Children Face Greater Needs and Offer More Potential for Economic Growth than Any Other Age Group

Poverty Rates By Age Group

- Under age 18: 18.0%
- Ages 18 to 64: 11.6%
- Age 65 and older: 9.3%

Source: Census Bureau
Yet Children Fare Poorly in the Federal Budget
The Federal Government “Spends” Less Than $500 billion on Kids

Sources: Urban Institute and CRFB calculations. Totals may not sum due to rounding. Totals for FY2016.
Kids Spending Only A Tenth of the Federal Budget

**Spending**

- Social Security, Medicare, and Medicaid (adult): 46%
- Other Non-Defense: 23%
- Defense: 15%
- Interest: 6%
- Children: 10%

**Spending & Tax Breaks**

- Social Security, Medicare & Medicaid (adult): 34%
- Other Non-Defense: 17%
- Defense: 11%
- Tax Expenditures (adult & business): 24%
- Interest: 5%
- Children: 9%

Sources: Congressional Budget Office, Urban Institute, National Priorities Project, and CRFB calculations. Totals for FY2016.
Children’s Spending Was a Growing Share of the Budget Until 2010

Sources: Congressional Budget Office, Urban Institute, National Priorities Project, and CRFB calculations.
Tax expenditure data is not easily available prior to 1975.
Since 2010, Children’s Spending Declining as a Share of Budget

<table>
<thead>
<tr>
<th>Percent of Federal Budget</th>
<th>Actual</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010: 10.7%</td>
<td>9.4%</td>
<td></td>
</tr>
<tr>
<td>2010: 10.3%</td>
<td>8.7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.9%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.6%</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Congressional Budget Office, Urban Institute, National Priorities Project, and CRFB calculations.
Children’s Spending Also Peaked in 2010 As a Share of GDP

Sources: Congressional Budget Office, Urban Institute, and CRFB calculations.
**And Now Continues to Decline, Over Time**

**Percent of GDP**

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>3.1%</td>
<td>2.1%</td>
</tr>
<tr>
<td>2010</td>
<td>2.5%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

**Sources:** Congressional Budget Office, Urban Institute, and CRFB calculations.
The Long-Term Outlook for Children is Especially Troubling

Sources: Congressional Budget Office, Urban Institute, and CRFB calculations.
We’re Also Leaving Our Children a Massive Debt Burden

Percent of GDP

250%
200%
150%
100%
50%
0%

2008: 39%
2018: 78%
2048: 210%
2048: 152%

Sources: Congressional Budget Office, CRFB calculations
We’ll Soon Spend More Servicing the Past Than Investing in the Future

Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Interest Spending</th>
<th>Spending on Children</th>
<th>Support for Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$200</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td>2004</td>
<td>$263</td>
<td>$125</td>
<td>$125</td>
</tr>
<tr>
<td>2008</td>
<td>$375</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>2012</td>
<td>$482</td>
<td>$180</td>
<td>$180</td>
</tr>
<tr>
<td>2016</td>
<td>$667</td>
<td>$215</td>
<td>$215</td>
</tr>
<tr>
<td>2020</td>
<td>$915</td>
<td>$250</td>
<td>$250</td>
</tr>
<tr>
<td>2024</td>
<td>$1200</td>
<td>$290</td>
<td>$290</td>
</tr>
<tr>
<td>2028</td>
<td>$1600</td>
<td>$330</td>
<td>$330</td>
</tr>
</tbody>
</table>

Sources: Congressional Budget Office, Urban Institute, CRFB calculations.
And It’s Only Going to Get Worse

2048 Spending as Percent of GDP

- Spending on Children: 1.9%
- Interest: 6.3%
- Social Security (Adults): 6.2%
- Medicare (Adults): 5.9%
- Medicaid and Other Health (Adults): 2.5%
- Defense (Adults): 2.6%
- Other Spending (Adults): 4.2%

Sources: Congressional Budget Office, Urban Institute, and CRFB calculations.
Children Are Disadvantaged In the Federal Budget Process
Spending on Children vs. Spending on Adults

**Programs for Adults/Seniors**
- Medicare and Medicaid
- Social Security
- Unemployment Insurance
- Mortgage Interest Deduction

**Programs for Children**
- Children’s Health Insurance Program
- Temporary Aid for Needy Families
- K-12 Education and Head Start
- Child Tax Credit
Spending on Children is More Often Discretionary

Share of 2017 Federal Transfer Spending On Each Age Group That Is Discretionary

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seniors</td>
<td>2.9%</td>
</tr>
<tr>
<td>All Adults</td>
<td>6.5%</td>
</tr>
<tr>
<td>Children</td>
<td>19.0%</td>
</tr>
<tr>
<td>Children-Specific Programs</td>
<td>43.4%</td>
</tr>
</tbody>
</table>

Sources: Congressional Budget Office, Office of Management and Budget, Urban Institute, and CRFB calculations.
## Spending on Children is More Often Temporary

<table>
<thead>
<tr>
<th>Program</th>
<th>Share to Children</th>
<th>Authorization/Appropriation Length</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Average</strong></td>
</tr>
<tr>
<td>K-12 Education</td>
<td>100%</td>
<td>2 months</td>
</tr>
<tr>
<td>Head Start</td>
<td>100%</td>
<td>2 months</td>
</tr>
<tr>
<td>CHIP</td>
<td>95%</td>
<td>3 years</td>
</tr>
<tr>
<td>TANF</td>
<td>77%</td>
<td>7 months</td>
</tr>
<tr>
<td>SNAP/Food Stamps</td>
<td>44%</td>
<td>1 year</td>
</tr>
<tr>
<td>Medicaid</td>
<td>25%</td>
<td>Permanent</td>
</tr>
<tr>
<td>Social Security</td>
<td>2%</td>
<td>Permanent</td>
</tr>
<tr>
<td>Medicare</td>
<td>0%</td>
<td>Permanent</td>
</tr>
<tr>
<td>Unemployment</td>
<td>0%</td>
<td>Permanent</td>
</tr>
</tbody>
</table>

Sources: Urban Institute, Congressional Budget Office, Congressional Research Service, CRFB estimates.

Notes: Table shows lesser of appropriation or authorization period. Averages cover about two decades. TANF and SNAP data begin in 1996, CHIP data in 1997, and K-12 Education and Head Start data are based on average length of Labor-HHS-Education appropriations since 1997.
Spending on Children is More Often Capped

Share of Transfer Spending with a Fixed Budget

- Seniors: 3.9%
- All Adults: 10.2%
- Children: 37.2%
- Children-Specific Programs: 60.6%

Sources: Congressional Budget Office, Office of Management and Budget, Urban Institute, and CRFB calculations.
Spending on Children Lacks Built-In Growth

Average Annual Growth of Projected Spending from 2017 to 2028

- Seniors: 6.3%
- All Adults: 5.4%
- Children: 2.4%
- Children-Specific Programs: 2.3%

Sources: Congressional Budget Office, Office of Management and Budget, Urban Institute, and CRFB calculations.
Spending on Children Lacks Dedicated Revenue

Where Dedicated Revenue Goes By Age Group, 2017

- Elderly: 71%
- Non-Elderly Adult Transfers: 23%
- Infrastructure: 4%
- Children: 2%

Sources: Congressional Budget Office, Office of Management and Budget, Urban Institute, and CRFB calculations.
Underfinanced Spending on Adults Is Leaving Kids a Huge Burden

Debt-To-GDP Ratio Under Different Scenarios

Current Law

Elderly Spending Flat as a Share of GDP

Adult Spending Flat as a Share of GDP

Sources: Congressional Budget Office, Office of Management and Budget, Urban Institute, and CRFB calculations.
Possible Solutions
Key Questions

- What budget process (or concepts) reforms could level the budgetary playing field for kids?

- What legislative and executive rules, structures, and norms could be changed to assure better focus on kids?

- What programmatic changes can improve outcomes for kids, especially those with the most need or potential to promote growth (remember, we like fiscal responsibility!)?

- How can we better draw attention to the needs of kids in the political and policymaking process?

- How can the federal government ensure it devotes an adequate share of resources to children while also reducing the fiscal burden we impose on them?
Account for Children

- Estimate and Highlight Children’s Spending in Budget Projections
- Use “Incremental Budgeting” to Show How Spending Grows for Different Groups
- Require Government to Calculate Benefits and Liabilities by Age Group

Budget for Children

- Use Portfolio Budgeting to Think about Children Comprehensively
- Reform Appropriations Process to Include a Subcommittee for Children
- Set a Target for Children’s Spending
Some Ideas...

Prioritize Children
- Establish and Hire a Children’s Commissioner or Ombudsman
- Create a Select Committee on Children
- Send Taxpayers “Interest Statements” on Behalf of Their Children

Improve Policies for Children
- Make CHIP Permanent and Establish a Regular Review for All Health Spending
- Establish a Dedicated Revenue Source for Certain Children’s Spending
- Re-Think Default Indexation of Federal Programs and Provisions
Budgeting for the Next Generation Page:
http://www.crfb.org/nextgeneration