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“Solutions to Poverty”
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Mr. Chairman and Members of the Committee:

Thank you for inviting me to testify on what might be done to reduce poverty in America. As a Senior Fellow and Co-Director of the Center on Children and Families at Brookings, I have done extensive work on these issues; although I should note that the views I will express are my own and should not be attributed to other staff, trustees, or funders of the Brookings Institution. Let me first summarize my testimony.

Overview

First, I strongly believe that reducing poverty requires a focus both on what government needs to do and on what individuals need to do. We need a combination of responsible policies and responsible behavior.

Second, although there are many things that might be done to reduce poverty in the U.S., I want to argue for a focus on three priorities: getting a good education, not having children before you marry, and working full-time. Government should expect people to make real efforts to comply with each of these norms. When they do, then government should reward such behavior by making sure that those who play by the rules will not be poor. The analysis we have done at Brookings shows that individuals who play by these rules are much less likely to be poor than those who don't.

Third, one of the most effective policies we could put in place to ensure that everyone gets a good education would be to provide very high-quality early education to all children from low-income families. Many people believe that education in the preschool years only affects young children. In fact, the evidence from both neuroscience and from carefully done program evaluations shows that preschool experiences have long-lasting effects and may be the most cost-effective way to insure that more children are successful in the K-12 years, graduate from high school, go on to college, and earn more as adults. The federal government could further this goal by providing matching funding to states that are willing to invest in high-quality early education for those living in low-income neighborhoods, starting in the first year of life.

Fourth, too many of our teens and young adults are having children before they are married and before they are ready to be good parents. In my view, the solution to this problem resides as much in the larger culture—in what parents, the media, faith

communities and key adults say and do—as it does in any shift in government policy *per se*. However, government can help by providing resources to those fighting this battle in the nongovernmental sector, by insuring that its own policies do not inadvertently encourage childbearing outside of marriage, and by supporting programs that have had some success in reducing early, out-of-wedlock childbearing.

Finally, encouraging and rewarding work is also very important. I support the idea of work requirements in welfare, and perhaps in other programs as well, but I fear that the kind of increased employment we've seen among welfare mothers will be a Pyrrhic victory if we don't find ways to provide more assistance in the form of a higher minimum wage, a more generous EITC, and additional child care and health care assistance. In my testimony today—at the suggestion of your staff—I will focus especially on preschool education and on the need to decrease childbearing outside of marriage and increase the share of children growing up in two-parent, married families. But I have written elsewhere about the importance of providing additional work supports for low-income working families.¹

The Evidence that Education, Work, and Marriage are Important

If we could increase education, marriage, and work, poverty rates would fall substantially (Figure 1). More specifically, our research shows that if all able-bodied adults worked full time, even at the wage they currently earn (or, if unemployed, at a rate commensurate with their education), poverty would plummet by 42 percent. We also analyzed the impact on poverty rates of increasing the marriage rate to the level it enjoyed in 1970 by simulating marriages between single males and females matched on age, race, and education from Census Bureau data.² The effect of this simulation was to reduce poverty 27 percent.

Insuring that everyone had a high school education reduced poverty by 15 percent. It had a less powerful effect than work and marriage. That said, I believe that education is more important than these results might imply because of its indirect effects on everything from improving health to opening up new employment opportunities and making people better parents.

Finally, we compared these three simulations to a doubling of cash welfare. This large increase in cash assistance only reduced poverty by 8 percent.

Although these results are informative, they may partly reflect the fact that people who are better educated, married, and work more hours have other characteristics that lead them to have higher incomes. In addition, they tell us nothing about how to achieve the

¹ Isabel Sawhill and Adam Thomas, “A Hand Up for the Bottom Third: Toward a New Agenda for Low-Income Working Families,” Washington, DC: The Brookings Institution, May 2001; Ron Haskins and Isabel Sawhill, “Attacking Poverty and Inequality,” *Opportunity 08 Paper*, Washington, DC: The Brookings Institution, 2007.

² In the simulation, the income of the matched individuals were whatever the individuals actually reported to the Census Bureau. We matched enough couples in this fashion to reproduce the marriage rate that existed in 1970 before divorce and non-marital births began their rapid increases.

kind of improvements in education, in marriage rates, and in the extent of full-time work that the simulations assume. In what follows, I provide my judgment, based on good research, of the most effective ways to achieve the first two of these three goals. I also have ideas about how to encourage and support work but in the interests of time and space, and based on discussions with your staff, I will not address that issue in greater detail today.

Improving Educational Outcome among Children from Poor Families

My first recommendation is that Congress provide additional funding for an early education program that we call “Success by Ten.” This proposal was developed jointly by myself and Jens Ludwig at Georgetown University for the Hamilton Project at Brookings.³

Success by Ten is a proposal designed to help every child achieve success in school by age ten. It calls for a major expansion and intensification of Head Start and Early Head Start, so that every disadvantaged child has the opportunity to enroll in an intensive, high-quality program of education and care during the first five years of life. Because the benefits of this intensive intervention may be squandered if disadvantaged children go on to spend time in low-quality elementary schools, the second part of our proposal requires that schools devote their Title I spending to instructional programs that have proven effective in further improving the skills of poor children, especially their ability to read.

Our proposal is based on the principle that early intervention is particularly important given brain plasticity during these early years. Children from different family backgrounds currently experience very different types of learning environments during the early years. The result is that large disparities in cognitive and noncognitive skills are found along race and class lines well before children start school and even before they can enroll in the federal Head Start preschool program at age three or four. Most of America’s social policies try to play catch up against these early disadvantages yet most disadvantaged children never catch up. Gaps that exist when children enter school are nearly as large when they reach high school.

Findings from a number of rigorously conducted studies of early childhood and elementary school programs suggest that intervening early, often, and effectively in the lives of disadvantaged children from birth to age ten may substantially improve their life chances. These long-term benefits include higher educational attainment and greater success in the labor market, thereby helping poor children avoid poverty as adults. Another consequence would be to substantially improve the skills of tomorrow’s workforce, thereby enhancing future economic performance. These benefits for children would be accompanied by benefits for their parents, many of whom are working and need the kind of high-quality child care that the program would provide.

³ Ludwig, Jens and Isabel Sawhill, “Success by Ten,” *Hamilton Project Discussion Paper*, Washington, DC: The Brookings Institution, February 2007.

Our proposal would work as follows. A high-poverty school (defined as a school in which at least 40 percent of the children are eligible for the school lunch program) would form a partnership with a local Head Start program or another early childhood program. They would jointly apply to the federal government for the extra funds that would be needed to serve all the poor children in their area. Eligibility for the preschool component would be based on family income or could be based simply on residence in a low-income neighborhood or school district.

Competitive grants would be made based on the quality of the local plan, including willingness to implement the key elements of Success by Ten (such as well-qualified teachers, low ratios of children to staff, a tested and effective curriculum) and assurances that the two agencies (typically Head Start and the local school) could work together. To reduce the initial cost of the program, to maintain quality during the scaling up of the effort, and to allow for some further learning and refinement of the design during implementation, we also propose that some local variation be allowed and that the school system maintain electronic student-level data on children in their enrollment areas and make these available to an independent set of program evaluators. We estimate that the cost of the program would be about \$6 billion annually during the first six years of the program and up to \$40 billion annually when fully implemented.

One model program of the type we are proposing had dramatic effects on children from poor families. Known in the literature as the Abecedarian program, it is the only program for which there is rigorous evidence for *long-term* effects on cognitive outcomes like IQ test scores. An evaluation of Abecedarian participants at age 21 shows IQ scores that are about 0.38 of a standard deviation higher for the treatment than the control group, with similarly large improvements in reading and math scores.

Other effects that are arguably as important, such as school achievement and completion, are even more impressive. For children who received the Abecedarian program intervention, for example, the college entry rate is 2.5 times the control group's rate. Teen parenthood and marijuana use in the group that received the Abecedarian intervention were around one-half of the average rates for the control group that did not receive the intervention. Smoking rates were about 30 percent lower for those who received the Abecedarian intervention when they were children compared with the average for the control group (Campbell and others, 2002). More suggestively, arrest rates were lower for treatments than controls, although the absolute numbers of those arrested in the two Abecedarian groups were small enough that it is impossible to prove statistically that this particular difference didn't result from chance.

To preserve and enhance these good results, early childhood intervention should be followed up with additional support at least in the early grades of school. However, the currently available evidence in support of most schooling interventions is quite limited. Based on our reading of available research, one of the few programs that has been shown to be effective in a rigorous randomized experiment is Success for All, which is a comprehensive whole-school reform model now in operation in more than 1,200 schools.

The philosophy of Success for All during the elementary school years is to focus on the prevention of reading problems, and the primary marker of success is the ability to read. Other subjects are important, but emphasis is given to the development and use of language through the reading of children's literature. Consistent with this emphasis, children receive 90 minutes of daily reading instruction in groups that are organized across grade levels based on each child's current reading level, which helps teachers to target instruction. Students engage in cooperative learning exercises in which they discuss stories or learn from each other, which helps reinforce what teachers do and builds social skills. Children are assessed at eight-week intervals, using both formal measures of reading competency and teacher observations. Children who are falling behind are given extra tutoring or other help with whatever might be impeding success (such as health or behavior problems).

A recent evaluation of Success for All funded by the U.S. Department of Education's Institute for Educational Sciences provides rigorous evidence of the program's effectiveness (Slavin and others, 2005). Two years later, the differences between children in the treatment and control schools were positive and statistically significant, usually on the order of about 0.2 standard deviations (about one-fifth the gap between low and high socioeconomic-status children).

We recommend using Title I money to expand the use of Success for All in kindergarten through fifth grade. If and when new evidence develops, schools could be encouraged, or even required, to use their Title I money on other proven programs.

Clues about what program ingredients might prove to be most important over time come from some of the striking similarities between Abecedarian and Success for All. These similarities include an emphasis on the development of language and reading skills, frequent assessments of children's developmental progress through regular testing, and clear, prescriptive curricular materials for teachers to follow that stand in contrast with more open-ended teacher- and student-initiated learning environments.

Reducing the Number of Single Parents and Encouraging Marriage

As we have seen, one of the best ways to reduce poverty is to decrease the number of single-parent families. If we could return the share of children raised in married-couple families to the level that prevailed in the 1970s, we could reduce the poverty rate by between 20 and 30 percent.

There are two ways to reduce the growth of single-parent families. The first is to reduce teen and out-of-wedlock childbearing, the latter of which has been the driving force behind the growth of such families since the 1980s. The second is to reduce divorce which has leveled off since the 1980s but still accounts for more than half of all children spending time in a single-parent family.

The good news is that teen pregnancy and birth rates have declined by about one-third since the early 1990s and this has contributed to the slower rate of growth in the

proportion of children born outside of marriage.⁴ The reasons for the declines are not well understood, but appear to be related to more conservative attitudes among the young, heightened concern about sexually transmitted diseases, and greater efforts to prevent teen pregnancy, including both new messages about abstinence and the availability of more effective forms of contraception.⁵ These declines mean fewer children being born outside of marriage, fewer single-parent families, and less child poverty. Indeed, the decline in teen childbearing that has occurred over the past decade is responsible for more than 80 percent of the decline in the number of children under age six living with a single mother. Had the teen birth rate not declined between 1991 and 2002, the number of children under six in poverty would have been 8.5 percent higher.⁶ Reducing teen childbearing has other desirable consequences as well, not the least of which is less government spending. Teen childbearing costs taxpayers at least \$9 billion each year in direct costs associated with health care, foster care, criminal justice, and public assistance, as well as lost tax revenues.⁷ And because women who have children outside marriage are less likely to marry than comparable women who do not, a decline in these births should increase marriage rates as well.⁸

Although there has been progress in reducing teen pregnancy rates, young women, and especially young black women, are marrying much later than they used to (and in some cases not marrying at all) and are thus exposed to the risk of a non-marital birth for longer periods of time. So out-of-wedlock childbearing rates remain high as does the rate of divorce. The question then is what are the most effective strategies for reducing out-of-wedlock childbearing as well as divorce?

Step one has to be a new set of messages. Part of the decline in marriage and the rise in non-marital births can be attributed to a culture that has reduced the social stigma of single motherhood. Thus, any strategy to reduce the number of single parent families should include a component aimed at changing broad cultural attitudes. Many younger people, teens especially, have not fully absorbed the message about the normative ordering of events that is critical to achieving life's goals: finish high school, or better still, get a college degree; wait until your twenties to marry; and do not have children until after you marry and at least one parent is stably employed.⁹ Using the media, as

⁴ Isabel Sawhill, "What Can Be Done To Reduce Teen Pregnancy and Out-of-Wedlock Births?," *Welfare Reform & Beyond Brief No. 8*, Washington, DC: The Brookings Institution, October 2001; Committee on Ways and Means Democrats, "Steep Decline in Teen Birth Rate Significantly Responsible for Reducing Child Poverty and Single-Parent Families," *Committee Issue Brief*, Washington, DC: Author, April 23, 2004.

⁵ John S. Santelli, et al., "Can Changes in Sexual Behavior Among High School Students Explain the Decline in Teen Pregnancy Rates in the 1990s?," *Journal of Adolescent Health*, vol. 35 (2005): 80-90.

⁶ Committee on Ways and Means (Democrats), 2004.

⁷ Saul D. Hoffman, "By the Numbers: The Public Costs of Teen Childbearing," Washington, DC: National Campaign to Prevent Teen Pregnancy, October 2006.

⁸ Daniel T. Lichter and Deborah Roempke Graefe, "Finding a Mate? The Marital and Cohabitation Histories of Unwed Mothers," in Lawrence L. Wu and Barbara Wolfe, editors, *Out of Wedlock: Causes and Consequences of Nonmarital Fertility*, New York, NY: Russell Sage Foundation, 2001, pp. 317-343.

⁹ More description of this "success sequence" can be found in Barbara Dafoe Whitehead and Marline Pearson, "Making a Love Connection," Washington, DC: National Campaign to Prevent Teen Pregnancy, 2006.

well as the bully pulpit, to broadcast messages about this success sequence is one way to reach a broad cross-section of society and to get a message about responsibility into the cultural ether.¹⁰

A second way to change cultural attitudes and behavior is to fund programs that teach both values and relationship skills to younger Americans, while insuring that they are well informed about the best way to prevent an unwanted pregnancy. Included here is sex education that encourages abstinence among teens but also includes accurate information about contraception for those who are sexually active. In addition, programs that teach responsibility and engage young people in constructive activities through community service have shown themselves to be effective in reducing teen pregnancy.¹¹ An analysis by Julia Isaacs for the Brookings Institution suggests that a nationwide expansion of one such effective program would cost \$1.4 billion, but would produce numerous—albeit difficult to measure—benefits including a reduction in teen births and abortions.¹²

Yet another way to reduce unplanned pregnancies outside marriage is to provide more family planning services to low-income women. Several recent studies have found that states provided with family planning waivers under Medicaid have successfully reduced unintended pregnancies and births and saved money in the process.¹³ Providing low-income women greater access to family planning services through Medicaid would cost less than \$1 million per year, according to the Guttmacher Institute. This policy would substantially reduce unintended pregnancies. Over a decade's time, these declines in unintended pregnancies among low-income women could reduce the number of children living in poverty by roughly 600,000.¹⁴

Another way to reduce single parenting is by teaching relationship skills to those who are married or are contemplating marriage. Careful evaluations suggest that some premarital

¹⁰ Sara McLanahan, Elisabeth Donohue, and Ron Haskins, "Introducing the Issue," *Future of Children*, vol. 15, no. 2 (Fall 2005): 3-12.

¹¹ Two of the more effective programs, as identified by Douglas Kirby for the National Campaign to Prevent Teen Pregnancy, are the Teen Outreach Program (TOP) and the Children's Aid Society-Carrera program. These programs focus on youth development, not just on family planning or abstinence. See Douglas Kirby, "Emerging Answers: Research Findings on Programs to Reduce Teen Pregnancy," Washington, DC: National Campaign to Prevent Teen Pregnancy, 2004.

¹² Julia Isaacs, "Cost-Effective Investments in Children," *Budget Options Series Paper*, Washington, DC: The Brookings Institution, 2007.

¹³ Cost estimate assumes that every state provides Medicaid coverage for family planning services for women with incomes less than 200 percent of the federal poverty line. By enabling women to avoid 522,000 unintended pregnancies, this type of Medicaid expansion would reduce the number of abortions by 16 percent and the number of unintended births by almost 18 percent. See Jennifer J. Frost, Adam Sonfield, and Rachel Benson Gold, "Estimating the Impact of Expanding Medicaid Eligibility for Family Planning Services," Occasional Report No. 28, Alan Guttmacher Institute, August 2006; Melissa Kearney and Phillip Levine, "Subsidized Contraception, Fertility, and Sexual Behavior," NBER Working Paper No. 13045, April 2007.

¹⁴ There are about 1.4 million births to unmarried women each year. A 17% decline in such births would avert 238,000 or 2.4 million over a decade. If even one fourth of these births would have created a poor, single parent family, then 600,000 fewer children would be poor. Paul Amato and Rebecca A. Maynard, "Decreasing Nonmarital Births and Increasing Marriage to Reduce Poverty," *The Future of Children* vol. 17, no. 2 (forthcoming).

education programs reduce the risk of divorce.¹⁵ Doubling the proportion of couples who receive premarital education would cost an estimated \$184 million, reduce divorce rates by as much as 7 percent, and over a decade's time, reduce the number of children living in poverty by at least 160,000.¹⁶

Not all of these pregnancy prevention and marriage education programs have been successful and we need to learn more. Recent media reports on the effectiveness of abstinence education programs, for example, have been quite discouraging. Even so, there *is* good news to report when it comes to sex education interventions. There is now persuasive evidence that a limited number of programs can delay teen sexual activity, improve contraceptive use among sexually active teens, and prevent teen pregnancy. Some of these programs could be fairly described as “traditional” sex education programs that discuss both abstinence and contraceptive use; others focus primarily on keeping young people constructively engaged in their communities and schools. At the same time, a new and exciting frontier in sex education has been embodied in efforts such as the Love U 2 curriculum. These efforts tend to teach young people about healthy relationships at the same time they teach them about avoiding risky sexual behavior and the value of waiting. In short, these efforts are focused squarely on trying to help young people understand how to achieve responsible and respectful relationships.

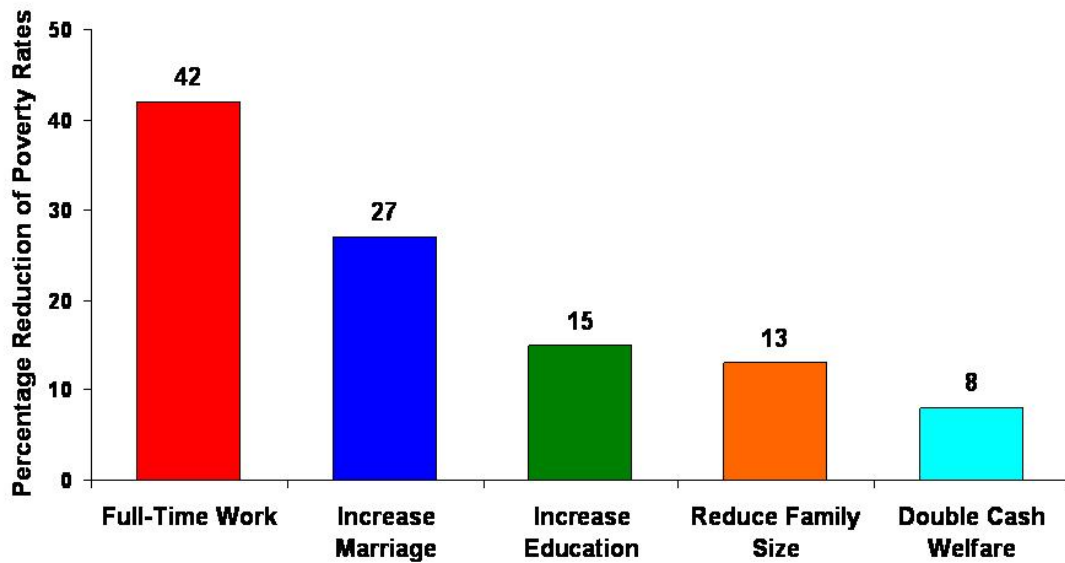
Conclusion

Allocating increased resources to early childhood education, if done right, has an excellent chance of increasing educational attainment among children from lower-income families. It will take a commitment to high-quality programs that start at an early age and will not be cheap. However, everything we know suggests the benefits would greatly exceed the costs. At the same time, with less certainty but at a much lower cost, it should be possible to decrease the share of children living in single parent families, thereby both improving their longer-term prospects and reducing poverty rates as well.

¹⁵ Ibid. The best-known and most successful premarital education program is the Prevention and Relationship Enhancement Program (or PREP).

¹⁶ Ibid. The paper assumes a doubling of current participation rates, from 40% of couples to 80% of couples. Amato and Maynard estimate that the decrease in divorce made possible by their premarital education proposal would lead to 720,000 fewer single parent families over a decade. If one fourth of such families are poor and each had .9 children, child poverty would fall by around 160,000 over the decade.

Figure 1:
Effectiveness of Five Factors in Reducing Poverty Rates



Based on Thomas and Sawhill, 2002; and Haskins and Sawhill, 2003.