Creating an Opportunity Society

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Why Are Poverty and Inequality So Stubborn?

- Work Rates and Wages
- Family Composition
- Education
- Immigration
Work Rates & Wages

Source: Brookings tabulations of data from the Annual Social and Economic Supplement to the Current Population Survey, 1964-2008. Note: Includes noninstitutionalized civilians ages 25-40. Individuals are considered employed if they worked 14 or more weeks during the year. Because respondents are asked about the number of weeks worked in the previous year, these data are from the CPS of the year after. In other words, the data for 2007 above are actually from the 2008 CPS.
Employment of Female Family Heads with Children, 1996 - 2009

Source: Calculations by Richard Bavier based on the Current Population Survey. Measures are the percentage of all mothers who are employed or live in households with no employment.
Trend in Real Hourly Wages at Selected Points in U.S. Wage Distribution, 1979 - 2007

Source: The State of Working America 2008-10, Table 3.5. Note: Hourly wages based on tabulations of Current Population Survey files, converted to constant dollars using the CPI-U-RS.
Family Composition
Birth Rate and Percent of Births to Unmarried Women, 1940 - 2007

Differences in Non-marital Births by Mother's Education and Ethnicity, 1968 - 2006 or 2008

**Differences: Education**

- Less than 12 yrs
- 12 yrs
- 13-15 yrs
- 16+ yrs

**Differences: Ethnicity**

- Black
- Hispanic
- White


Note: 2004 Unavailable
Poverty in Female-Headed and Married-Couple Households with Children, 1974 - 2008


*2007 and 2008 are estimates produced using PELNMOM and PELNDAD, the new parent variables introduced in 2007.
Education
Median Family Income of Adults Ages 30-39 with Various Levels of Educational Achievement, 1965 - 2007

Note: All men and women ages 30-39, including those with no personal income, are included in these estimates.
High School Graduation Rate by Gender and Ethnic Group, 1900 - 2000

College Graduation Rate by Gender and Ethnicity, 1900-2000

Reading Scores for 9, 13, and 17 Year Olds, 1974-2008

Source: National Assessment of Education Progress
Poor Kids Less Likely to Enroll in College; Even Less Likely to Graduate

Source: Brookings tabulations using data from the Panel Study of Income Dynamics.
Annual Number of Legal U.S. Immigrants by Decade and Region of Origin, 1960-2005

Source: Martin and Midgley, 2006, p. 3.
First Generation Age-Adjusted Wages Relative to Wages of Non-Immigrants, 1940, 1970, 2000

Second Generation Age-Adjusted Wages Relative to Wages of Non-Immigrants, 1940, 1970, 2000

First and Second Generation Age-Adjusted Wages Relative to Wages of Non-Immigrants

Opportunity and Mobility
Family Background Matters

Only 6 percent of those born into a family in the bottom quintile climb to the top quintile as adults.

On the other hand, 42 percent of those born into a family in the bottom quintile remain in this quintile as adults.


Note: Family incomes are five-year averages from the Panel Study of Income Dynamics for 1967-1971, when parents were 41-years-old on average, and again in 1995-2002 when their adult children were 39-years-old on average.
Family Background Matters

Of those born into a family in the top quintile, 39 percent remain in the top quintile as adults.

Only 9 percent of those born into a family in the top quintile fall to the bottom quintile as adults.

a. Family incomes are five-year averages from the Panel Study of Income Dynamics for 1967-1971, when parents were 41-years-old on average, and again in 1995-2002 when their adult children were 39-years-old on average.
Chances of Getting Ahead for Adult Children with and without a College Degree from Families of Varying Income

![Chart showing the distribution of income quintiles for adult children by their parents' income quintiles, with and without a college degree.]

Chances of Black Children Getting Ahead

## Substantial Individual Mobility over the Life Course

### Quintile-to-Quintile Transitions

<table>
<thead>
<tr>
<th>Years</th>
<th>Overall Mobility Rate</th>
<th>Mobility Rate out of Bottom Quintile</th>
</tr>
</thead>
<tbody>
<tr>
<td>1967-1976</td>
<td>61%</td>
<td>44%</td>
</tr>
<tr>
<td>1977-1986</td>
<td>61%</td>
<td>47%</td>
</tr>
<tr>
<td>1984-1994</td>
<td>60%</td>
<td>47%</td>
</tr>
<tr>
<td>1994-2004</td>
<td>61%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Summary of Our Problems

- Wages and income are stagnant or falling at the bottom
- Work rates for men are falling
- Marriage rates have been declining, especially among the poor
- Nonmarital birth rates have been increasing, especially among the poor
- Average wages and probably skills of 1st and 2nd generation immigrants have been declining
- Educational achievement is stagnant
What To Do
Launch a Three-Front War

- Improve Education
- Expand Work
- Strengthen Families
Personal Responsibility and Economic Success

Income Class, by Adherence to Social Norms, 2007

The Three Norms
- Complete high school
- Work full time
- Wait until age 21 and marry before children

Source: Authors' calculations based on the U.S. Census Bureau, Annual Social and Economic Supplement to the Current Population Survey.
Effectiveness of Five Factors in Reducing Poverty Rates

Strategy I: Give ‘Em Money
Poverty Among the Elderly, 1959 - 2008

Strategy II: Promote Work
Five Components of Temporary Assistance for Needy Families

1. End Cash Entitlement
2. Block Grant Funding
3. Work Requirements
4. Sanctions
5. 5-Year Time Limit
AFDC/ TANF Caseload, 1962 - 2009


Earnings & Means-Tested Benefits for Bottom Two Quintiles of Female Family Heads with Children, 1990 - 2007

Source: Richard Bavier with U.S. Census Bureau Data
Poverty Rates for Black Children, Children in Female-Headed Households, and All Children
1974 - 2008

Source: For data on Black Children and all Children, see U.S. Census Bureau, Income, Poverty, and Health Insurance Coverage in the United States: 2008, Table B-2; for data on Children in Female-Headed Households see, Poverty Status, by Type of Family, Presence of Related Children, Race and Hispanic Origin 1959 to 2008, Table 4 http://www.census.gov/hhes/www/poverty/histpov/famindex.html
Support for Working Families Increases Dramatically, 1984 - 1999

Spending in 1999 under:
- 1984 Law
- 1999 Law

- Child Care
- SCHIP
- Child Tax Credit
- Medicaid
- EITC

$51.7

$5.6

An Agenda for Increasing Work to Reduce Poverty

I. Increase Work Requirements:
   • Food stamps
   • Housing

II. Bring Back Industrial Arts in High School (Career Academies)

III. Strengthen the Work Support System:
   • Day care
   • Employment and training
Strategy III: Promote Education
# Effects of Selected Early Childhood Programs on Adolescent and Adult Behaviors

<table>
<thead>
<tr>
<th>Intervention and Outcomes:</th>
<th>Control or Comparison Group</th>
<th>Group Receiving Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teenage Parenting Rates (Abecedarian)</td>
<td>45</td>
<td>26</td>
</tr>
<tr>
<td>Health problem (Perry Preschool)</td>
<td>29</td>
<td>20</td>
</tr>
<tr>
<td>Drug user (Abecedarian)</td>
<td>39</td>
<td>18</td>
</tr>
<tr>
<td>Needed treatment for addiction (Perry Preschool)</td>
<td>34</td>
<td>22</td>
</tr>
<tr>
<td>Abortion (Perry Preschool)</td>
<td>38</td>
<td>16</td>
</tr>
<tr>
<td>Number of felony violent assaults (Perry Preschool)</td>
<td>0.37</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Net Earnings Gain from Participating in Early Childhood Programs:

- Abecedarian: $35,531
- Perry Preschool: $38,892
- Chicago Child-Parent Centers: $30,638
- Head Start: No effect

Note: Table entries are percentages unless otherwise noted.

Comparison of Selected Effect Sizes from Preschool Programs

Note. For sources contact Ron Haskins at rhaskins@brookings.edu.
Average Quality of Child Care Facilities in the U.S.

Source: National Institute of Child Health and Human Development
# Federal and State Spending, 2005

<table>
<thead>
<tr>
<th>Program</th>
<th>Cost (Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Day Care Programs</strong></td>
<td></td>
</tr>
<tr>
<td>Discretionary Child Care Development Fund (CCDF)</td>
<td>2.1</td>
</tr>
<tr>
<td>Mandatory CCDF</td>
<td>2.7</td>
</tr>
<tr>
<td>TANF transfers to CCDF</td>
<td>2.1</td>
</tr>
<tr>
<td>TANF direct child care</td>
<td>1.6</td>
</tr>
<tr>
<td>State CCDF Match and Maintenance of Effort (MOE)</td>
<td>2.2</td>
</tr>
<tr>
<td>TANF MOE in excess of CCDF MOE</td>
<td>1.0</td>
</tr>
<tr>
<td>Social Services Block Grant</td>
<td>0.2</td>
</tr>
<tr>
<td>Child and Development Care Credit (DCAPS)</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$12.7</strong></td>
</tr>
<tr>
<td><strong>Preschool Education Programs</strong></td>
<td></td>
</tr>
<tr>
<td>Title I Grants to Local Education Agencies</td>
<td>0.3</td>
</tr>
<tr>
<td>Reading First (Reading Excellence before 2002)</td>
<td>1.1</td>
</tr>
<tr>
<td>Early Reading First</td>
<td>0.1</td>
</tr>
<tr>
<td>Special Education</td>
<td>1.9</td>
</tr>
<tr>
<td>Head Start</td>
<td>7.0</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$13.4</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$26.1</strong></td>
</tr>
</tbody>
</table>

The Preschool Program We Need

Goal: All Groups Enter School Performing at Average Level on Socioemotional and Intellectual Measures

- Components:
  - Home visiting
  - Early education; 0-3
  - Preschool program; 4
  - School age follow-up
  - Day Care
- Local Coordinating Group
- Integration of current funding streams
- Local standards/Federal standards
- Competition and parent choice
- Teacher Quality
- Testing; Especially at school entry
Strategy IV: Strengthening Marriage

- Reduce nonmarital births (including to teens)
- Increase marriage rates
Ten Characteristics of Effective Teen Pregnancy Prevention Programs

- Focus on one or more sexual behaviors that lead to unintended pregnancy
- Employ behavioral goals, methods, and materials appropriate for the age, sexual experience, and culture of the students
- Theory-based programs with evidence of impacts on risky behaviors
- Sufficient length of program
- Consistent emphasis on messages about abstaining from sex or using condoms
- Multiple teaching methods (not just lecture)
- Provide accurate information about risks of pregnancy and methods of avoiding
- Address social pressures to have sex
- Teach and practice refusal skills
- Teachers believe in program
Bush Administration Marriage Initiatives

- Marriage education included in several existing programs (child protection, Head Start, refugee)
- Separate initiatives for Hispanic and Black marriage
- Research and Demonstration:
  - Building Strong Families
  - Supporting Healthy Marriage
  - Community-Wide Initiatives
Family Expectations

A program that strengthens couple relationships and prepares both parents for the transition to parenthood
Who Participates in FE?

- Both Unmarried and Married couples, where the mom is currently pregnant or the baby is 3 months of age or younger (at enrollment)

- Both mom and dad separately consent to participate in the program and they have to assert that they intend to stay together, and are available, to participate in a year-long program
Who Participates in FE?

- Financially Vulnerable Families: the majority of FE parents are funding their birth with Medicaid, so their income is 200% of poverty or less

- Couples where Mom does not disclose domestic violence issues that would result in the couple being screened out of the program
What Does It Mean For Couples To Participate In FE?

They attend workshops!

- Learn Skills to Strengthen Their Relationships
- Get Information About The Baby’s First Months of Life
- Connect with Other Couples
- 30 Hours of Core Curriculum
- Additional Workshops To Build Their Family Tool Box (parenting, finances, early childhood education)
What Does It Mean For Couples To Participate In FE?

They Have A Family Support Coordinator!

- Participate in Regular 1 on 2 Meetings
- Receive Resources To Meet Family Needs
- Receive Referrals To Other Community Resources
- Set, Work Toward and Achieve Family Goals
- Practice Skills Learned In Workshops
What Does It Mean For Couples To Participate In FE?

They Spend Time Together and With Peers!

- Date Nights
- Community Outings
- Holiday Events
- Moms’ and Dads’ Groups
FE By The Numbers

- 2,452 couples have participated since 2005, currently about 670 couples currently enrolled
- 1,800 parents and children attended the 2009 FE holiday party
- 745 workshops and/or extended activities since Aug 2005
- In 2009, over 29,000 hours of direct service hours with couples
- 2,000 couples enrolled in two national random assignment studies – researchers will be evaluating the effect of the program on parents and children over the next five years
“My family has been involved in countless programs over the years, and this is the first time I’ve been treated like I’m a part of my family.” — FE Dad

“We look back on the first couple of years of our relationship and just laugh and say, ‘What exactly was the problem?’ It’s so strange because all we needed were the tools to communicate, which we got through Family Expectations.” — FE Mom

“We love the atmosphere and the cool setting for workshops and office visits. We always feel like everyone is glad that we are here. We don’t feel judged when we walk through the door. We just love to come…and the information we are learning through Family Expectations is helping equip us to be good partners and parents.” — FE Dad
### Well-Being of Adolescents Aged Twelve to Eighteen, 2002 Estimates

<table>
<thead>
<tr>
<th>Problem</th>
<th>2002 Estimate</th>
<th>Estimated change based on two-parent families in:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1980</td>
</tr>
<tr>
<td>Repeated Grade</td>
<td>6,948,530</td>
<td>-299,968</td>
</tr>
<tr>
<td>Suspended from school</td>
<td>8,570,096</td>
<td>-485,165</td>
</tr>
<tr>
<td>Delinquency</td>
<td>11,632,086</td>
<td>-216,498</td>
</tr>
<tr>
<td>Violence</td>
<td>11,490,072</td>
<td>-211,282</td>
</tr>
<tr>
<td>Therapy</td>
<td>3,412,678</td>
<td>-247,799</td>
</tr>
<tr>
<td>Smoked in last month</td>
<td>5,083,513</td>
<td>-239,974</td>
</tr>
<tr>
<td>Thought of suicide</td>
<td>3,692,358</td>
<td>-83,469</td>
</tr>
<tr>
<td>Attempted suicide</td>
<td>636,164</td>
<td>-28,693</td>
</tr>
</tbody>
</table>

Source: Paul R. Amato, “The Impact of Family Formation Change on the Well-Being of the Next Generation” *The Future of Children* 15, no. 2 (Fall 2005): Table 2.