

HAVING KIDS™

Child-first Advocacy

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October 25, 2018

Honorable Mayor Bowser and Members of the City Council:

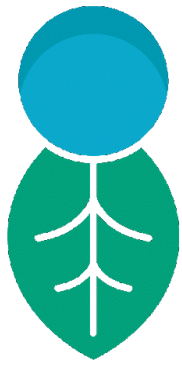
Having Kids, a nonprofit organization dedicated to ensuring that all children receive a fair start in life, applauds the District's preliminary consideration of a minimum income program to reduce inequality among its residents.

Although a global problem, income inequality is especially extreme in D.C., worse than any state in the U.S., in fact, with households in the top 20 percent income bracket having 29 times more income than the bottom 20 percent,[1] and white families 81 times richer than black families.[2] Moreover, the effects of economic inequality persist throughout lifetimes and across generations, with the District having among the lowest economic mobility in the nation.[3] The gap between poor and wealthy children stretches even further, with the District “boast[ing] the highest childcare costs of any state in the country” and “eclipsing the next most expensive state, New Jersey, by 39%.[4]

Recognizing the importance of combating such gross inequality, Councilmember David Grosso commissioned the Report by District's Office of the Budget Director on the potential for a guaranteed minimum income (GMI) program.[5] The Report concluded that GMI “could provide the District with a new, comprehensive tool to alleviate poverty in the city,” and in turn, improve child-wellbeing, family stability, and health outcomes among the District's residents.

Nonetheless, given concern that GMI or some iteration thereof would have a negative impact on the District's total GDP and employment, the Report recommended refining the proposal before proceeding with any legislation.

Accordingly, Having Kids urges the District to reexamine the GMI proposal as oriented around a child's right to a minimum level of wellbeing and a fair start in life, through (1) a substantially increased investment in family planning and early childhood education programs,[6] as well as (2) the establishment of a trust fund for each child born to low-income parents, which could then be used by recipients at age 18 for college or vocational training. Whereas the Report



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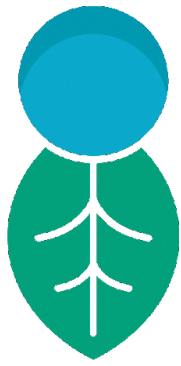
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anticipated only moderate and short-lived increases in consumption among low-income households as a result of GMI,[7] investments along these lines will lead to *sustainable* benefits both economically and environmentally.

Studies have repeatedly demonstrated the importance of both family planning and early childhood education as means of reducing economic inequality long-term.[8] Similarly, experts have concluded that the creation of trust accounts for babies born to low income families would address one of the major causes of persistent economic inequality: the transfer of wealth between generations.[9]

As for environmental sustainability, family planning is the most effective means of mitigating climate change and its impacts.[1] A study by statisticians at Oregon State University found that the greenhouse gas impact of having an additional child in the U.S. is almost twenty times greater than the savings from a lifetime of recycling, reducing, and reusing. They also found that each child born in the U.S. will add about 9,441 metric tons of carbon dioxide to the carbon legacy of an average parent. [1] The study concludes, “[c]learly, the potential savings from reduced reproduction are huge compared to the savings that can be achieved by changes in lifestyle.” Importantly, given the strong correlation between wealth and carbon footprint,[10] investments in family planning will help to offset any increased emissions by persons benefiting from the GMI.

With the current Administration having excised any reference to contraception from the revised criteria for Title X grants, it reasonably falls to the District to help make up for the loss of family planning funding. This might include, for example, a long-acting reversible contraception (LARC) pilot program modeled after Colorado’s hugely successful LARC program[11] (a LARC program is being developed in neighboring Virginia[12]). While the District’s Medicaid Program already covers LARCs, the benefits of LARC could be more fully achieved by funding training for providers and raising awareness of the coverage throughout the community. Additionally, such funding could be allocated to parental education classes beyond those offered in the District’s current program (which are limited to teenagers).



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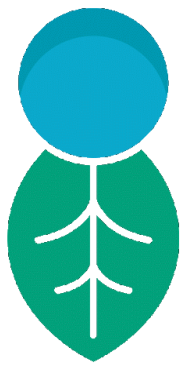
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Funding for the District's increased per child investments would be derived in the short-term by lowering the child income tax phase-out threshold to its 2017 levels,[13] and eliminating the additional credit for a third biological child (with corresponding offsets for adoption), supplemented as necessary by income tax increases on the wealthiest residents. In the long-term, the tax base would then shift to contributions from previous childhood recipients of the minimum income upon their reaching adulthood and surpassing an income threshold.

Importantly, costs of the proposed minimum income program will be offset in substantial part by its *indirect* economic benefits. That is, while the Report arbitrarily limits its consideration of the economic benefits to increased personal spending, a more comprehensive, and indeed, a more accurate accounting would include the savings that result from the improved health and safety of the Districts' residents,[14] such as reduced public expenditure on medical and crime prevention services.[15] Additionally, studies have shown that improved access to family planning and education result in smaller families, which in turn reduces the costs of public services and infrastructure,[16] mitigates the threat of climate change,[17] improves child welfare,[18] and increases the child's likelihood of future economic mobility.[19]

Furthermore, the Report's concern regarding a loss of total GDP and employment is founded upon a conflation of economic growth with economic *prosperity* and *equity*. Contrary to popular belief, incomes per capita tend to be lower in faster growing areas, and unemployment rates tend to be higher. In fact, between 2000-2009, of the 100 largest metro areas, those that have fared the best have the lowest growth rates. Residents of the slowest-growing metro areas averaged \$8,455 more per capita in personal income than those of the fastest-growing area.^[20] Consider also, Japan, oft-criticized by the growth fetishists for its declining fertility rate and total GDP, when in fact, "[s]ince the late 1990s, the growth in Japan's real GDP *per head* has outperformed every other major economy. And unlike other major economies, income inequality in Japan has not increased, remaining amongst the lowest in the developed world."^[21]

And yet the District has pursued growth above all else. Indeed, while overpopulation is a major cause of homelessness in the District, as well as a major source of GHG emissions, one of the Sustainable DC goals was to actually increase the DC population by 250,000 by 2032..^[22] Fetishizing growth in this way creates a sort of intergenerational Ponzi scheme, where the only



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group worse off than today's poor are the poor of tomorrow, poised to face not only greater income inequality, but paralyzing environmental injustice as well.[23]

Given that the sole consistent benefit of the growth model is that it makes the rich even richer, we agree with ecological economists who argue that the growth model should be replaced by a sort of “stable community model, [where] the financial resources formerly required to support growth could be directed to other beneficial investments,”[24] also referred to as a “steady-state economy.”[25] Thus, rather than focusing simply on blunt economic growth, the Having Kids GMI proposal shrinks the wealth gap by specifically contemplating (1) household resources per capita, (2) level of access to public services such as health, education, transportation, and (3) above all, the relationship between a child's fair start in life, and her ability to become a successful, productive future citizen and taxpayer.

Sincerely,

Anne Green
Executive Director
Having Kids

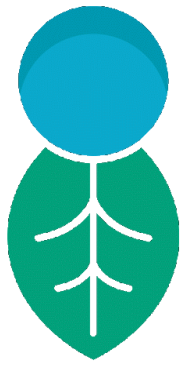
[Having Kids](#) is a 501(c)3 nonprofit organization dedicated to reforming family planning by replacing parent-centered family planning models with the human rights-based and child-first Fair Start model.

[1] Naveed, Minahil, “Income Inequality in DC Highest in the Country,” DC Fiscal Policy Institute (Dec. 15, 2017).

[2] Kijakazi, Kilolo, et al. “The color of wealth in the nation's capital,” Urban Institute and Duke University (2016).

[3] Chetty, Raj, and Nathaniel Hendren, “The impacts of neighborhoods on intergenerational mobility i: Childhood exposure effects,” No. w23001, National Bureau of Economic Research, (2016).

[4] See “Economic and Policy Impact Statement: Approaches and Strategies for Providing a Minimum Income in the District of Columbia,” (Feb. 27, 2018) (“[the Report](#)”).



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[5] *Ibid.*

[6] The increased family planning and childhood education funding would require a minimum investment *per child*, ensuring that any population growth would have to account for the corresponding increase of children in need. Isaacs, Julia B. "Unequal Playing Field?" Urban Institute, (2017).

[7] "Investing in Tomorrow: Helping Families Build Savings and Assets," Annie E. Casey Foundation, January 2016,

www.aecf.org/resources/investing-in-tomorrow-helping-families-build-savings-and-assets/.

[8] Bailey, Martha J., Olga Malkova, and Johannes Norling. "Do family planning programs decrease poverty? Evidence from public census data." *CEifo economic studies* 60.2 (2014): 312-337.

[9] Aja, Alan, et al. "From a tangle of pathology to a race-fair America." *Dissent* 61.3, 39-43 (2014).

[10] David Roberts, *Wealthier people produce more carbon pollution — even the “green” ones*, Vox (Dec. 1, 2017).

[11] Popvich, Nadja, "Colorado contraception program was a huge success – but the GOP is scrapping it," The Guardian (May 6, 2015).

[12] VA Budget Bill 5002, 2018, available at

<https://budget.lis.virginia.gov/item/2018/2/HB5002/Enrolled/1/292/>

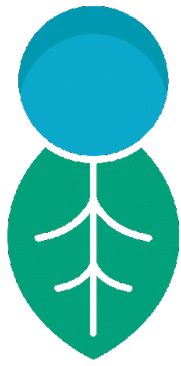
[13] Per D.C. Code Ann. § 47-1806.04(f), the District allows for 40% of the amount allowed by the Internal Revenue Service. In 2017, the federal Child Tax Credit began phasing out at \$55,000 for married couples filing separately; \$75,000 for single, head of household, and qualifying widow or widower filers; \$110,000 for married couples filing jointly. In 2018, the federal Child Tax Credit phaseout more than doubled for single filers to \$200,000 and nearly quadrupled to 400,000 for Married Filing Joint filers.

[14] *See Report at 55* (citing the beneficial impacts of previous GMI on "health, homeownership, and other indicators of well-being.")

[15] Per the Report, in FY 2016, the District incurred approximately \$2.8 billion in Medicaid expenditures, including approximately \$800 million in local funds.

[16] Population Matters, "Is Universal Basic Income Sustainable," available at

https://www.populationmatters.org/documents/is_universal_basic_income_sustainable.pdf



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[17] Seth Wynes and Kimberly A Nicholas, The climate mitigation gap: education and government recommendations miss the most effective individual actions. *12 Environ. Res. Lett* 7. (2017); Guillebaud, John, and Pip Hayes. Population growth and climate change. *BMJ* 2008; 337; a576; Rosnick, David, The Consequences of Increased Population Growth for Climate Change. Center for Economic and Policy Research (2014).

[18] Juhn, Chinhui, Yona Rubinstein, and C. Andrew Zuppann. *The Quantity-Quality Trade-off and the Formation of Cognitive and Non-cognitive Skills*. No. w21824. National Bureau of Economic Research, 2015.

[19] Downey, D. B. (1995). When bigger is not better: Family size, parental resources, and children's educational performance. *American Sociological Review*, 746-761

[20] Fodor, Eben. "Relationship between growth and prosperity in the 100 largest US metropolitan areas." *Economic Development Quarterly* 26.3 (2012): 220-230.

[21] McCrum, Dan, "Japan's Economic Miracle," *Financial Times* (April 8, 2018), available at <https://ftalphaville.ft.com/2018/04/09/1523246400000/Japan-s-economic-miracle/>

[22] The District's own Climate Action Plan concluded that "greenhouse gas emissions in the District are expected to rise by 14% by 2020 and 35% by 2050 due mainly to population growth."

[23] Dennig, Francis, et al. "Inequality, climate impacts on the future poor, and carbon prices." *Proceedings of the National Academy of Sciences* 112.52 (2015): 15827-15832.

[24] Foder, 2013.

[25] Daley, Herman E., 2007.