

# WHAT'S NEW WITH KIDS?

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## Site of the Month

Do children who live in states that spend more money on children through social programs and tax credits fare better than children who live in states that spend less money? According to a 2005 article in the *Analyses of Social Issues and Public Policy*, the answer is yes.

Harknett et al. examined public expenditures from 1996 from over 30 types of social programs and tax credits to determine the relationship between public expenditures and child outcomes. The outcomes were classified into four domains: health and mortality (i.e., infant mortality rate), standardized test scores (i.e., low 4th grade math scores), adolescent indicators (i.e., high school dropout rate), and child poverty (i.e., poverty rate). Using regression estimates, the authors found about half of the child outcomes were significantly related to public spending, but that Medicaid and education spending were the most strongly related to the outcomes. For example, they found a significant relationship between education expenditures and math test scores, high school dropout rates, and teen birth rates.

The following table summarizes the effect of a \$100 Medicaid and a \$1,000 education expenditure per child on child outcomes. As shown in the last line, an extra \$1,000 spent on education is associated with a 10.8 percent reduction in the teen birth rate.

### Improvements in Child Outcomes Associated with Public Expenditures

Public Expenditure	Child Outcome	Percent Reduction in Child Outcome Associated with Public Expenditure
\$100 Medicaid	Child death rate	-6.9
\$1,000 Education	Low 4th grade math score	-9.2
	Low 8th grade math score	-9.9
	Low 4th grade reading score	-10.5
	High school dropout rate	-14.8
	Young teen birth rate	-10.1
	Teen birth rate	-10.8

The article titled "Are Public Expenditures Associated with Better Child Outcomes in the U.S.? A Comparison across 50 States" is attached.

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