

Morino Institute

The Value of Investing in Youth

IN THE WASHINGTON METROPOLITAN AREA

*Prepared for the Morino Institute
by the Brookings Institution Center on Urban & Metropolitan Policy*

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Executive Summary

Like many regions across the country, the Washington, D.C. metropolitan area has prospered in the 1990s.¹ Overall, the region has experienced dramatic population gains and job growth, lower unemployment, and higher median household incomes. Private sector jobs are up. Capital investment and philanthropy are up. Crime is down. Social conditions are improving. The region's housing market is booming. And the greater Washington technology sector has been a major force behind the region's robust economy and a recognized leader in the global marketplace.

However, not all households or communities in this region have shared in this prosperity. Some families lack the skills, education, or other assets necessary to participate in the new economy; other families do not live in healthy neighborhoods that have – or have access to – good jobs, good schools, and good opportunities. These same families must raise their children in fragile environments that are not conducive to helping prepare children for bright futures.

Children are the main casualties when families and communities are left behind. Children who are born into or raised in distressed settings have few choices. They are uniquely and especially vulnerable to poverty, even in these exceptional economic times. While the national poverty rate for older Americans has dropped by two-thirds over the past three decades, the child poverty rate has risen by 40 percent over the same time period. And in the Washington region, the child poverty rate in each of the jurisdictions was consistently and significantly higher than that jurisdiction's poverty rate for the population as a whole.

The youth who are most at-risk of not achieving their full potential are those who live in households that are low-income, headed by a single parent, are minority, or have some combination of these characteristics. These families reside primarily in distressed neighborhoods, and according to a recent Brookings Institution report, these distressed neighborhoods are located predominantly in the eastern portion of the Washington region (e.g., eastern District of Columbia, inner Prince George's County, and portions of Montgomery County, Arlington County, and Alexandria). However, the rest of the communities in the Washington region, particularly those located near and outside of the Capital Beltway, are home to increasing numbers of struggling families.

The following is a snapshot of the youth challenges youth – and their families – face in the greater Washington area:

- In 1996, 100,000 children lived in poverty in the Washington area. Over half of the region's poor children lived in the District of Columbia and Prince George's County. But, Fairfax and Montgomery counties each contained more than 15,000 children living in poverty.

¹ The greater Washington region, as we define it, includes the following communities: two counties in Maryland (Montgomery, Prince George's); four counties in Virginia (Loudoun, Prince William, Arlington, Fairfax); one independent city in Virginia (the city of Alexandria); and the District of Columbia. This definition of the region reflects the governance boundaries of Washington's primary formal regional body, the Metropolitan Washington Council of Governments, but is smaller than the Census-defined Washington MSA (which also includes Charles, Frederick, Stafford and Calvert counties).

- There are increasing levels of school poverty in the region. While the District of Columbia and City of Alexandria had the highest percentage of public school students receiving federally-subsidized meals in 1997 (66.3 percent and 52 percent, respectively), Montgomery and Fairfax counties saw rapid increases in the number of students eligible for such subsidies. In Montgomery County, the number of children receiving free and reduced-cost meals rose by 53 percent between 1992 and 1998. In Fairfax County, federal school lunch subsidies rose by 120 percent between 1990 and 1995.
- The number of single parent households in the Washington region is growing. In 1996, single parents headed 62 percent of all families with children in the District of Columbia, up from 52 percent in 1985. Single-parent families in Alexandria increased by 10.6 percent; in Arlington by 6.5 percent; and in Fairfax by 56 percent between 1980 and 1990.
- The Washington area is becoming more racially and ethnically diverse, which is an asset as well as a challenge for the region. The number of foreign-born residents in the Washington region has risen from one in 22 in 1970 to one in six today. In 1998, six percent of all public school students in the region had limited English proficiency, but the numbers are much higher in specific communities. The largest number of such students is in Fairfax County (12,000), while the Arlington County school district had the largest *percentage* of students who lacked English proficiency (22 percent).
- Washington's outer suburbs are also experiencing rapid population and social change. In Prince William County, nearly 45 percent of all households are families with children, the highest proportion of such families in the region. Prince William schools are straining to keep pace with the influx of children- the number of students exceeds permanent capacity by almost 3,100 students. The County is similarly undergoing escalating social challenges. For instance, Prince William is the only county in the region where the teen pregnancy rate is increasing.

Raising youth in impoverished and unstable environments presents severe costs to the child and society as a whole. In the short-term, our most disadvantaged children are at risk of not performing well in school, dropping out of high school, becoming a teen parent, using or abusing drugs and alcohol, participating in criminal activity, and being victims of child abuse.

In the longer-term, we will all pay for children's lost opportunities to become productive adults and citizens in our society and global economy. The future costs of continued poverty, poor education and basic work skills, and the scars from physical or mental abuse and neglect are staggering. For instance:

- Child poverty is associated with lower academic achievement, which leads to lower skills and lifetime earnings, and therefore reduced overall economic productivity. Children who grow up in poverty also tend to spend time in expensive special education programs; commit more crimes, thereby draining resources from the criminal justice system and imposing societal costs; rely more on welfare and other public subsidies; and finally, earn less money and pay fewer taxes as adults. One conservative estimate found that: "future losses to the economy stemming from the effects of just one year of child poverty for 14.6 million children [nationally] reach as high as \$177 billion."
- Failure to provide quality care for infants and toddlers also has a price. One economist estimates that, "the cost, including increased crime and welfare costs, of failing to provide at least two years of quality educational child care to low-income children is approximately \$100,000 per child. That's a total [nationally] of about \$400 billion for all poor children now under age five."

The flipside of these costs is the savings to taxpayers and society generally from investing in our children today. One study found that investing \$6,000 per child on early childhood programs would save the nation \$24,000 per child – a four-fold return. A school in Manchester, New Hampshire implemented a new after school program which saved them an estimated \$73,000 over three years, due to reduced need for special education and fewer students repeating grades.

In addition to these kinds of savings, the Washington region will also benefit generally from investing in children and helping reduce family and neighborhood poverty. Local jurisdictions and taxpayers will see financial relief from having to spend less of their own resources on poverty-related expenditures, such as on welfare, public health, hospitals, and the provision of police, schools, and courts. Investing in schools and in programs to improve access to technology will help this region grow its own workers, a boon for employers, the local revenue base, and the overall regional economy. And investing in struggling families will help create healthy home environments, healthy neighborhoods, and a strong community fabric that is crucial to a livable and competitive region that provides opportunities for all of its residents.

There is tremendous need for more innovative programs, additional resources, and better services to improve the future prospects of our youth. Early education and developmental child care programs must be excellent, affordable, and accessible to all working families. After school programs and other positive activities for youth are in short supply. Improving access to technology and better integrating technology and the Internet into classroom learning is critical to success later in college and in the workplace. Teen pregnancy and drug prevention efforts, summer youth employment, and other programs for teens are also important to ensure that this age group is not neglected and given positive, reinforcing environments. The opportunities for investment are broad and badly needed.

The opportunity to invest in Washington's children is now. The regional economy is still strong and expanding, and there is growing interest across sectors and jurisdictional lines to work collaboratively on ensuring the future health of this region. *The future is children*, and the health and livelihood of our youth is one universal concern that can bring this region together. But the value of making a downpayment on our youth is more important and less tangible than the dollars saved for taxpayers and businesses. With the right investments, we can help our youth become responsible citizens and promising leaders tomorrow.

Introduction

Like many regions across the country, the Washington, D.C. metropolitan area² has prospered in the 1990s, gaining population and jobs, diversifying its economy, and reducing poverty and unemployment. However, not all households or communities in this region have shared in this prosperity, particularly families who lack the skills, education, and other assets necessary to participate in the new economy.

Children are the main casualties when families and communities are left behind. Children who are born into or raised in distressed settings have few choices and are uniquely and especially vulnerable to poverty, even in these exceptional economic times. In 1996, more than 100,000 children in this region were poor, and many more faced hardships ranging from physical abuse to language barriers, from teenage pregnancy to struggling public schools.

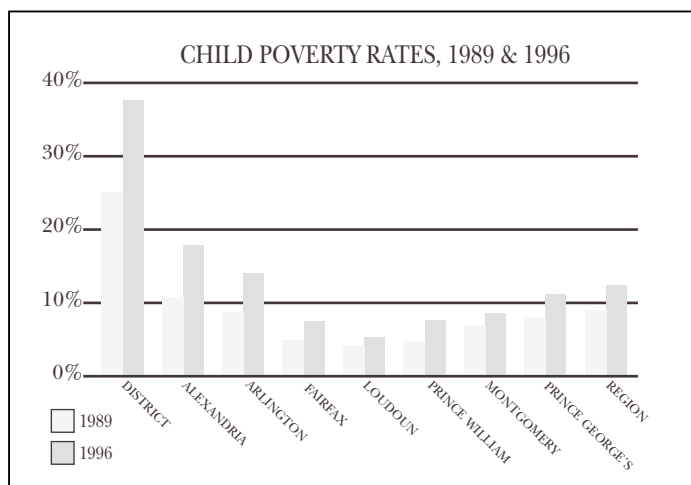
This report relies on existing data to paint a general picture of the challenges facing children and youth³ in the Washington, D.C. region. It assesses the well-being of the region's youth, the efficacy of systems and programs designed to serve youth, and the benefits of making – or costs of failing to make – additional investments in youth. While this report may not capture the full extent of the youth challenge, particularly the differences between jurisdictions or neighborhoods, it does demonstrate that an increasing number of our region's youth are at risk of not achieving their full potential, and that these youth live in every jurisdiction in the region.

This report answers the following questions about the health and needs of children in the greater Washington region:

- Who are the youth with poor life prospects in the greater Washington region? Where do they live?
- What are the costs associated with children growing up in low-income households and communities?
- How well are at-risk youth served by programs designed for their benefit?
- What are the larger social and economic gains to society from investing in children?

Who Are the Washington Area's Vulnerable Youth?

Most of the youth in the Washington metropolitan area who are at risk of not excelling in the future are those who are raised in households that are low-income, headed by a single parent, and/or are non-white.



Children in Poverty

Children who grow up in poverty are more apt to be exposed to negative living and learning environments. Children who are poor are more likely to not perform well in school, have unmet nutritional needs, live in substandard housing, and have unequal access to educational opportunities. Similarly, poverty can place children at greater risk of lacking basic health care and being victims of crime and violence. Incidents of child abuse tend to rise with families' increased economic hardship. Similarly, economically disadvantaged

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³ The terms "child" and "youth" are used interchangeably and roughly connote ages 4-18, although the exact age definition varies according to the data source.

	Poverty, 1996			Child Poverty, 1996			TANF, Sept. 1999	
	Number	Rate	% Region	Number	Rate	% Region	Cases	% Region
DISTRICT OF COLUMBIA	107,616	20.8	35.3	40,372	36.8	37.4	18,227	53.7
CITY OF ALEXANDRIA	10,683	9.3	3.5	3,185	17.0	3.0	732	2.2
ARLINGTON CO.	13,248	7.6	4.3	3,735	13.3	3.5	526	1.5
FAIRFAX CO.	49,281	5.4	16.2	16,529	7.3	15.3	1453	4.3
LOUDOUN CO.	4,431	3.5	1.5	1,570	4.6	1.5	126	0.4
PRINCE WILLIAM CO.	13,458	5.4	4.4	5,401	7.0	5.0	1189	3.5
MONTGOMERY CO.	44,078	5.4	14.4	15,252	7.5	14.1	2585	7.6
PRINCE GEORGE'S CO.	62,289	8.1	20.4	21,879	10.9	20.3	9131	26.9
TOTAL	305,084	8.3	100.0	107,923	12.4	100.0	33,969	100.0

Source: Census Bureau, Small Area Income and Poverty Estimates Program, February 1999;
TANF data from state welfare agencies.

children are more likely to suffer from emotional impairments, such as depression, anxiety, or related behavioral problems.⁴

In our region, over 100,000 children lived below the official poverty line in 1996 which, for a family of four, is a little more than \$16,000 a year. Between 1989 and 1996, *child poverty rates rose in every jurisdiction in the region*, rising at rates significantly faster than the general poverty rates. The number of children in poverty in the region increased by 39 percent between 1989 and 1996, while general poverty increased by only 26 percent during the same time period.

Child poverty is highly concentrated in the District of Columbia and Prince George's County. In 1996, the District of Columbia and Prince George's County contained 58 percent of the region's poor children and, in 1999, 81 percent of the region's welfare cases. However, these two jurisdictions contained only 35 percent of the region's total population, and only 34 percent of the region's children. The District is the only jurisdiction to experience a decline in its share of the region's poor children, while all suburban jurisdictions bore an incrementally larger share. While Alexandria and Arlington had high child poverty rates, they are relatively small jurisdictions and contain far fewer children than the larger counties. Together, Arlington and Alexandria have less than half the number of poor children in Fairfax County. Fairfax and Montgomery counties each contain more than 15,000 poor children.

However, official poverty rates are not the only indicator of childhood or household distress. In fact, many argue that the current poverty definition is too low and does not capture those households who are living above the poverty level but still earning low wages. An alternative is to examine the number and percentage of children who are receiving free and reduced-cost lunches in public schools. In order for students to be eligible for federal lunch subsidies, their families' income level must not exceed 185 percent of the federal poverty level. For the 1999-2000 school year in Maryland, for instance, children from a family of four earning up to \$21,170 are eligible for free meals, while those from families earning less than \$30,895 could receive reduced cost meals. Thus, while these family income levels are above the poverty rate for a family of four (\$16,276), they are still low enough to be considered distressed.

Across all jurisdictions in the Washington region, the percentage of children who receive free and reduced cost lunches is significantly higher than the percentage of children who are officially poor. This confirms that a larger number of the region's children and families are struggling to make ends meet. These figures also reveal that distressed households are not confined to the District of Columbia. Washington's inner-ring suburbs are seeing increasing numbers of students who are eligible for federal lunch subsidies. For instance, in Montgomery County, the number of children receiving subsidies rose by 53 percent between 1992 and 1998.

⁴ Aneshensel, Carol and Clea Sucoff, *The Neighborhood Context of Adolescent Mental Health*, Journal of Health and Social Behavior v. 37 n.4, Albany NY, Dec. 1996.

	<i>Percent of Public School Students Receiving Free or Reduced Cost Meals, 1997</i>	<i>Percent of Children in Poverty, 1996</i>
DISTRICT OF COLUMBIA	66.3%	36.8%
CITY OF ALEXANDRIA	52%	17.0%
ARLINGTON CO.	44%*	13.3%
FAIRFAX CO.	17%	7.3%
LOUDOUN CO.	9%	4.6%
PRINCE WILLIAM CO.	21%	7.0%
MONTGOMERY CO.	22.4%	7.5%
PRINCE GEORGE'S CO.	39%	10.9%

Source: Data from public school system websites; *figures for Arlington Co. from 1996

Fairfax County's free and reduced lunch subsidies rose by 120 percent between 1990 and 1995, while the total school population rose by only 13 percent in the same time period. The increasing levels of poverty in these school districts serve as a warning of potential decline. Once a school population tilts to being too poor or perceived as too poor, families with resources tend to move out of the school district, further eroding those schools and further eroding those neighborhoods. Investments in children will help stem the spread of poverty in schools and stabilize their neighborhoods.

	<i>Median Income of Female-Headed Family, 1989</i>	<i>Median Income of Two-Parent Family, 1989</i>
FAIRFAX CO.	\$ 29,250	\$ 70,000
MONTGOMERY CO.	\$ 29,885	\$ 83,589
PRINCE GEORGE'S CO.	\$ 27,462	\$ 57,358
WASHINGTON METRO AREA	\$ 26,513	\$ 70,187

Source: The State of Human Services Report, Fairfax County 1997; Maryland Kids Count, 1999.

Children from Single-Parent and Female-Headed Households

Children who are raised by single parents, especially single mothers, are more likely to be at-risk of unstable futures because such households, while they may not be poor, face more challenges than two-parent households. In 1997, the national median household income for a married couple with children was \$51,681, for a single father

\$36,634, and for a single mother \$23,040. For the Washington region in 1989, the disparity between the median household incomes of two-parent families and single mothers was even more stark, \$70,187 and \$26,513, respectively.

In 1996, the majority of the region's single-headed households were located in the District of Columbia (12.1 percent of all households) and Prince George's County (12.7 percent). The remainder of the region's jurisdictions each had 7 percent or fewer of their total households headed by a single parent.

However, the number of single parent households in the region is growing. While a single parent headed only 12 percent of all District *households* in 1996, a single parent headed 62 percent of all *families with children* in D.C. (compared to a national rate of 27 percent), up from 52 percent in 1985. Single-parent families in Alexandria increased by 10.6 percent; in Arlington by 6.5 percent; and in Fairfax by 56 percent between 1980 and 1990. Absent fathers are also becoming more prevalent. In 1998, 58 percent of the District's children lived in homes where the father was absent, up from 49 percent in 1990.

Women overwhelmingly head single-parent households and these female-headed households are disproportionately poor. In 1990, the poverty rate for two-parent families in Arlington was only 4 percent, while 32 percent of Arlington's single mothers with children were poor.

Children from Racial and Ethnic Minority Households

The racial and ethnic composition of the youth population in the Washington area reflects the increasing diversity in this region. Greater Washington remains a region starkly divided by race, with 70 percent of the region's African Americans living in the District of Columbia and Prince George's County (while these two jurisdictions only make up 32 percent of the region's total population). The youth population mirrors this trend: a vast majority of youth in the District and Prince George's County are African American, while the majority of youth in Montgomery, Fairfax, Loudoun, and Prince William counties are white.

RACE AND ETHNICITY OF GENERAL AND YOUTH POPULATION*

	White		Black		Hispanic		Asian		Youth as % of population	Total youth
	general	youth	general	youth	general	youth	general	youth		
DISTRICT OF COLUMBIA***	32.2	12.6	63.5	75.9	6.9	8.8	1.7	2.6	17.9	107,100
CITY OF ALEXANDRIA	59.5	38.1	26.8	36.4	11.0	19.2	7.8	6.1	15.8	12,296
ARLINGTON CO.	72.5	46.4	10.9	14.6	15.4	28.6	7.3	10.2	15.5	17,998
FAIRFAX CO.	77.1	68.3	9.4	9.4	7.4	10.3	10.4	11.8	23.7	160,868
LOUDOUN CO.	86.4	83.2	7.1	8.8	3.0	4.6	4.0	3.1	27.2	25,164
PRINCE WILLIAM CO.	79.9	74.4	13.6	14.4	5.3	7.2	3.6	3.7	27.7	55,181
MONTGOMERY CO.	70.9	—	15.8	—	9.1	—	8.9	—	23.3	190,956
PRINCE GEORGE'S CO.	43.1	—	61.9	—	4.9	—	3.9	—	24.6	188,871

* Youth data is for 1997; general population data is from 1996, except for Hispanic data, which is from 1994.

** Totals may not add up to 100% because of the inclusion of Hispanic data, which is treated as a race in the youth data and as an ethnicity in the general population figures.

*** DC "youth" = ages 0-17, all other jurisdictions = ages 5-17
Data Sources: 1997 Census Population Estimates; 1999 Virginia Kids Count Data; Greater Washington Research Center; COG; Maryland youth data unavailable.

The Washington region has traditionally been perceived as a black and white region. However, Hispanics are a rapidly increasing population in the Washington region, increasing by 137 percent between 1980 and 1990. In particular, this trend bears special relevance for youth because Hispanics experience high rates of three key indicators of poor future outcomes for children – poverty, low educational attainment of parents, and lack of health insurance. The regional poverty rate among Hispanics (12.0 percent) is nearly triple the regional average poverty rate (4.3 percent). Hispanic parents tend to have less formal education than other ethnic groups, an important predictor of child outcomes. For instance, 60 percent of Hispanic parents in Alexandria lack a high school degree compared with only three percent of white parents. Finally, among all ethnic and racial groups, households headed by a Hispanic are the most likely to have a member who lacks health insurance. In general, children raised in households with these limited opportunities are more especially at risk of not attaining high achievement in the future.

Overall, the District of Columbia and the Washington suburbs are attracting a more diverse population, with large infusions of immigrants changing the demographic face of the region. The Washington area is the fifth most popular destination point for immigrants to the U.S., and the number of foreign-born residents in the region has risen from one in 22 in 1970 to one in six in 1998.⁵

Immigrants are assets to Washington's local and regional economy. An October 1999 study released by the Center for Immigration Studies found that immigrants in the Washington metropolitan area are faring comparatively well. More than half of all immigrant adults in the Washington area had a college degree in 1997, compared with 24 percent of immigrants nationally and 35 percent of all adult residents in the region. Also, only 7 percent of immigrant-headed households in the Washington region were poor in 1997, compared to nearly 22 percent nationally. This poverty rate for immigrants was even lower than the poverty rate for non-immigrant residents in the region, which was 11 percent in 1997.

However, some immigrant families and their children are struggling to speak, read, write and understand English. This need for English proficiency poses a serious challenge for particular schools and school districts in the region that must accommodate the changing educational and language needs of their students. In 1998, six percent of all public school students in the Washington region had limited English proficiency, but the numbers are much higher in specific communities. Arlington County schools contained the *largest percentage* of students with limited English proficiency in the region, with 22.1 percent; while Fairfax County schools contained the *largest number* of such students, with more than 12,000 students with limited English proficiency.

⁵ Cohn, D'Vera and Pamela Constable. "Lives Transplanted, a Region Transformed: Steady Immigration Changes Face of the Region." Washington Post, August 30, 1998, page A1.

Where Do Our Most Vulnerable Youth Live?

In the Washington region as elsewhere, where one lives defines one's opportunities. As previously demonstrated, children who are most at-risk of not achieving positive futures live in households that earn low incomes, are headed by a single parent, are minority, or possess a mix of these characteristics. Such families – and thus their children – tend to live in distressed neighborhoods.

These distressed neighborhoods are located in distinct portions of this region. A recent report by the Brookings Institution, which mapped the patterns of growth and development in the Washington metropolitan area, found that poverty and distress are predominantly a burden of the eastern portion of the region, while growth and prosperity are principally benefiting the western half of the region.⁶ The divide cuts through parts of Montgomery County, down the middle of the District of Columbia, and through sections of Arlington and Alexandria so that these jurisdictions have communities that are growing as well as lagging. More importantly, these two trends in the region – hyper growth on one side and slow growth on the other – are very much interconnected, a cause and effect of the other.

But while the current pattern of hyper growth and slow growth in this region seems to be split between the east and the west, the greatest demographic and population change is occurring in the farther suburbs, particularly the communities in Fairfax, Prince William, and Montgomery counties that are located near and outside the Capital Beltway. For instance, the public schools in outer Montgomery County are experiencing one of the most rapid growths in non-Asian minority students. Fairfax County has the highest number of public school students who are not English proficient. Prince William County is home to an ever expanding number of young families with children. Every single jurisdiction in this region, except for the District of Columbia, are seeing growing numbers of single headed households.

Based on the previous and other findings, the following is a brief summary of the status of our youth in the region, by jurisdiction:

- The **District of Columbia, Alexandria**, and to a lesser extent, **Prince George's County** and **Arlington** are home to the preponderance of the region's children who are most vulnerable to becoming troubled adults. Children in these communities are exposed to multiple risk factors: deep poverty, distressed public schools, and persistent crime. These youth are overwhelmingly black or, increasingly, Hispanic.
- **Fairfax and Montgomery counties** contain a high number of children – together they account for nearly half (48 percent) of the region's children. These two counties remain affluent and predominantly white, but their populations are becoming more diverse. *Smaller pockets of poverty and distress are emerging unnoticed amidst county-wide prosperity.*
- **Loudoun County** appears to contain disproportionately few poor or at-risk children, and consistently exhibits stronger socioeconomic measures than other jurisdictions in the region. Affordable housing in Loudoun County is scarce, effectively locking out many low-income families.
- Trends indicate escalating social problems in **Prince William County**, where nearly 45 percent of all households are families with children, the highest percentage of such families in the region. As young low-to moderate-income families are flocking to Prince William County in search of good schools and affordable homes, Prince William schools are straining to keep pace with the influx of children. This year, the number of students exceeds the available permanent capacity by almost 3,100 students, and the County will use 159 trailers until new schools can be built.

What Are the Short-Term Costs of Neglecting the Needs of Youth?

It is critical to break the cycle of poverty in our schools, in our neighborhoods, and in our future generations by improving the opportunities of today's youth. If we do not invest in our most disadvantaged children, they will

⁶ *A Region Divided: The State of Growth in Greater Washington, DC*, Brookings Institution, July 1999.

be at greater risk of not performing well at school, dropping out of high school, becoming pregnant as a teenager, using or abusing drugs and alcohol, participating in criminal activity, and being victims of child abuse.

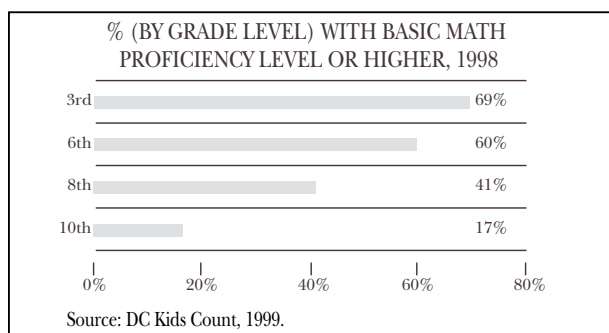
Poor Education and Basic Skills

Many economists agree that the main reason for the persistent and growing income inequality in America is the rising value of skill.⁷ Access to quality schools, access to higher education, and access to adequate skills training are not only essential for individuals to achieve success in adulthood; they are also imperative if a region’s businesses are to thrive and a region’s opportunities are to expand. The greater Washington area is blessed with an impressively high number of college graduates and people with professional degrees. In 1996, nearly half of the region’s heads of households were college graduates; college graduates are expected to be the majority of households in the Washington area by 2000. These are the high-skilled workers who are helping to drive the growth in the region’s high tech and other industries. Yet, there were also one quarter of a million people in the Washington region who had less than a high school diploma and made under \$25,000 a year at the start of this decade. It is imperative to close the education gap and skills gap in this region in order to ensure that opportunities for advancement are available for all youth and all adults.

The potential of our region’s youth, particularly those who are economically disadvantaged, can be gleaned from their high school graduation rates and performance on standardized tests. Failure to complete high school is closely linked with decreased employment opportunities, low wages, and limited career advancement opportunities. On average, young people who drop out of school will earn about one-third less than high school graduates and nearly one-half less than college graduates. The consequences of dropping out of school are not solely economic, however. Dropouts are 3.5 times more likely than high school graduates to be arrested, and 6 times more likely to become unmarried parents.

The District of Columbia has the lowest graduation rate in the region. While all public schools in Maryland and Virginia have at least 75 percent of their students graduate from high school, with many having over 90 percent, *the District of Columbia has not reached a 60 percent graduation rate in the last decade.*

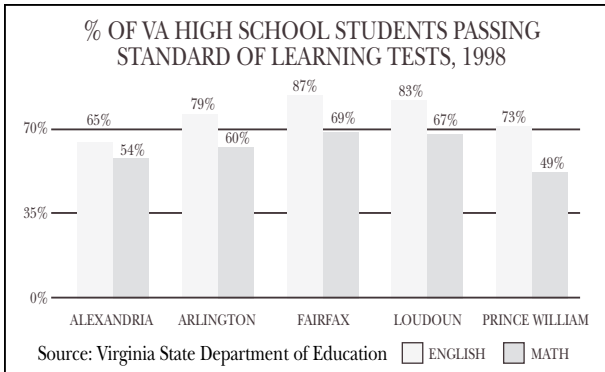
Student performance on state-administered standardized tests provide another lens into current and potential regional educational attainment. The following provides a snapshot of how some of the students in select school districts are faring on standardized reading and math skills tests.



In the District of Columbia. For children in the District’s public school system, *skill levels decline dramatically as they move up in grade levels.* The percentages of students performing at a basic proficiency level or higher, measured by the Stanford 9 test, plummet as students enter middle and high school. In 1998, more than two-thirds of third graders were proficient in basic math skills; yet less than one in five tenth graders had mastered basic math skills.

In Maryland. On Maryland’s statewide functional tests, both Prince George’s and Montgomery school district’s achieved a relatively high level of proficiency in 1998, meeting or exceeding state standards for the three main subject areas – reading, math and writing. However, minority students are still lagging behind on these tests despite state and local attempts to increase their test scores.

⁷ Sheldon Danziger and Deborah Reed, *Winners and Losers: The Era of Inequality Continues*, Brookings Review, Fall 1999.



In Virginia. Virginia relies on the Standard of Learning (SOL) test and requires each of its schools to achieve a minimum 70 percent passage rate on the test. While most Northern Virginia high schools met or surpassed the 70 percent state benchmark for the English portion of the SOL, none met the state standard for the math section of the exam in 1998. Alexandria students, in particular, did not meet the state standard for either English or Math, while in *Prince William County*, fewer than half of all high school students passed the math portion of the exam.

Greater Teen Pregnancy

Teen pregnancy rates are an often-cited statistic due to evidence of the effects of early parenthood on both mother and child. The National Campaign to Prevent Teen Pregnancy reports that more than 50 percent of out-of-wedlock births are to teens. Their research indicates that children of teen mothers are twice as likely to be abused and neglected as children of older mothers. Additionally, the study found that boys born to teen mothers are three times more likely to end up in jail. More than one-half of mothers on welfare nationally in 1998 were teenagers when they first gave birth.

Within the region, teenage pregnancy rates are highest in the core communities of the District of Columbia, Prince George’s County and Alexandria. The regional rates, however, have remained generally stable or declined slightly over the past 6 years, mirroring declining national rates. Two exceptions apply, however: Alexandria reduced its teen pregnancy rate by 30 percent between 1993 and 1997, yet still has the highest rate in Northern Virginia; and Prince William County has experienced a slow *increase* in its relatively low teen pregnancy rate during the same time period.

	Alcohol	Cigarettes	Illegal Drugs
6TH GRADE	13%	6.9%	5.3%
8TH GRADE	38.8%	25.4%	22.4%
10TH GRADE	59.9%	34.3%	37.7%
12TH GRADE	71.4%	39.1%	44.9%

Source: Maryland Adolescent Survey, 1996.

Higher Levels of Substance Abuse

The use and abuse of substances like tobacco, alcohol, and marijuana pose major health risks to youth. Also, early use of certain substances (like tobacco) is associated with later use of “harder” drugs, while individuals who reach age 21 without smoking, using drugs or abusing alcohol are virtually certain never to do so. Thus, early prevention and intervention efforts are crucial, as is a clearer understanding of the extent of the problem in our region.

Local data shows that substance use and abuse is a persistent problem throughout the region that may be getting worse. All northern Virginia jurisdictions with the exception of Loudoun County have had significant increases in the number of students with drugs or alcohol in school. Arlington County has seen a continuous increase over the past five years, while Alexandria had the largest increase with five times as many incidents in 1997 as in 1993.

Drug-related expulsions and arrests are also on the rise in Fairfax and Montgomery counties. In Fairfax County, drug-related expulsions increased eight-fold, from 5 in 1990 to 44 in 1995; juvenile arrests for drug violations increased seven-fold from 49 in 1990 to 363 in 1995. Montgomery County’s youth drug possession and use arrests increased 400% between 1991 and 1997. ⁸

⁸ Increased arrest and expulsion rates may also be attributable to heightened awareness and stepped-up enforcement and detection efforts by police and school officials.

Higher Juvenile Crime

The incidence of crime committed by youth in the region varies. Over the past four years (1994-1998), juvenile crime in the District of Columbia has declined by nearly a third. “Alleged Acts against Persons,” a category of juvenile crime that includes assault, homicide, and rape, have declined by 17 percent since 1997, to the lowest level since 1989.

While the improved safety in the District is encouraging news, crime trends in Northern Virginia and Maryland are less clear. Overall, juvenile crime in Northern Virginia has remained relatively stable – jurisdictions are making more juvenile arrests, proportionate to the increasing numbers of children in the population. However, even these “natural” increases can be ominous. For instance, trends in Prince William County are troubling: while there have been only a small number of juvenile crimes in the county, juvenile arrest rates for violent crime there have doubled between 1994 and 1998. Most Northern Virginia jurisdictions have experienced declining numbers of incidents of students bringing weapons to school. Again the exception is Prince William County, where such incidents have risen steadily since 1993 and now equal the rate in Alexandria.

In Montgomery County, the juvenile violent and non-violent crime rates declined by 10 and 51 percent respectively. Prince George’s County’s non-violent arrest rate also declined by 20 percent; however, the violent crime arrest rate rose by 4 percent. Violence-related high school suspension rates rose by 12 percent in Prince George’s County and 28 percent in Montgomery County between 1993 and 1998.

Increased Child Abuse and Foster Care

There are severe costs associated with child abuse and neglect. For the child, abuse and neglect can be “physical (which ranges from minor injuries to severe brain damage and even death), psychological (including chronic low self-esteem and severe disassociative states), cognitive (which includes attention deficit disorders), and behavioral (ranging from poor peer relations to extreme violence).”⁹

The jurisdictions with the highest number of identified child abuse cases are the District of Columbia, Alexandria, and Arlington and Prince George’s counties, the same jurisdictions that bear most of the burden of poverty and distress in the region.

DISTRICT OF COLUMBIA	18.6	LOUDOUN CO.	1.1
CITY OF ALEXANDRIA	14.0	PRINCE WILLIAM CO.	3.9
ARLINGTON CO.	6.8	MONTGOMERY CO.*	3.2
FAIRFAX CO.	2.5	PRINCE GEORGE’S CO.*	6.4

Source: VA and MD Kids Count, DC Family Services Administration.
* Maryland data from 1998.

In jurisdictions where time-series data were available (D.C. and Fairfax County), child abuse and neglect cases have generally been rising. In 1998, child abuse cases in the District increased by 20 percent from 1997, reaching the highest level since 1992, while child neglect cases remained stable. Both abuse and neglect cases have been rising in the District since 1994. In Fairfax County between 1990 and 1995, the number of Child

Protective Services investigations increased by 25 percent, whereas the number of children in the county increased by 7.8 percent.

Rising with the number of child abuse and neglect cases are the rise in foster care cases. In Fairfax County, the number of children in foster care has increased by 27 percent since 1990. In Maryland, the number of children in foster care due to abuse and neglect has risen over 100 percent since 1990, while the total child population grew by only 8 percent.

The increases in the number of reported child abuse and neglect cases and the number of children entering

9 Maryland Kids Count.

foster care in the Washington region correspond with the trends in the nation. Over the past year, these nationwide increases have been attributed to increased economic stress on lower-income families and decreases in available supports to families.

National trends also indicate that children entering foster care today have more complex needs and problems than ever before. Since 1990, more children in foster care nationwide have developmental disabilities, and more have been served by other public agencies, such as mental health and juvenile justice. These disabilities are costly: the Washington Post noted recently that it was “not unusual” to spend \$180,000 for one year’s worth of room, board, psychological counseling, clothing and education – for one particularly troubled twelve year-old girl in foster care.¹⁰

What Is the State of Youth-Targeted Services and Programs?

Given the increasing number of at-risk youth in the region and their immediate needs, it is important to determine whether an adequate level of services are being provided to help children and their families. The following examines child support enforcement, child care programs, after school programs, and access to technology.

Child Support Enforcement

Collection of child support from absent parents can alleviate some of the financial strain of single parent households, and this has been a key component in state and federal welfare reform strategies. However, states have yet to see dramatic increases in collection rates. The District of Columbia has an especially poor performance in this area: only 15 percent of the District’s female-headed families received child support or alimony in 1996, compared to the national average of 34 percent. In Maryland, Montgomery and Prince George’s counties’ collection rates hover around 50 percent, at 47.3 and 54.2 percent respectively in 1998.

	<i>Number of Children Receiving Subsidized Child care, 1996</i>	<i>Estimated Waiting Lists for Subsidized Child care, 1996</i>
DISTRICT OF COLUMBIA	7,900	4,500
CITY OF ALEXANDRIA	388	471
ARLINGTON CO.	463	279
FAIRFAX CO.	6,953	1,869
LOUDOUN CO.	268	396
PRINCE WILLIAM CO.	84	366
MONTGOMERY CO.	1,717	2,100
PRINCE GEORGE’S CO.	2,900	0

Source: COG, May 1997.

Child Care

Affordable child care is simply a necessity for working parents. Welfare reform’s work requirements and time limits have brought child care issues to the forefront of the national policy conversation, and, in fact, funding for child care subsidies has been substantially expanded through the Child Care and Development Block Grant (CCDBG). However, the new CCDBG serves only one in ten eligible kids. Parents who cannot afford child care and cannot obtain a subsidy may be forced to place their children in unregulated and potentially dangerous alternatives.

Supply vs. Demand: Regionally, demand for affordable, high quality child care far outstrips the supply. Fairfax County illustrates the point: it has about 34,000 spaces with licensed child care providers and centers, compared to an estimated demand for over 107,000 spaces. In addition to the sheer shortage of child care spaces in the region, “alternative” child care is also in short supply. Off-hour or second shift slots for children of parents who work nontraditional hours, infant/toddler and special needs care, and sick child care are all needed across the region.

¹⁰ Yolanda Walker, *Audit Faults Finances for DC Foster Care*, The Washington Post, Nov. 15, 1999, pg. A1.

Affordability: Affordability is often the first and most difficult child care barrier for families to surmount. Low-income families, especially single-parent families, can expect to pay up to 30 percent of their annual income on child care costs if subsidies are not available. In certain jurisdictions, the problem may be even worse. To illustrate: in order for two full-time working parents, each earning minimum wage (\$21,400 a year pre-tax), to place their infant and four-year-old toddler in a child care center in Fairfax County without a subsidy, these parents would have to spend, on average, 74 percent of their income for child care services. In the District of Columbia, the average annual child care cost for one pre-schooler is \$6,200 for center-based care – far more than a single mother making minimum wage can afford.

Not surprisingly, the demand for child care subsidies is high. In 1996, roughly 20,000 children in the region were receiving subsidized child care, while the total number of children on waiting lists to receive subsidies was estimated at around 10,000. The State of Maryland limits eligibility for child care subsidies to those low-income working families (of three) earning less than \$18,409 (or 36 percent of state median income), while federal law allows the state to serve families with incomes up to \$43,011 (or 85 percent of state median income). Child care subsidies remain in short supply throughout the region.

Quality: Recent studies have shown that the quality of child care impacts the way that children develop and grow. Centers with nationally accredited child care programs are often sought out by parents because accreditation is regarded as an indication of high quality. Unfortunately, accredited centers are scarce in the Washington region. In Prince William County, there are only three accredited child care centers; in Fairfax County, only 50 out of 2,303 licensed child care centers – or a mere two percent – have accredited programs.

There are a number of factors that may be diminishing the quality of child care programs that are available to parents, including: (1) low training requirements for child care workers; (2) low wages for child care employees; (3) high staff turnover; and (4) high turnover of the businesses themselves. Maryland requires staff in child care centers to have only six hours of early childhood training before caring for children – although hairdressers are required to complete 1,500 hours of training at an accredited school before they get a license. Maryland's statewide annual turnover rate is almost one in five (18 percent). Turnover rates are also high among child care providers in Virginia, where the average annual wage of child care workers was only \$12,860 in 1996.

After School Programs

Studies demonstrate that children who are left unsupervised after school are at greater risk of problem behaviors such as smoking and using drugs. Constructive activities – like after school programs – can keep children safe and out of trouble, enhance their academic achievement, improve social skills, and strengthen communities.

Despite these benefits, after school programs are a rare and expensive commodity.¹¹ Less than half of Maryland public schools (44 percent) offered extended day programs in 1993-1994, while only one in four public schools in Virginia (23 percent) offered extended-day programs during the same time period. This problem is even more serious in low-income neighborhoods across the region, as costs can be prohibitive. Parents making between \$15,000 and \$30,000 can spend up to 40 percent of their salary on these youth programs.

Access to Technology

The so-called “digital divide,” the gap between the information rich and information poor, persists nationally and in the Washington area. Disturbingly, the divide runs along racial, educational, and income lines and has

¹¹ Interest in and awareness of the benefits of after school programs seems to be growing, however. District Mayor Anthony Williams proposed \$33 million for after school activities, but received only \$15 million for the program. At the behest of the Mayor, the Urban Institute is currently surveying the range of out-of-school activities for youth in the District. Governor Glendening in Maryland has also made after school activities a priority, funding and implementing a well-respected after school pilot program.

widened significantly since 1994. Whites are far more likely to have home Internet access than blacks or Hispanics; and families with income of \$75,000 or more are *more than 20 times* as likely to have Internet access than families at the lowest income levels.¹² Children who lack access to new technology, especially minority and low-income children, will ultimately be at a disadvantage in school and in the workplace, where colleges and employers increasingly require computer literacy and internet skills.

State	% of Households with Computers, 1998	% of Households with Internet Access, 1998
DISTRICT OF COLUMBIA	41.4%	24.2%
MARYLAND	46.3%	31.0%
VIRGINIA	46.4%	27.9%

Source: Falling Through the Net: Defining the Digital Divide, NTIA, 1999.

The Washington region is reportedly the “most wired” in the nation, with 60 percent of adults with “on-line” access. Nearly half of all households in Maryland and Virginia, and 40 percent of households in the District, own computers. One-quarter of all District households have Internet access at home, while slightly larger percentages in Maryland and

Virginia are “on-line.” Household internet access may actually be dramatically lower when examining only those households with children.

Ensuring that low-income children have access to computers at school is as important as ensuring that there is a computer in the home. Student-computer ratios are a good indicator of the availability of technology in public schools. Rates regionally range from a low ratio of 3.6 children per computer in Alexandria to a high of 9 children per computer in Prince George’s County. The student-computer ratio was unavailable for District schools, but it is highly likely that District schools are far behind the rest of the region in terms of emphasis on and access to technology.

Making a Downpayment on the Future: Investing in Our Children Today

There is an opportunity now, with a strong, steady economy, to invest our vast resources on the children and young adults who are the future of our nation. We must work together to ensure that all of this region’s youth are given opportunities to be productive citizens and to lead secure and rewarding lives.

The cost of inaction is too high. Children with little opportunity are locked into bleak futures, without the education or skills to take advantage of our region’s opportunities. The longer we delay investing in our children, the more we diminish our children’s life chances and impede our society’s potential to grow. Committing to improve children’s prospects is a winning strategy for children, their families, local and regional communities, and the nation as a whole.

Investing in Children Brings Benefits and Cost-Savings to Society in the Long Run

1. The Gains from Reducing Child Poverty

Child poverty has serious – and expensive – consequences for society as a whole. The most easily quantifiable cost to society is the loss of future productivity. Child poverty is associated with lower academic achievement and a reduction in the total years spent in school, which in turn is associated with lower skills and lifetime earnings. Future un- and underemployment reduces long term worker earnings and overall economic production. Children who grow up in poverty also tend to spend more time in expensive special education programs; commit more crimes thereby draining resources from the criminal justice system and imposing societal costs of the crime itself; rely more on welfare and other public subsidies; and finally, earn less money and pay fewer taxes as adults.

The Children’s Defense Fund estimates – conservatively – that “future losses to the economy stemming from

¹² Falling Through the Net: Defining the Digital Divide: A Report on the Telecommunications and Information Technology Gap in America, National Telecommunications and Information Association, July 1999.

the effects of just one year of child poverty for 14.6 million children [nationally] reach as high as \$177 billion. Even if one ignores the costs associated with higher rates of future unemployment, poor worker health and inadequate academic skills, the cost of child poverty is still estimated at between \$36 billion and \$99 billion.”¹³

2. The Benefits of High Quality and Developmental Child Care

Research indicates that the vast majority of physical brain development occurs by age three. Social scientists and policymakers have interpreted these results to mean that investing time, energy, and resources on the first few years of a child’s life may offer a critical window of opportunity to influence child health, cognitive and social development, and educational attainment.

Targeted early childhood interventions are intended to make the most of this opportunity, particularly for low-income children who face severe disadvantages in their early years of life. Relatively expensive interventions in the first three years of a child’s life can even ultimately produce significant savings to the government – as much as \$24,000 in savings per \$6,000 invested per child, according to one study.¹⁴ Failing to provide quality care for toddlers also has a price. Economist Steven Barnett estimates that “the cost, including increased crime and welfare costs, of failing to provide at least two years of quality educational child care to low-income children is approximately \$100,000 per child. That’s a total [nationally] of about \$400 billion for all poor children now under age five.”¹⁵

3. Savings from After School Programs

After school programs have been shown to yield considerable cost savings to communities by giving students the extra help they need to succeed in school. For instance, Manchester, New Hampshire saved an estimated \$72,692 over a period of three years because students participating in an after-school program avoided being retained in a grade and placed in special education.¹⁶

4. The Broad Benefits of Preventing Juvenile Crime

The prevention of juvenile crime is essential, both for the life chances of children and for the economic health of the nation. A recent study from Vanderbilt University estimates that for each high-risk youth prevented from adopting a life of crime, the country would save \$1.7 million.¹⁷ In addition to being more desirable and humane, early prevention of juvenile crime may be more cost-effective than current, post hoc “solutions” (like prison). Training for parents of young children who have shown aggressive behavior, incentives for high school students to graduate, and monitoring and supervising young delinquents were three such strategies shown to be more cost-effective than California’s “three-strikes” law.¹⁸

5. Savings Potential of Addressing Child Abuse and Neglect

The National Institute of Justice estimates that the future lost productivity of severely abused children in the United States is \$658 million to \$1.3 billion annually, if their impairment limits their earnings by only five to ten percent.¹⁹ The National Research Council found that *being abused or neglected increased the likelihood of arrest as a juvenile by 53 percent, as an adult by 38 percent, and for a violent crime by 38 percent.*²⁰ Thus, reducing the instances of child abuse will increase worker productivity in the future, produce taxpayer savings from less juvenile and adult incarceration, and bring about other social and economic benefits.

Investing in Children Helps Improve the Fiscal Capacity of Jurisdictions with High or Increasing Levels of Poverty

While there are national benefits to investing in youth and improving youth opportunities, the Washington region will gain as well.

While the whole region suffers when there is a large number of impoverished children in the area, the burden

13 *Wasting America’s Future: The Children’s Defense Fund Report on the Costs of Child Poverty*, Children’s Defense Fund, 1994, page xix.

14 Karoly, Lynn and Peter Greenwood, *Investing in Our Children: What We Know and Don’t Know About the Costs and Benefits of Early Childhood Interventions*, RAND, 1998.

15 Barnett, W.S. *Cost Benefit Analysis*, in Schweinhart, L.J., Barnes, H.V., Weikart, D.P., *Significant Benefits*, The High/Scope Press, 1993, pp. 161-162.

16 Paula J. Gregory, *Youth Opportunities Unlimited: Improving Outcomes for Youth through After School Care*. Manchester, NH: University of New Hampshire, 1996.

17 Cohen, M.A., *The Monetary Value of Saving a High Risk Youth*, July 1997, unpublished.

18 Greenwood, Peter, et al. *Diverting Children from a Life of Crime*, RAND, 1998.

19 Wisdom, C.S. *The Cycle of Justice*, National Institute of Justice, Research In Brief, October 1992.

20 *Wasting America’s Future: The Children’s Defense Fund Report on the Costs of Child Poverty*, Children’s Defense Fund, 1994, page xix.

of child poverty tends to fall inequitably on those jurisdictions that house the largest number of the poor. Cities and counties with disproportionate numbers of poor people obviously bear some of the direct costs associated with poverty – like health care for the uninsured, soup kitchens, homeless shelters, and welfare payments. However, research shows that high levels of poverty also increase the cost of unrelated services like fire, police, courts, and general administration.²¹ Places with large numbers of the poor like the District of Columbia, Alexandria, and Prince George’s County are then at a double disadvantage competitively.

Although the fiscal impacts may be localized, the greater Washington area functions as one region. Labor markets do not stop at jurisdictional lines, and perception of regional and global competitiveness does not apply merely to individual jurisdictions, but to the Washington region as a whole. Fiscal distress in some of our communities hurts the entire region.

Investing in Children Maximizes Regional Resources

As the high tech industry scrambles to fill tens of thousands of vacant positions, the focus has been on recruiting potential employees right out of college, luring experienced workers from other states, and importing skilled workers internationally. At the same time, tens of thousands of young people throughout the region face the dismal prospect of a lifetime of low-skill, low-wage employment. Investing in children and high school students will enable the region to grow an educated and skilled workforce right here in Washington, benefiting the corporate bottom line and improving the life chances of the region’s youth. The region only stands to gain by growing its own skilled workforce and increasing the number of employed, self-sufficient, taxpaying residents.

Investing in Children Will Help Improve Regional Opportunities

Knowledge has always driven our regional economy. From the federal government’s dominance to the current high tech boom, the greater Washington region has produced and exported information. This is reflected in our highly educated population. The Greater Washington region ranks first in the nation for its high percentage of adults with graduate and undergraduate degrees. Greater Washington also ranked first among 15 largest metropolitan areas in per-capita income and percentage of residents employed in professional, managerial and technical jobs. As the global, national, and regional economies shift toward high technology, the Washington region is well positioned to thrive and excel.

Unfortunately, the enormous amount of regional capital, skill and opportunity in our region has not touched the lives of many people. The problem lies in the growing inequality of access to a solid education and to technology – the two critical tools people need today to truly participate in the new economy. School quality varies widely by jurisdiction. The technology boom has hardly registered in many low-income neighborhoods. Investments in quality education, training, and computer literacy in the region’s more distressed communities or school districts will help bridge the “digital” and opportunity divide between children and teenagers in the region.

The price of investing in our children is nominal compared to the gains that all of us would receive – safe and healthy children, hardworking students, stable families and neighborhoods, strong workforce, increased productivity, and a sustained economy for years to come. In short, *we must expand our children’s access to opportunity and bright futures*. There are many opportunities to change and improve the prospects of the region’s youth through such efforts as quality child care, better public schools and expanded health care. There is no better time to invest in our children than today.

²¹ Janet Rothenberg Pack, *Poverty and Urban Public Expenditures*, Urban Studies vol. 35, no. 11, 1998.