Testimony to the House Select Committee on Economic Disparity and Fairness in Growth
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I am honored to have the opportunity to assist the work of this important committee. I have studied the harmful effects of economic disparities on children for 30 years. They are pervasive. They are also preventable—we know how to address the harmful effects of disparities on children and how to promote fairness in children's growth and human capital development. Afterall, children are the basis for our future.

The harmful effects of economic disparity start before birth. Disadvantaged pregnant women face stressful circumstances including economic uncertainty and exposure to violence.[1] Toxic stress leads to lower birth weight[2] babies and future health problems, including asthma, ADHD, and depression as children grow up.[3] Disadvantaged pregnant women and their children are more likely to be exposed to environmental toxins. They live closer to busy roads, Superfund sites, and plants that emit toxic releases, as well as being more likely to live in housing that exposes them to lead.[4]

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[1] For a discussion of the impact of domestic violence on pregnant women see Currie, Janet, Maya Rossin-Slater and Michael Mueller-Smith, "Violence while in Utero: The Impact of Assaults During Pregnancy on Birth Outcomes," Review of Economics and Statistics, forthcoming, https://direct.mit.edu/rest/article/doi/10.1162/rest_a_00965/97691/Violence-While-in-Utero-The-Impact-of-Assaults. We calculate that the annual social cost of assault during pregnancy in the US is more than $3.8 billion.

[2] The literature often focuses on birth weight as a measure of health at birth because birth weight has been shown to be predictive of many child and adult outcomes. See for example Currie, Janet and Rosemary Hyson (1999) "Is the Impact of Health Shocks Cushioned by Socioeconomic Status? The Case of Low Birth Weight," American Economic Review 89(2):245-250, https://www.jstor.org/stable/117114; and Black, Sandra, Paul Devereux, and Kjell Salvanes (2007) "From the Cradle to the Labor Market? The Effect of Birth Weight on Adult Outcomes," Quarterly Journal of Economics 122(1):409-439, https://academic.oup.com/qje/article-abstract/122/1/409/1924768.

[3] For an overview of some recent literature on the effects of stress on birth outcomes see Table 1, Panel B from Almond, Douglas, Janet Currie and Valentina Duque (2018) "Childhood Circumstances and Adult Outcomes: Act II," the Journal of Economic Literature, 56(4): 1360-1446, also available here: https://drive.google.com/file/d/1sjb5q9O2zMbKMP0DI9u6bJEnjH_U4GBV/view. .

[4] See Currie, Janet (2011) "Inequality at Birth: Some Causes and Consequences," American Economic Review, 101(3):1-22; Currie, Janet and Reed Walker (2011) "Traffic Congestion and Infant Health: Evidence from E-ZPass," American Economic Journal: Applied Economics, 3(1): 65–90; Aizer, Anna et al. (2018) "Do Low Levels of Blood Lead Reduce Children's Future Test Scores," American Economic Journal: Applied Economics, 10(1): 307-41. These papers are available at: https://scholar.princeton.edu/jcurrie.

These factors have taken a disproportionate toll on people of color. Between 2017 and 2019, Black infants (13.4%) were twice as likely as White infants (7.1%) to be low birthweight[5] and Black and Native American women were two to three times more likely to die due to childbirth.[6] Higher rates of diabetes, hypertension, and heart disease among people of color stem in part from early deprivations, and place them at higher risk from other diseases such as COVID-19.[7]

As children grow, they continue to face unequal opportunities, especially in terms of access to safe and healthy environments[8] and access to a quality education.[9] Differences in opportunities are reflected in disparities in health, mortality, and educational attainment, and ultimately in lower levels of intergenerational mobility.[10] For example, infant mortality among Black infants remains more than twice as high as among White infants.[11] Differences in asthma rates between Black and White children can be entirely explained by the combination of a higher incidence of low birth weight and zip code of residence.[12] And in 2019, there was a 25-point gap

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[5] During 2017-2019 (average), the low birthweight rate in the United States was highest for black infants (13.4%), followed by Asian/Pacific Islanders (8.5%), American Indian/Alaska Natives (8.2%) and whites (7.1%). See https://www.marchofdimes.org/Peristats/ViewSubtopic.aspx?reg=99&top=4&stop=45&lev=1&slev=1&obj=1.

[6] Centers for Disease Control (2019) "Racial and Ethnic Disparities Continue in Pregnancy-Related Deaths: Black, American Indian/Alaska Native women most affected," September 5. See https://www.cdc.gov/media/releases/2019/p0905-racial-ethnic-disparities-pregnancy-deaths.html.

[7] For a short summary of this literature see: Skogen, Jens Christoffer, and Simon Overland. "The fetal origins of adult disease: a narrative review of the epidemiological literature." JRSM short reports vol. 3,8 (2012): 59. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3434434/.

[8] For example, in the U.S. as a whole, Black people are more likely than White people to live in the areas with the highest levels of fine particulate matter (PM2.5). See Currie, Janet, John Voorheis, and Reed Walker (2021) "What Caused Racial Disparities in Particulate Exposure to Fall? New Evidence from the Clean Air Act and Satellite-Based Measures of Air Quality," NBER Working Paper 26659, https://www.nber.org/papers/w26659. They also show that the Clean Air Acts have disproportionately benefited Black Americans for the simple reason that the Acts target the most polluted places, and Black Americans are more likely to live in these places.

[9] See Chapter 5 of National Academies of Sciences, Engineering, and Medicine. 2019. Monitoring Educational Equity. Washington, DC: The National Academies Press.

[10] Chetty, Raj, Nathaniel Hendren (2018) "The Impacts of Neighborhoods on Intergenerational Mobility II: County-Level Estimates," Quarterly Journal of Economics 133(3): 1163-1228, https://academic.oup.com/qje/article/133/3/1163/4850659.

[11] Singh, Gopal K, and Stella M Yu (2019) "Infant Mortality in the United States, 1915-2017: Large Social Inequalities have Persisted for Over a Century," International journal of MCH and AIDS 8(1): 19-31.

[12] Alexander, Diane and Janet Currie (2017) "Is it Who You Are or Where You Live? Residential Segregation and Racial Gaps in Childhood Asthma," Journal of Health Economics, 55:186-200. Also available at: https://drive.google.com/file/d/0BwjFN4HbBrDBQ1hYVjNSMWV3bDg/view?resourcekey=0-nbg4O-div_eRLBZJD19M-A.

between Black and White children's 4th grade math assessment scores on the National Assessment of Educational Progress.[13]

Still, the United States has made great strides in reducing the effects of economic disparity on children. Expansions of Medicaid coverage to pregnant women and children and the creation of the Children's Health Insurance Program (CHIP) have saved lives, reduced the incidence of chronic conditions and disability, and increased the future employment and earnings of the children who benefited.[14] The Supplemental Nutrition Assistance Program (formerly known as the Food Stamps Program) and child nutrition programs have greatly reduced malnutrition and metabolic syndrome, a cluster of conditions including obesity, high blood pressure and diabetes.[15] They have increased high school graduation rates and reduced future welfare use.[16] Head Start and state and local early education programs have been shown to have long-lasting positive effects on children's educational attainment and to reduce crime.[17] And gaps in academic achievement have steadily declined over the past 30 years.[18] Our investments in children have been shown to have the largest returns among social programs.[19]

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[13] See https://www.nationsreportcard.gov/mathematics/supportive_files/2019_infographic.pdf. Twenty-five points is about a one standard deviation gap in scores.

[14] I am referring here to the Medicaid expansions of the 1990s and early 2000s and the introduction of CHIP in 1996. For an overview of the short and long-term effects of these expansions see Currie, Janet and Valentina Duque (2019) "Medicaid: What Does it Do and Can We Do it Better?" The Annals of the American Academy of Political and Social Science, 148-179, https://drive.google.com/file/d/1K1RQIMwXnJ5XfT2X8PyM3OvMDYg3CsiS/view.

[15] Hoynes, Hilary, Diane Whitmore Schanzenbach, and Douglas Almond (2016) "Long-Run Impacts of Childhood Access to the Safety Net," American Economic Review 106(4):903-934, https://www.aeaweb.org/articles?id=10.1257/aer.20130375

[16] Hoynes et al. ibid.

[17] For a comprehensive survey of the history and effects of these programs see: Cascio, Elizabeth (2021) "Early Childhood Education in the United States: What, When, Where, Who, How, and Why," NBER Working Paper 28722, https://www.nber.org/papers/w28722. She points out that the effects of the programs will vary depending on what the alternatives are but finds that most evaluations have found that the programs have positive effects and are cost effective. For an in depth evaluation of the long-run effects of a local program see Gray-Lobe, Guthrie, Parag Pathak and Christopher Walters (2021) "The Long-term Effects of Universal Preschool in Boston," NBER working paper #28756, https://www.nber.org/system/files/working_papers/w28756/w28756.pdf. This paper discusses some of the mechanisms underlying the positive effects of early childhood programs: Heckman, James, Rodrigo Pinto and Peter Savelyev (2013) "Understanding the Mechanisms through which an Influential Early Childhood Program Boosted Adult Outcomes," American Economic Review 103(6): 2052-2086, https://www.aeaweb.org/articles?id=10.1257/aer.103.6.2052.

[18] Stanford Center for Education Policy Analysis, "Racial and Ethnic Achievement Gaps," https://cepa.stanford.edu/educational-opportunity-monitoring-project/achievement-gaps/race/#first.

[19] Hendren, Nathaniel and Ben Sprung-Keyser (2020) "A Unified Welfare Analysis of Government Policies*," The Quarterly Journal of Economics, 135(3):1209-1318. The authors find that programs for children have the highest marginal value of public

We must maintain these gains and do more since significant and damaging disparities remain. The recent National Academy of Sciences report, "A Roadmap to Reducing Child Poverty," cited overwhelming evidence that poverty damages children.[20] But it also showed that we have the tools to significantly reduce child poverty. The recently adopted Child Tax Credit will reduce child poverty by half.[21] Financial support for families has been shown to increase birth weights, improve maternal mental health, and increase children's test scores.[22] It is important that the credit be made permanent. Universal access to quality early childhood education would extend its benefits to all children who need it and support parent's employment.[23] Because spending on schools serving poor children matters,[24] the COVID relief now flowing to state and local governments offers an opportunity to start to significantly

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funds of all the 133 programs that they consider. Many such programs pay for themselves through additional taxes collected and reduced future transfers. Programs for adults can also have large marginal values if they have spillovers on children.

[20] National Academies of Sciences, Engineering, and Medicine. 2019. A Roadmap to Reducing Child Poverty. Washington, DC: The National Academies Press. https://www.nap.edu/catalog/25246/a-roadmap-to-reducing-child-poverty. See especially the summary of the effects of poverty in Chapter 3.

[21] National Academies of Sciences, Engineering, and Medicine, 2019, ibid. The report presented simulations of the effects of a very similar credit. While in theory such a credit could dis-incentivize work the report concludes that any such effects are quite small.

[22] See Dahl, Gordon and Lance Lochner (2012) "The Impact of Family Income on Child Achievement: Evidence from the Earned Income Tax Credit," American Economic Review, 102(5):1927-1956, https://www.aeaweb.org/articles?id=10.1257/aer.102.5.1927; Milligan, Kevin and Mark Stabile (2011) "Do Child Tax Benefits Affect the Well-Being of Children? Evidence from Canadian Child Benefit Expansions," American Economic Journal: Economic Policy 3(3): 175-205, https://www.aeaweb.org/articles?id=10.1257/pol.3.3.175; Duncan, Greg, Pamela Morris, and Chris Rodrigues (2011) "Does Money Really Matter? Estimating Impacts of Family Income on Young Children's Achievement with Data from Random-Assignment Experiments," Developmental Psychology 47(5): 1263, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3208322/; Evans, William N., and Craig L. Garthwaite (2014) "Giving Mom a Break: The Impact of Higher EITC Payments on Maternal Health." American Economic Journal: Economic Policy, 6(2): 258-90, https://www.aeaweb.org/articles?id=10.1257/pol.6.2.258.

[23] Morrissey, Taryn (2017) "Child care and parent labor force participation: a review of the research literature," Rev Econ Household 15: 1–24.

[24] Jackson, Kirabo (2020) "Does School Spending Matter? The New Literature on an Old Question," Chapter 7 in Confronting Inequality: How Policies and Practices Shape Children's Opportunities, Laura Tach, Rachel Dunifon, and Douglas Miller (eds.), American Psychological Association, May 2020. Also available here: https://www.nber.org/papers/w25368. Also see: Baron, Jason, "School Spending and Student Outcomes: Evidence from Revenue Limit Elections in Wisconsin," American Economic Journal: Economic Policy (forthcoming), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3430766; Kreisman, Daniel and Matthew P. Steinberg (2019) "The effect of increased funding on student achievement: Evidence from Texas's small district adjustment," Journal of Public Economics, 176: 118-141, https://www.sciencedirect.com/science/article/pii/S0047272719300623; and Lafortune, Julien, Jesse Rothstein and Diane Whitmore Schanzenbach (2018) "School Finance Reform and the Distribution of Student Achievement," American Economic Journal: Applied Economics, 10(2): 1-26, https://www.aeaweb.org/articles?id=10.1257/app.20160567.

improve schools serving the most disadvantaged children.[25] Paid leave and measures to increase the stability of workers' schedules would allow parents to spend crucial time with their children.[26]

Adopting these measures would give American children and families the benefits that families in competing nations now enjoy and would allow every child a chance to realize the American Dream.

[25] U.S. Department of Education Fact Sheet. American Rescue Plan Act of 2021 Elementary and Secondary School Emergency Relief Fund (ARPESSER). https://oese.ed.gov/files/2021/03/FINAL_ARP-ESSER-FACT-SHEET.pdf.

[26] Unstable employment patterns are linked to child behavior problems and reduced academic progress. See Johnson, Rucker, Ariel Kalil and Rachel Dunifon (2012) "Employment Patterns of Less-Skilled Workers: Links to Children's Behavior and Academic Progress," Demography 49(2): 747-772, https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3703856/.