

KIDS' SHARE 2008

HOW CHILDREN FARE IN THE FEDERAL BUDGET

Historically, children have not been a priority.

- From 1960 to 2007 federal spending on children rose from just 1.9 to 2.6 percent of GDP. Spending on the big three entitlement programs—non-child portions of Social Security, Medicare, and Medicaid—nearly quadrupled from 2.0 to 7.9 percent of GDP.
- Children's share of domestic federal spending—spending that excludes defense, non-defense homeland security, and international affairs—declined from 20.2 to 16.2 percent from 1960 to 2007.

Last year, children's spending did not keep pace with growth in the gross domestic product (GDP).

- The children's budget grew 1.6 percentage points slower than GDP between 2006 and 2007, inching up just 0.7 percent in real dollars. Spending on the big three entitlement programs—non-child portions of Social Security, Medicare, and Medicaid—rose 2.9 percentage points faster than GDP and 5.2 percent in real dollars.
- Even while spending on children's health programs grew 2.2 percentage points faster than GDP between 2006 and 2007, spending on education declined by 4.4 percentage points relative to growth in the economy.

The next Congress can affect future trends in children's spending.

- Six major programs are up for reauthorization or extension in the next Congress: State Children's Health Insurance Program, No Child Left Behind, Child Care and Development Block Grant, Child Tax Credit, Child and Dependent Care Tax Credit, and the Earned Income Tax Credit.

Absent policy changes, children's spending will continue to be squeezed in the next decade.

- If current spending and revenue policies continue, children's share of domestic federal spending will decline from 16.2 percent in 2007 to 13.8 percent by 2018.
- As a slice of GDP, children's spending will decline from 2.6 percent in 2007 to 2.2 percent in 2018, while Social Security, Medicare, and Medicaid will rise from 7.9 to 9.6 percent.
- While domestic spending is projected to grow by \$771 billion between now and 2018, the type of budget baseline used by the nation's budget offices indicate that children will reap only 7.1 percent, or \$55 billion, of this.

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