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THE GOVERNMENT WE DESERVE - Gene Steuerle

Crumbs for Children?

Kids are a priority in almost every family's budget. From the moment we hold our newborns in our arms, feeding, clothing, housing and educating them trumps everything else. But in the federal budget, the reverse is true: only a modest fraction of federal spending is aimed at kids. And that fraction is scheduled to decline because neither political party is willing to fix what it knows is plaguing our spending and tax systems.

With my Urban Institute colleagues, I've been tracking federal spending and investment in children for two projects-First Focus and Partnership for America's Economic Success. We've looked at budget trends and patterns since 1960 and, based on current law, projected them forward to 2017.

The bottom line is that kids have never batted first in the budget. In 1960, when defense still took about one-half of the budget pie, the kids' share of the remaining domestic budget was at best about 20 percent. Between 1960 and 2006, the domestic budget pie grew significantly, largely because of economic growth and the decline in the share garnered by defense, but children got only about 15 percent of the additional filling. Now, we've put into law so many other growing commitments that the kids' share of the additional filling is projected to shrink to less than 6 percent by 2017.

In dollar terms, children's programs under laws now on the books would gain only \$36 billion in a little more than a decade, even while other domestic programs would expand by \$609 billion. Adopt the programs put forward by our Republican President or advocated by many Democrats in Congress, and the figures change only slightly. Exclude their share of the growth in Medicaid costs, and kids get just about nothing.

Even though their position is eroding, children are the apples of some programs' eyes. More than 100 federal spending programs aim to improve the lives of children through cash assistance, health care, food and nutritional aid, housing, education, and training. At one time, the average- income working families with children paid almost no income or Social Security tax. Those days are gone, though recently some new credits (like the child credit) have helped put such families on more solid financial ground.

Let's see what's driving the projections. Economic growth is likely to deliver roughly 35 percent more revenues by 2017 than it does today. Most of this will finance additional domestic spending even if some goes to chip away deficits and even if we're still spending the same share of the budget on defense and foreign policy. Retirement and health will get much bigger shares of the budget pie, and, as their shares grow, arithmetic tells us that others must decline. Children's programs are among those hardest hit-getting smaller percentage shares and often even less filling than they have had in the past. The one exception to this tale of contraction is not necessarily good news. The children's health budget, although only a sliver of the total health budget, will grow under current law as long as overall health costs keep rising. Rising costs, however, induce more families to stop purchasing insurance, so the net gains for children are limited.

Kids also bear the brunt of another ominous budget trend: larger shares of federal money going to consumption and smaller shares to investment, including investment in children. So far, none of the growing field of Republican and Democratic presidential hopefuls is kindling much hope for a change in priorities. Not one has said much about curbing growth in the ravenous retirement and health programs, even though more investment-oriented programs are starving as a result. There are murmurs about allowing some tax increases, but mainly to stem deficit growth. These clearly would not do more than temporarily reverse the decline, much less nourish and prepare the next generation.

Our skewed priorities defy reason as well as fairness. As the kids' share of the budget shrinks and we invest in them proportionately less, how can we expect them later to earn the money to pay the taxes to cover our ballooning pile of retirement and health benefits? Think about it: we've put into the law that they owe us ever more and we owe them ever less.

It's time now to focus on what we can do for kids. Investment-particularly in children- needs to become the budget priority. But kids will take a back seat until we're honest enough to admit that the priority now is to spend more and more on ourselves, while leaving the costs to them. Don't they deserve better?

The Government We Deserve is a periodic column on public policy by [Eugene Steuerle](#), a senior fellow at the nonpartisan [Urban Institute](#) and a former deputy assistant secretary of the Treasury.

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