

Judith Kelley: The last couple of years, our children have certainly been through a lot. Children are so important for our future. And that is why this new report that is out is focusing on the challenges and opportunities facing America's children. It's exciting too, because it's a bipartisan report. So there's agreements from both sides on something, and that doesn't happen so often these days. This report stresses the need to rebalance national investments towards children, and it's from the American Enterprise Institute and Brookings Institution working group on childhood in the United States. The report took more than three years to make, and it lays out policies that will improve the life of American children and a budget neutral. Basically they don't add to our budget. I'm Judith Kelley, Dean of the Sanford School of Public Policy here at Duke University. And two of the report contributors are here with me today. The first person is Lisa Gennetian and she's a professor here at the Sanford School and is an affiliate at the Center for Child & Family Policy. She was a member of the working group. So welcome to you, Lisa.

Lisa Gennetian: Thank you, Judith. Happy to be here with you today.

Judith Kelley: We're happy to have you. We also have one of the group co-chairs here, Michael Strain. Michael is the director of economic policy studies at the American Enterprise Institute. Welcome to you, Michael.

Michael Strain: Thank you so much for having me.

Judith Kelley: Michael, it's our pleasure. So Michael, why don't you start by first telling me a little bit about children and families in the US and what you think are the main difficulties that families are facing.

Michael Strain: Thank you. And thank you again for having me. There's so much in the report that it's hard to know where to start. The report is premised in part on the view that children need more resources and children need more stability than they currently have. And that is one entry point into the report. I think the report also is of the view that the nation's priorities as reflected in the federal budget, do not give an appropriate role to the needs of children.

And the report recommends a rebalancing of federal resources toward children and away from upper income retirees, away from subsidies for certain industries, things of that nature. And I think that's a separate entry point into the report. And the report looks at all sorts of areas of the experience of children, the employment status of their parents, the relationship status of their parents, the income of the home in which they live, the quality of the school, which they attend, the quality of the healthcare, which they receive. And tries to assess how things are going and what can be improved with an eye toward those two big 30,000 foot premises that I mentioned earlier.

Judith Kelley: Michael, you mentioned sort of federal spending as a share of the federal budget, but so much of spending on children are not in the federal budget. It's the state and local. So how should we be thinking about that?

Michael Strain: Well, certainly quite a bit is done at the state and local level. Perhaps most particularly education. Of course there is quite a bit of federal spending. Something like 9% of federal expenditures are for programs that are explicitly designed to support children. And that's a pretty big pile of money right there. We think it should be larger than that, but we're not starting from scratch here in terms of the federal budget. But certainly areas of public policy like education are led by the states and the report speaks to that and makes some recommendations both to state and local governments, and also make some recommendations to the federal government for how it can influence the decisions that are made by some national governments.

Judith Kelley: So tell me just a little more about the report itself, Michael, and I'll get to you in a second Lisa. What was it set up to do?

Michael Strain: Well, I think what brought about the report itself was a recognition by the people who were involved that there was some area of common ground here and around those two kind of big premises that I mentioned earlier. There was common ground on the notion that our federal spending priorities are out of whack and should focus more on investing in children so that they can become self-sufficient adults, should focus less on making sure that the government provides a comfortable retirement for adults who are already middle class or upper middle class. And the view that there's still quite a bit of work to do to make sure that children in America have the kinds of lives that the scholars who were involved in this report think they should have. Child poverty is still much too common in the United States. And I think that that should be a major concern for policymakers and for anybody involved in these issues. And that was a view that was shared by some of the more conservative scholars and some of the more progressive scholars who were involved in setting up this effort.

Judith Kelley: Thank you so much, Michael. Lisa, as somebody who was a scholar who was involved in the report, is there a policy that kind of stands out to you, one that gained bipartisan support that you were excited about in particular?

Lisa Gennetian: Oh, that's a good question. I'd be inclined to say that we focus more on topical areas of agreement, sort of the content. And then from there branched on to, so what are the policy implications? Like if you really dig into the report, and one thing I really honor about our process is we start with really hard questions. One of them was, should our starting point be budget neutral or something else? And then the second was, so are we thinking about children across the age span? Are we thinking about children from birth to like young adulthood, are we thinking about something else?

Judith Kelley: And what was the answer to that last question?

Lisa Gennetian: We did make strategic choice to focus on zero to 12 year olds. And this is not to neglect the importance of adolescence. There is one chapter in there that's specifically focused on the teen years, but there was consensus in our group about the value of investing early. And I bring some of that key transition point, right? So we're very early childhood, early education, parents, community resources play, and really health, early healthcare, really important role in children's development. And then what happens between, right, ages five and six in the US, the school system, right, plays a really enormous role. So we felt like that would cover some of the two big areas of investment in the country in which federal, state, and local governments can also have a supporting role. So that was sort of a second sort of big thing.

And then third, I just want to echo kind of how Michael set the stage. The resources and sort of stability and I would add relationships were two threads that helped anchor kind of the policy implications. And so that includes things like a statement about thinking about the expanded Child Tax Credit and the Earned Income Tax Credit and how do we think about safety net programs, right, from the resources perspective. And in terms of families, how do we think about marriage? How do we think about stabilizing relationships between parents and teachers, right, who are important in children's lives? And so the policy implications really grew out of, I would say the substance of the report rather than the other way around. And I think that was absolutely the right way to go because it keeps sort of the eye on the prize, right? What do we care about in terms of the ingredients that really will help children flourish?

Judith Kelley: So when I'm a parent, I hear you say some of these things I'm thinking can policies fix the relationship between parents and teachers and stabilizing that? What policies would do that? And especially given how high teacher turnover sometimes is. Maybe that's what the policies directed at. Can you elaborate a little bit?

Lisa Gennetian: I think it's easier to have agreement about what policies aren't doing well, versus how can we reimagine policy to get closer to what we know helps children thrive. So let me give you an example of what policy's not doing well now that, to be frank, I think there was brought a consensus in our group that is undermining at least family stability, and that's something called the marriage penalty. Right. So there is a penalty to getting income support in this country, baked into many of our safety net and tax policies that disincentivizes, right, parents, caregivers to commit to a marriage contract. And I think we had some, that was sort of an easy one to come to agreement that should be removed. I agree with you that it is really complex thinking about how do you improve quality, right?

And quality sort of can be a very ambiguous term, but there again, teachers matter in school in the way they interact with children. And there's some bridging conversations we can have about involving parents in education more actively, and involving teachers in communicating and embracing the strength

that parents have and families have. There's not a lot of policy making that bridges those two, right, domains. We think of, the Department of Education's very focused on what's happening within the walls of the school. And we think of safety net, other economic tax policy programs that are really thinking about what's happening within the walls of a home.

And I really, I do think this report tries to do some cross walking. The digital frontier is a great example of this, sort of what's happening with teens, if you look at the teens chapter where technologies playing an active role cross domains, but we don't have a lot of creative thinking, right, about how to support that. This is really important now in the pandemic. So much education is happening outside of school, through internet, through Zoom, through digital learning. It's become almost a necessary part of educating our children through circumstances like the pandemic, but we don't have a lot of policy making around that. And I think we kind of raised the importance of that as part of this report.

Judith Kelley: Well, let's get back to that in a little bit, because that does sound interesting. But you mentioned the Michael, Lisa mentioned the Earned Income Tax Credit. Michael, could you talk a little bit more about some of the recommendations you folks made around that and how you think that would work and why you think that's important?

Michael Strain: Yes. The report I think, is admirable in directly acknowledging the important role that parental employment plays in the lives of children. Employment provides income, but also provides other benefits to children as well. And the Earned Income Tax Credit is of course, a federal earning subsidy that's designed to increase the income of lower income workers. It's kind of a double whammy policy. It is extremely effective at fighting poverty because it's a federal transfer program that raises the income of recipients, but because it increases the financial rewards from working, it also increases employment. So it fights poverty, increases employment, increases income, increases self sufficiency, and the report recommends expanding its generosity as a way to achieve the goals in the report.

Judith Kelley: Was there a particular policy that you were very fond of Michael, that was sort of your favorite thing that you ended up recommending?

Michael Strain: Well, probably the one we just discussed, I think. I've done some research myself on the EITC and I really think it is one of the best designed policies we have to fight poverty and to increase economic opportunity. Another one I think is related to what Lisa was discussing, I would really highly recommend the education chapter. I learned a lot from the process of being part of the group that put the chapter together. There has been a big I think, change in the way that scholars understand the role of education spending.

I think a lot of people think that increases in funding for schools is throwing money at the problem and in many cases throwing money down the drain. But I think recent evidence suggests that that is probably not the case and that increasing resources for schools actually helps kids. But the report also I think, is admirable in looking at the research on the role that school choice plays, on the role holding schools accountable for outcomes can play in children's educational outcomes. So like Lisa said, it was an exercise in allowing the best evidence to lead the group to policy conclusions and not a situation where the tail is wagging the dog.

Judith Kelley: It certainly sounds like there's a lot in there. And it's such an important exercise because as scholars, we do so much research all the time and yet when do we take the time to really sifts through that and rank and prioritize what makes sense to actually implement? Lisa, you mentioned tech before. And certainly a lot of parents have been dealing with their children and tech in education. And I'm wondering, what does it look like in the future? And also we didn't have a lot, it was like the wild west during COVID in terms of technology. What are some of the tech related policies in the report that you think are worth noting?

Lisa Gennetian: That's super interesting. And let me start with some context about this report. We started prior to the pandemic and then tried to stay on task with our original objective of thinking across this scope of like important areas, ingredients for children and children's flourishing in the US. Technology did not rise up, right, to its own chapter, let's call it that, which is really an interesting reflection given where we are now. So technology came in through thinking about teens, recognizing their active engagement, right, in the digital frontier, especially in the social media space and the ripple effects to their own mental health and wellbeing.

Judith Kelley: I mean, certainly we've seen countries like China, like actually limiting how much time kids can spend on social media. Communist party has other motivations than only their wellbeing of their children, but policies are being implemented in this space.

Lisa Gennetian: And that's very interesting. So indeed where we land, at least in that context for that chapter is thinking more about not monitoring the active, more active engagement on the part of schools and parents in guiding, informing, educating, putting parameters around engagement, [inaudible 00:15:15] engagement with social media in part because social media and filtering through what is informational and productive from what can be unhealthy, right, traps and keeping up with that in the way technology is changing is very hard. Adults are struggling with that, nevermind teenagers whose brains are still developing and still like adapting and adopting to changing circumstances and creating their own identities. So when we came down here, it's such, just such an active, evolving space and has the precedent, right, for regulation or even guidance. So I think you are right. Like if there were a part two to this report with the same group I'm betting we would sit around a table and something like technology in

the digital space might actually elevate to like a chapter, because we've learned so much through the pandemic, both opportunities and the challenges.

Judith Kelley:

I want to talk a little bit more about the politics and the bipartisanness of it. Michael, you mentioned earlier that as I said in the introduction, that the proposals are budget neutral and you started talking about well we want to spend more on children and say less on agricultural subsidies or less on taking care of middle class and their retirement, et cetera. How do you make a set of proposals about children and not have that derailed about a set of political priorities on other policies that actually have nothing to do with children, but now get swept into debate because of the choice to make the recommendations budget neutral, meaning you guys had to go out and find some things to nix.

Michael Strain:

It's a great question. I mean, the alternative to making the report budget neutral of course, is to make it budget increasing, which brings its own set of challenges. The decision to make the recommendations budget neutral really was not primarily driven by an assessment of politics. It was driven by agreement among members of the group that the federal budget prioritizes spending on the elderly, spending on upper income Americans, spending on favored industries, above children. And the members of the group thought that those priorities were mistaken. And it gives the recommendations in the report a lot of force that I think they wouldn't otherwise have, if they are motivated by this kind of principle that we don't just need to spend a bunch more money on kids in an absolute sense. We actually need to spend more money on kids in a relative sense. We need to give kids greater priority than they currently receive in the nation's spending priorities. And the way to do that is to have a budget neutrality component.

Judith Kelley:

It's impressive that you guys were all able to agree. And I was really struck in particular by a paragraph in the report that said that every member of the working group has endorsed this report in its entirety as a whole, meaning that support for one idea cannot be separated from any other. So you're really keeping your recommendations as a piece and you talk about how not everybody necessarily endorses every bit, but everybody's agreed that their recommendations and conclusions in the report taken as a whole would improve the status quo. So how difficult was it? I'd like to hear both of your views on this. How difficult did you think it was to get this kind of consensus?

Lisa Gennetian:

So, first of all, I just want to applaud both Michael Strain and Diane Schanzenbach, who were the co-chairs of this working group, and really set the tone for how do we compromise in a super respectful, dignified manner. And that tone setting I think was really important in that everyone around the table had a voice, an opportunity, right, to assess where they stand on a particular topic. And I suspect a lot of what I don't know what was going on, but I suspect was going on is Michael and Diane also having probably the necessary and the important kind of one-to-one conversations to help kind of build compromise.

And so I think it was an incredible strategy that I learned a lot from just observing it and seeing how that was happening in real time, even when we met on Zoom, in person. And that we all came to the table kind of acknowledging each other's expertise and contribution. So I think, that tone setting was so incredibly important.

Judith Kelley: Yeah. Michael, I mean, having led the successful effort, do you have any advice for others trying to get sort of gain bipartisan consensus around something? What was it that worked?

Michael Strain: I think it was difficult.

Judith Kelley: That's why it took three years.

Michael Strain: Well, the pandemic is a big part of the reason why it took three years, but,

Judith Kelley: I see.

Michael Strain: I think even the absence of the pandemic, it would've taken some time. I think that a big part of what led to the success of this effort was framing the discussions, and framing the evaluation of evidence, and framing the process of formulating policy recommendations around those guiding values and principles that we keep returning to in this conversation. If you get a bunch of people who agree that child poverty rates are alarming and really are one of the biggest failures of American society today, if you get a bunch of people who agree that federal spending priorities really are out of whack and place way too little emphasis on investing in children, if you get people who agree that kids need more stability than they currently have in terms of their resources and in terms of their relationships, then you're kind of already on second base. You're not at home base yet. You haven't scored the run, but you're already pretty far along on the journey.

Lisa Gennetian: Yeah. I mean, that was sort a terrific way to boil this down in simple terms, like really starting from common ground. And, as this being my first experience in this kind of consensus report, common ground literally in some cases was here are the two words we agree to use. Right. And then building out from there. There were specific sentences and paragraphs that went through multiple, multiple, right, iteration and review. But the success of the outcome was largely because there was common agreement on the initial kind of founding, right, ingredients of that conversation.

Judith Kelley: It's so interesting that you both say that because our last episode, we were talking about the North Carolina Leadership Forum, which is a bipartisan effort out of Duke University to bring people together around issues like education, or healthcare, or housing. And one point that the two guests really emphasized was the importance of starting with a shared set of values. So it's beautiful to see these two episodes aligning on that around bipartisanship. I really

congratulate both of you for having been part of this effort on this really important topic and for having reached consensus.

Thank you so much for sharing with us today. Lisa Gennetian is a Pritzker Professor of early learning policy studies at Duke Sanford, an affiliate of the Center for Child & Family Policy. Michael Strain is director of economic policy studies at the American Enterprise Institute. They worked on this new bipartisan report called Rebalancing: Children First, and we have a link on our website policy360.org to the report. And while you're there, you might want to check out Episode 136, which looks at recent research into children, families, and COVID-19 across cultures. The research happened in nine different countries across the globe. I'll be back soon with another conversation. I'm Judith Kelley.