The **first-ever** human development rankings for U.S. states, congressional districts, and ethnic groups

# THE MEASURE OF AMERICA

AMERICAN HUMAN DEVELOPMENT REPORT 2008-2009

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# PART 4 8-Point Human **Development Agenda**

What will it take to boost scores on the American

People, Public Sector, Business Community, Civic Groups,

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Take responsibility for the most vulnerable.

## Introduction

The best gauge of human development is the capacity of ordinary people to decide who to be, what to do, and how to live, and the degree to which real freedom and possibility are open to them as they seek to realize their vision of a good life. We have argued that the way to promote human development is to invest in people, particularly in people's capabilities—the tools required to lead lives of choice and value. Capabilities enable people to capitalize on opportunities, invest in their families and communities, and contribute to society.

In this first *American Human Development Report*, we have focused on three core capabilities: health, knowledge, and a decent standard of living. Many factors beyond health, knowledge, and material living standards affect human development overall and the life chances of individuals. Future volumes in this series will explore additional capabilities, such as living in physical security, participating in decision making, and enjoying a healthy natural environment. Much remains to be done in these areas. However, this year's report seeks to highlight actions that would have the most significant impacts on the three core capabilities measured by the index.

What will it take for Americans to make significant gains in health, education, and income—particularly those Americans who today lag behind? What can we do to yield better American HD Index scores in five, ten, or twenty years?

**Progress depends on us all. People** themselves, individually and collectively, can do a tremendous amount to build capabilities. Actions and investments from both the **public sector** and the **business community** are also needed to put the American Dream of mobility, freedom, security, and dignity within everyone's reach. **Philanthropy** plays an increasingly important role in addressing many of the challenges we face. **Religious institutions**, long dedicated to the relief of human suffering, speak with moral authority on our obligations to one another. **The media** has a vital part to play in educating the public, stimulating civic engagement, hold-ing leaders accountable, and contributing to transparency.

To expand choices and opportunities for more Americans, action in the following eight areas holds great potential.

The way to promote human development is to invest in people, particularly in people's capabilities the tools required to lead lives of choice and value.

# For a Long and Healthy Life

#### PRIORITY 1:

## Promote prevention.

While the lion's share of health care resources go for medical treatment, the greatest gains in life expectancy over the past half century have come from public health efforts and the spread of private behaviors designed to prevent rather than treat disease and disability, such as mass immunizations, seatbelts, and health warnings on cigarette packages. Medical interventions remain vital to fighting chronic illnesses like cancer and cardiovascular disease. But prevention, consumer information necessary to make healthy decisions, early detection, and maintenance can reduce health costs while improving the guality and lengthening the span of people's lives. To make headway against our leading causes of death today, we must take action to reduce risk—for instance, by maintaining a healthy weight, avoiding tobacco and excessive alcohol, exercising regularly, and getting recommended screenings. Similarly, research has shown that early, effective treatment for addiction is vastly less expensive and more effective than addressing drug use with incarceration. Tackling the life expectancy gaps revealed by the American HD Index requires public health campaigns targeted at Americans living the shortest lives: African Americans as well as the populations of the Gulf states, Washington, D.C., and residents of the lowest-life-expectancy congressional districts.

#### PRIORITY 2:

## Make health care affordable for all Americans.

All Americans should have access to high-quality health care, including mental health care, regardless of employment status, preexisting conditions, or income level. The United States is a global leader in medical technologies; we have the know-how to help our people enjoy healthy lives and survive to old age. And we are already spending on health care at the highest levels in the world. Yet today, 47 million people do not have health insurance. Still others are afraid to change jobs or start their own business for fear of losing their health insurance, hampering individual opportunity and acting as a drag on the economy. There are many models and options to consider, drawing on both American plans and the experience of other countries. We must summon the political will to take a bold first step without requiring that it be a perfect or final arrangement.

Today, 47 million Americans do not have health insurance.





# For Access to Knowledge

#### PRIORITY 3:

## Modernize K–12 education.

Public education is the cornerstone of equal opportunity. A quality education, prerequisite to a life of value and choice, is the right of every American. Likewise, an educated population of lifelong learners, independent thinkers, and responsible citizens is vital to our democracy and economy. The educational index shows that our system falls short in two basic measures: relevance and fairness.

In terms of **relevance**, the days when basic skills were sufficient to ensure a life of reasonable economic security and full participation in society are past; the labor market today is unkind to those who lack high school diplomas, and jobs that afford financial security increasingly require college degrees. Yet only 74 percent of American public high school students graduated on time (within four years) with a regular diploma in 2003–04.<sup>186</sup> The content of education needs revitalization as well. To seize opportunities brought by globalization and technological change, young people need to know how to think, create, and relate—to work with others unlike themselves to solve problems. Schools need to teach twenty-first-century skills and content, expand the scope of school assessment, and create meaningful career education tracks for teens who are not headed for college.

In terms of **fairness**, we must tackle the appalling disparities in educational quality that persist more than half a century after the landmark Brown v. Board of Education ruling. The American Human Development Index reveals vast educational attainment gaps among congressional districts and racial and ethnic groups that undermine America's claim to a level playing field. None of the country's ten largest public school districts—which serve 8 percent of all American K-12 students, nearly all of them members of minority groups—graduate more than 60 percent of their students. In comparison, sixty-seven congressional districts have graduation rates above 90 percent. In 2003, the graduation rates for Latino and African American high school students were just 53 percent and 55 percent, respectively.<sup>187</sup> Public school children attending well-funded suburban schools paid for by local property taxes generally receive excellent educations; too many poor and minority children receive educations that are second-rate by any measure. Equalizing factors that contribute to excellence—money; physical plant; teacher training, salaries, and qualifications; support staff; and the depth, breadth, and rigor of curriculum—is vital to closing gaps in outcomes and increasing American HD Index educational attainment scores.

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## PRIORITY 4: Invest in at-risk kids, the earlier the better.

Intervening early, intensely, and consistently in the lives of at-risk children is an investment that pays for itself many times over. Many of the disparities we see in the American Human Development Index are rooted in the significant differences children experience in their everyday lives from birth onward. Often lacking adequate and developmentally appropriate stimulation in the critical early years, disadvantaged children start school far behind in their cognitive and noncognitive skills—and rarely catch up. These early deficits, coupled with other obstacles—inadequate health care, poor schools, neighborhood crime, material deprivations—reinforce one another, with their cumulative negative impacts compounding over the life course. The odds are against such children. Indeed, someone born into poverty who rises to prominence in adulthood is said to have beaten the odds. But research has shown that the odds can be changed, and that doing so pays huge dividends to individuals and society.

We can change the odds by scaling up effective programs supported by robust evidence. First, we should expand early intervention to reach all at-risk mothers and infants. Second, we should invest in high-quality early childhood education, modeled on successful interventions, for at-risk children ages two to four. Highquality preschools with college-educated, well-paid teachers; low teacher/student ratios; and programs that build social, behavioral, and cognitive skills lead to higher levels of scholastic achievement, less crime, lower rates of teen pregnancy, and less dependence on public assistance.

In addition, we should continue to reach out to at-risk children in school. Elementary schools serving low-income communities should provide more enveloping school environments, including longer school days; more socially, culturally, and cognitively enriching activities; and a greater bridge to home life. Teens who drop out of high school earn \$9,000 less than high school graduates, are more likely to become parents at an early age, and are more likely to be unemployed, in poor health, living in poverty, in prison, or on public assistance. There is a need for rigorous research on how to best reach disconnected adolescents with secondchance programs that help them make a successful transition to independent adulthood. Extending income support to low-income young people through age twenty-one would also help them invest in their futures, as would greater support to young people exiting the foster-care system.

There is something that each one of us can do: make a meaningful, long-term commitment to an at-risk child. There are many ways to do this, such as building a relationship with a boy or girl through a mentoring program or becoming a special advocate for a neglected or abused child.

"It is a rare public policy initiative that promotes fairness and social justice and at the same time promotes productivity in the economy and in society at large. Investing in disadvantaged young children is such a policy."

#### James Heckman

Nobel Prize-winning economist<sup>188</sup>



#### Become a Mentor/Advocate

Big Brothers Big Sisters is a mentoring program with a successful track record (www. bbbs.org); National CASA recruits, trains, and supports volunteers to act as Court Appointed Special Advocates for abused children (www.nationalcasa.org). Both programs operate nationwide.



# For a Decent Standard of Living

#### PRIORITY 5:

## Strengthen and support families.

Families play the most influential role in the development of human capabilities. But today, most adults, especially women, must juggle family and work responsibilities, often feeling overwhelmed in the process. Three in four married mothers of schoolaged children are in the workforce. Rates for single mothers are even higher.<sup>189</sup> In addition, 44 million Americans care for adult relatives, usually elderly parents, with the typical caregiver providing at least twenty hours per week of care; six in ten such caregivers are also employed. Yet workplaces and community institutions, including schools, have been slow to adjust to this new reality. The caring penalty that women pay in the labor market is reflected in lower paychecks and smaller retirement accounts—and significantly lower scores on the American Income Index. Forty percent of job loss can be attributed to the need to care for family members who are ill.

Businesses can do a lot to ease the strain on families by offering employees flexibility to balance the competing demands on their time—without penalizing them. Companies that have implemented flextime, shorter workdays or workweeks, job-sharing, on-site day care, emergency child care for sick kids, and on and off ramps for parents who take time out to raise children find that their investment in family-friendly policies pays off in terms of recruitment, retention, productivity, morale, and commitment, as well as fewer sick days.<sup>190</sup>

Investment, including incentives and tax breaks to help moderate- and lowincome families secure quality child care, as well as expansion of the country's family leave policies, would help all of us to balance our responsibilities and better care for our children and elderly. Our peer nations and many far less affluent countries—163 in all—guarantee their citizens paid maternity leave.<sup>191</sup> In 2004, California mandated six week's leave at 55 percent of salary (up to \$840 per week) to allow men and women to care for seriously ill parents, partners, and children as well as to bond with a newborn or newly adopted child. The California law mandates paid leave, and it covers nearly all workers. Research shows that small businesses and the general public broadly support the program, and that nearly all workers return to their job in six weeks or less.<sup>192</sup>

#### PRIORITY 6:

## Boost incomes and aid asset-building.

Income and assets work together to expand our range of choices and opportunities; they are fundamental determinants of life-shaping decisions, such as where to live and where we can send our children to school. Adequate incomes are essential to securing the goods and services needed to live our lives with choice and dignity and

Our peer nations and many far less affluent countries—163 in all—guarantee their citizens paid maternity leave. to participate fully in society. Assets, or wealth, provide security and allow for investment in the future, making it possible for families to weather job loss or illness, to put down roots in a community through homeownership, to invest in education, and to maintain their standard of living during retirement. Income and assets both impact the American HD Index, though only income from earnings is measured.

The income index shows that African Americans, Latinos, and Native Americans are earning significantly less than Asians and whites; large disparities among congressional districts are also apparent. The income index also reveals that many American families are earning less than it takes to meet a monthly budget in their communities, and many more barely cover basic expenses. Indexing the federal minimum wage to inflation would help working families keep up with the rising cost of living. A full-time worker earning the minimum wage cannot support a family of three above the federal poverty line, despite recent increases. Pegging wage minimums to the actual cost of basic necessities like housing, transportation, and health care would be one way to help full-time workers achieve self-sufficiency. Whether these specific ideas are politically viable, or even desirable, is a matter for American voters and political leaders to decide. But if one accepts the premise that America's unique strengths reside in a broad and resilient middle class, it seems beyond question that arresting the erosion of middle-class security and strengthening its numbers, in part by enabling the poor to work and save their way into it, are vital national priorities.

In addition, more must be done to connect less-educated workers to the job force, which means easing school-to-work transitions for non-college-bound teens. It also requires creating pathways that reconnect ex-prisoners to the working world. The prison boom has had a devastating impact on African Americans and Latinos in a host of ways. It depresses lifetime earnings for those who serve time and creates barriers to labor force participation for many law-abiding young black and Latino men who are deemed guilty by association. Moreover, workers who have lost their jobs need greater support. Stronger links between training and unemployment benefits would help. Better income support for workers in transition would also help keep them from falling out of the middle class as they retool for new opportunities.

The distribution of assets in the United States is even more top heavy than the distribution of income, with the wealthiest 10 percent of American households hold-ing more than double the share of wealth of the other 90 percent combined.

There are significant racial and ethnic differences as well. Census Bureau data indicate the net worth of white households is about ten times greater than that of African American or Latino households.<sup>193</sup> The Earned Income Tax Credit has provided a boost in income to working families that have kept many out of poverty; expanding this credit and adding a savings component would help them invest in the future as well. Asset-building programs that have worked elsewhere—such as the U.K. Baby Bond and conditional cash transfers in Brazil and Mexico—may also hold promise in the United States.



Effects on Income

Educational attainment accounts for a significant share of the earnings differential, which reinforces the need to address the educational inequalities highlighted in priorities 3 and 4. In addition, improving our approach to health care, elder care, and child care, as outlined in priorities 1, 2 and 5, would free up income and allow poor and middle-class families to begin building assets.



## To Raise the American Index for States and People Left Behind

#### PRIORITY 7:

## Launch a Marshall Plan for the Gulf.

For generations, Alabama, Louisiana, and Mississippi have lagged behind the nation as a whole on key indicators. Hurricanes Katrina and Rita revealed the significant deprivations that persist in this part of our country while simultaneously exacerbating them. These three Gulf states combined, home to 12 million Americans, have the lowest American HD Index scores of any region in the country. On key measures of human development, the region today is at the level of development the country as a whole experienced eighteen years ago. It has the nation's lowest levels of educational attainment, shortest life expectancy, and lowest incomes. If the whole region were a single state, it would rank second to last—surpassing only Mississippi itself.

Three years after the storms put the birthplace of jazz under water and wiped out towns south of I-10 from New Orleans to Mobile, promises of support and rebuilding have yet to bear fruit. Church groups and concerned individuals continue to volunteer their time, showing solidarity and helping some communities rebuild. But tens of thousands of flood victims are still living in FEMA trailers. Families and communities are scattered, many longing to return home. Even those whose homes are intact face tremendous human insecurity and financial hardship as they wait to see if their hometowns are reborn.

Yet America faced a far greater reconstruction challenge in the not-too-distant past. Six decades ago, Americans supported a plan to rebuild war-torn Europe. Totaling \$13 billion (equivalent to \$100 billion today), the Marshall Plan reconstructed Western Europe, modernizing the region and setting it on a path to the prosperity it now enjoys. The Gulf States seem equally deserving of reconstruction. Given the need to rebuild many institutions from the ground up, there is also a unique opportunity to test innovative approaches that, if successful, could be applied to struggling communities elsewhere in the United States.

A Gulf Coast Reconstruction Plan, encompassing far-reaching humanitarian, social, political, and economic aims, would expand choice and opportunity for the people of Alabama, Louisiana, and Mississippi. Only a concerted and sustained effort can address the significant shortfalls revealed by the American HD Index.



Alabama, Louisiana, and Mississippi have some of the country's lowest levels of educational attainment, shortest life expectancies, and lowest incomes.

#### PRIORITY 8:

## Take responsibility for the most vulnerable.

The height to which a talented individual can ascend tells us something about a society; by this measure, America is a dynamic and inspiring place. But how the vulnerable fare tells us something equally important and, measured by this value, America fares significantly less well. The HD Index for the United States as a whole -5.06-tells us very little on its own; the figure becomes meaningful only when we disaggregate the population into geographic, gender, racial, and ethnic groups, and see how the data stack up. But we are unable to compare the American HD Index scores of some groups because of the specific data points chosen and the way the information is collected (by household). For Instance, we were not able to calculate an HD Index for physically disabled people, for adults with developmental disabilities, or for people with persistent and severe mental illnesses, though we are investigating possible approaches for future volumes in this series. But most of us realize that the American HD Index scores of our brothers and sisters in these population groups would be at the bottom of the scale. Take, for example, adults with schizophrenia, who make up about 1 percent of the population. Since the illness typically strikes in the late teens and early twenties, educational attainment is often limited. Earnings tend to be scant. And schizophrenia shortens life expectancy by fifteen years on average, due to greater risk of suicide, violence, injury, and chronic medical illnesses.<sup>194</sup> These factors would add up to an extremely low HD Index score.

The needs of vulnerable populations are not addressed in humane, sustainable ways.<sup>195</sup> Our attempts to care for these groups out of sight in large psychiatric hospitals, orphanages, and "homes" of all sorts have too often led to horrific, large-scale abuse. Yet while mass institutionalization is clearly hazardous, the shift to decentralized, community-based care has not worked for many people. Kids in the foster-care system suffer much higher rates of abuse than other children; parents of adult children with Down syndrome fear their children will outlive them, then be cast adrift in an uncaring society. The penal system houses more men and women grappling with mental illness and substance abuse than do psychiatric hospitals. Hundreds of thousands of people with serious mental illnesses are living on the streets rather than receiving treatment to help them live with self-respect and physical safety.

America's affluent peer countries provide comprehensive safety nets that protect vulnerable populations and help families and communities care for them with dignity and human security. These nations provide supportive housing, medical care, education and job assistance, and income supplements. America, too, can provide stronger safety nets to protect human dignity, minimize stigmatization, and extend to the disabled or dispossessed the tools to build lives of meaning and value. The care we provide our most vulnerable citizens is not the only measure of a great and civilized nation, but it is an extremely important one. The care we provide our most vulnerable citizens is not the only measure of a great and civilized nation, but it is an extremely important one.

## How is America doing?

The Measure of America is the first-ever human development report for a wealthy, developed nation. It introduces the American Human Development Index, which provides a single measure of well-being for all Americans, disaggregated by state and congressional district, as well as by gender, race, and ethnicity. The Index rankings of the 50 states and 436 congressional districts reveal huge disparities in the **health**, **education**, and **living standards** of different groups. Clear, precise, objective, and authoritative, this report will become the basis for all serious discussions concerning the realization of a fair, just, and globally competitive American society.



### PRAISE FOR THE MEASURE OF AMERICA

"We get in this report not only an evaluation of what the limitations of human development are in the United States, but also how the relative place of America has been slipping in comparison with other countries over recent years. In the skilled hands of Sarah Burd-Sharps, Kristen Lewis, and Eduardo Borges Martins, the contrasts within the country—related to region, race, class, and other important distinctions—receive powerful investigation and exposure. In these growing gaps we can also see one of the most important aspects of the souring of the American Dream which is so much under discussion today."

from the foreword by Amartya Sen, Harvard University, winner of the Nobel Prize in Economics

#### **ABOUT THE AUTHORS**

Sarah Burd-Sharps served as the deputy director of UNDP's Human Development Report Office until September 2006.

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Eduardo Borges Martins was coauthor of the pathbreaking *Atlas of Human Development in Brazil.* 

#### ABOUT THE DESIGN

Humantific | UnderstandingLab is an internationally recognized Visual SenseMaking firm located in New York and Madrid.

"A rich analysis that will help us forge ahead in creating more economic dynamism, more effective social policies, and an expansion of everyone's freedom and opportunities."

William H. Draper III, former administrator of the United Nations Development Programme

"This report shows that the quality-of-life issues we typically associate with the grossly inadequate social welfare programs of underresourced countries are problems experienced by a shockingly large portion of the American population."

Pamela B. Walters, Rudy Professor of Sociology at Indiana University, Bloomington

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