthma and Allergy Association's Wee Wheezers for children under seven)[35] or specific behavior changes (e.g., the Clinical Effort Against Secondhand Smoke Exposure, targeting parents of children with asthma).[36]

3. **Institutionalize programs that link clinical care with social determinants of health.** In asthma management, it is essential to think of clinical care as a key component of an integrated strategy, rather than a stand-alone service. One way to do this is to use the clinical setting to establish connections to community services. For example, as part of their clinical care, the Family Information and Navigation Desk at University of California, San Francisco Benioff Children's Hospital in Oakland systematically screens and assists patients with social determinants of health-related needs (e.g., food access, housing, linkages to community resources).[37]

   Another approach is to create a medical home or health home that integrates asthma clinical services and community services into one coordinated approach. The U.S. Department of

Health and Human Services recently issued State Innovation Model Awards to 25 states to design and implement healthcare system improvements, with a particular focus on children. As states develop their models, they have the opportunity to integrate comprehensive asthma management and prevention. As but one example, a model health home should include community health workers who provide in-clinic asthma education *and* in-home environmental assessments for families.[38]

From Practice to Policy: Making the Financial Case for Asthma Interventions

Given today's reality of limited healthcare and public health dollars, advocates are focusing more than ever on return-on-investment (ROI) opportunities to institutionalize asthma programs. ROI calculates dollars saved, or expenditures avoided, per dollar invested. In the field of asthma, a positive ROI can be one helpful tactic to convince a managed-care organization to cover a particular asthma service or a private foundation to provide funds to scale up a program.

Many asthma interventions have already demonstrated a positive ROI. In the analysis by the U.S. Centers for Disease Control's Task Force on Community Preventive Services (described in item #4), researchers found that home-based interventions with an environmental focus had ROIs ranging from $5.30 to $14.00 for every dollar invested.[39] Other types of asthma programs have also demonstrated a positive ROI. One education program targeting high-risk children demonstrated a ROI of $11.22 for every $1.00 spent,[39] while a case management program targeting children demonstrated a ROI of $7.69–$11.67 for every $1.00 spent.[40,41]

As we sustain and expand effective asthma programs, demonstrating their financial benefits and their well-documented health benefits is essential. Health Resources in Action's *Investing in Best Practices for Asthma: A Business Case* provides many more examples of interventions with a positive ROI and strategies for making the business case for asthma interventions.[42] The Agency for Health Care Research and Quality offers an Asthma Return on Investment calculator.[43]

4. **Advance policy, systems, and environmental changes that reduce exposure to risks in homes, schools, and child-care settings.** Indoor air quality is a major concern for asthma, with such factors as mold, rodents, roaches, dust mites, and pesticides directly linked to asthma attacks. According to the U.S. Centers for Disease Control's Task Force on Community Preventive Services, there is "strong evidence of effectiveness of in-home environmental interventions."[44] The task force concluded that combining minor to moderate environmental remediation, defined as structural changes in the home, with an educational component provides "good value for the money invested based on improvements in symptom-free days, savings from averted costs of asthma care, and improvement in productivity." These programs move beyond education on how to reduce triggers by creating sustainable environmental changes in homes.

   Educational institutions also have an important role in adopting systems and policies to reduce exposure to asthma triggers. One excellent road map is the U.S. Environmental Protection Agency's Tools for Schools (TFS) program.[45] Comprehensive in scope, TFS lays out school policies and procedures to improve indoor air quality, from maintenance practices for heating and ventilation systems to promoting asthma-friendly cleaning products. School district and state policymakers can also codify such innovations across all schools. New York and Illinois passed laws requiring schools to use environmentally sensitive cleaners. In California, legislators and advocates are working to improve indoor air quality through the construction and renovation of schools by shaping facility funding standards to emphasize health and equity. Child-care advocates and staff can also reduce exposure to triggers by adopting practices like using nontoxic art supplies, preventing the development of mold through moisture control, and using alternatives to bleach (a risk factor for asthma).[46,47,48,49]

5. **Create policies that promote affordable and healthy housing.** Although in-home visiting programs have been proven to help families reduce exposure to triggers, often there are housing triggers beyond the control of tenants. We need policy changes that address substandard housing where landlords fail to remove mold, repair leaks, or address structural problems.

   To better protect the health and well-being of tenants and their children, more code enforcement agencies should turn to Proactive Rental Inspection programs. Rather than wait for health and safety code complaints, enforcement staff should conduct regular inspections of rental properties. Doing so would help catch health-related problems early, while also preventing retribution against tenants (since they didn't initiate the inspection).[50] States can also work to strengthen health and safety codes directly. For example, California passed legislation that requires landlords cited for a pest infestation to remediate housing conditions that contribute to the infestation, such as leaky plumbing and openings in walls or flooring. This reduces the use of harmful chemical treatments (an asthma trigger), while also preventing future infestations.

From Practice to Policy: Protecting Children from Mold

Research affirms an association between visible mold or mold odor with a wide range of respiratory and allergic health effects, including asthma.[51] Yet, mold is not specifically identified as a housing or health code violation in most states, leaving local enforcement officers uncertain about their authority to address mold problems. The mold assessment and remediation industry also lacks regulations, posing risks of unhealthy exposure to mold from unsafe work practices and leaving owners vulnerable to unscrupulous operators that use the fear of "toxic mold" to inflate prices.

The California Healthy Housing Coalition is exploring state legislation to provide local enforcement agencies with clear standards for addressing mold complaints and to establish business licensing requirements and mold remediation standards. At the time of publication, the state of New Jersey had a bill moving through the legislature that would establish standards for inspection and clean-up of mold in residential buildings and school facilities. The state of Texas already has requirements for licensing and registering people performing mold assessments and remediation. With some states leading the way, this is clearly an opportunity for other states to take action.

6. **Advocate for healthy air quality, with a particular focus on those communities inequitably affected and engage in climate action to reduce the burden of asthma.** With evidence suggesting that outdoor air pollution contributes to the onset of asthma,[52] we need to continue to push for air quality improvements, particularly in low-income communities and communities of color, where air pollution is disproportionately high. Cleaner air means healthier communities: in California, air quality regulators, supported by diverse partners including RAMP, implemented diesel emissions regulations that will reduce diesel particulate matter by 43 percent by 2020. Such improvements are expected to prevent 150,000 cases of asthma, 12,000 cases of acute bronchitis, and 9,400 premature deaths over the next 15 years. The economic benefits of the regulations are estimated at between \$48 and \$69 billion.[53] Beyond the immediate effects of air pollution, we

need more leadership from policymakers and children's health advocates to respond to the reality that climate change is exacerbating the problem of asthma.[54] It can be a challenge to make the transition from thinking about inhalers and asthma action plans to also thinking about such issues as diesel regulations and climate change, but these are key ways to reduce asthma and asthma disparities.

From Practice to Policy: Climate Change and Air Pollution Opportunities

In June 2014, the U.S. Environmental Protection Agency proposed cutting carbon emissions from power plants. Such carbon emissions will reduce particulate pollution and ozone, both of which are clear asthma triggers. If implemented as planned, the EPA estimates that by 2030, the proposed reductions will avoid a projected "**140,000 to 150,000** asthma attacks in children."[55] However, more work is needed by advocates and policymakers to turn this proposal into action.

Children's health advocates can and should tackle the asthma and other health effects from the freight and general transportation sectors as well. In California, asthma, environmental health, and justice organizations, as well as other stakeholders, are collaborating with policymakers to shape the state's Sustainable Freight Transport Initiative[56] to aggressively move the state to a zero- or near-zero emission system. Similar efforts are happening in other states and communities across the nation and could be replicated and expanded.[57,58]

7. **Advocate for land use and transportation decisions that ensure a positive impact on public health and equity.** Land use and transportation policies shape exposure to air pollution and determine which communities will be disproportionately affected by air pollution and associated health effects, such as asthma. We need policymakers who are committed to making land use and transportation decisions with an eye toward health equity, which in turn can help children suffering the most from asthma. Policymakers can design communities to reduce the need to drive long distances and promote walking and biking, shape permitting policies so that polluting industries aren't located next to residential communities, or create policies to limit housing development near freeways.

   One example in California of policymakers and advocates working to promote health and equity is the development of the Sustainable Communities Strategies, which determine housing and transportation plans for each region in the state. By incorporating public health and environmental justice priorities into the plans, they can create healthier environments for children with asthma.[59]

Effective Policies and Interventions Will Require Both Traditional and Innovative Funding Sources

Although the program and policy changes described here can pave the way for broad-scale asthma improvements, the regrettable fact is that there is little sustainable funding available for national implementation. We need funders of all types—government, foundations, investors, managed care organizations, and others—to provide support for both proven and promising programs and policies.

Innovative funding strategies aren't hard to find. In California, the Alameda Alliance for Health, a Medicaid managed care organization, provides financial reimbursement to the county public health department to conduct in-home visits for children that focus on asthma management and behavior changes to reduce exposure to asthma triggers.[60] Hospitals, such as the Parkview Health System in Indiana,[61] have incorporated community-centered programs into their budgets, providing asthma education and environmental asthma trigger assessment. Massachusetts approved legislation for a bundled payment system for high-risk pediatric asthma patients that supports a pilot project with home visits, care coordination by community health workers, and supplies to reduce environmental triggers.[62] In Fresno, California, diverse stakeholders are implementing a social impact bond (SIB) to fund an intervention that includes environmental risk reduction in the homes of patients with asthma.[63] A successful SIB will raise program funds from investors and reduce costly emergency department and hospitalization visits, while also producing sufficient savings to provide a return on investment. The adoption of the CMS preventive services rule, mentioned earlier, may be another source of financial support to provide reimbursement for asthma education.

In addition to these creative ideas, however, we still need more traditional funders—government agencies and foundations—to prioritize asthma and fund an array of approaches. This includes funding to build political will and support advocacy efforts that tackle the social and environmental inequities contributing to asthma disparities.

From Practice to Policy: A Call to Action

A broader framework for understanding childhood asthma necessitates new strategies for addressing the problem, with policy change a key solution.[64] A narrow focus on the disease of asthma is not enough; policymakers, children's health advocates, and funders must also tackle the risks and daily living conditions that have a profound influence on health outcomes, particularly for those children suffering the most. Although policy approaches are far removed from the practice of the clinic, case management, or health education, they are part of the trajectory toward a new, expanded, exciting approach to tackling asthma and public health problems. Yes, policy changes can be tough, for they require something harder to find than the well-crafted intervention or the right amount of funding—that is, they require political will. However, policy improvements don't happen without this will, which is why we need policymakers with the courage to summon it and advocates with the capacity to push them for it.

By implementing effective interventions and by taking action to institutionalize policy solutions, we can move out of complacency about the rising rates of asthma and instead solve the problem through a more comprehensive approach. Asthma may be a leading chronic condition among children in the United States, but it is a public health issue with so many solutions, so now is a key time for all of us to make a broad, long-term commitment to support asthma management and prevention.

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