



THE MEASURE OF **AMERICA** 2010–2011 **MAPPING RISKS AND RESILIENCE**

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CONCLUSION

Agenda for Action: Reducing Risks, Building Resilience

Action in these areas shows great promise for boosting American Human Development Index scores for all Americans, narrowing the gaps that exist between different groups, and helping everyone build resilience to weather both the inevitable vicissitudes of life and the sudden, severe shocks that destroy capabilities years in the making.



- Prioritize prevention.
- Account for the cost of inaction.
- Make better use of economic instruments.
- Make the best choice the easiest choice.
- Beware the commonplace threat.



- Address the social and economic disparities that breed ill health.
- Minimize people's exposure to health risks, especially to the fatal four: poor diet, tobacco, physical inactivity, and excess drinking.
- Mitigate health risks through counteradvertising, treatment programs, public information campaigns, and modifications to the environment.
- Foster greater accountability for health disparities.



- Ensure universal, quality preschool.
- Address head-on the high school dropout crisis.
- Invest in the education of immigrant children.
- Ensure that all children have good teachers.
- Deflate ballooning college tuition costs.



- Protect young children from the risks of extreme poverty.
- Increase educational attainment.
- Create and retain jobs.
- Create incentives—and eliminate disincentives—for asset building among low-income people.
- Help families provide care.
- Strengthen financial-sector regulation and improve financial literacy.
- Reform retirement systems to enable greater retirement security and reduce elderly poverty.

Agenda for Action: Reducing Risks, Building Resilience

Capabilities matter for expanding choices and opportunities in the future, and they **matter as much** or more when calamity strikes.

Hurricanes are indiscriminate in the application of force: flying and falling debris threaten life and limb, trees snap and topple, roads are rendered impassible. But while the storms themselves are indiscriminate, their effects are not. Homes set on higher ground may escape the peak storm surge and resultant flooding even as low-lying areas are inundated. New structures built to code can withstand the winds, while mobile homes are tossed about. Those with cars and credit cards can ride out the storm in hotels a few hours' drive away; families with generators and a stockpile of basic provisions can return home earlier than those without; homeowners with savings and adequate insurance can rebuild more quickly.

The planning and readiness of businesses, public utilities, municipalities, and state and federal governments are similarly important in determining how people fare. The structural integrity of dams, levies, and bridges; the enforcement of building codes; the preparations of emergency responders; the existence and promotion of emergency evacuation plans; contingency provisions for the disabled or elderly—all this and more can minimize loss of life and property damage.

We frequently use weather metaphors to describe events in the lives of individuals, families, and the nation. We save for a rainy day, we're snowed under, we watch as businesses battle economic headwinds, and we hope that gray skies turn sunny. Sweeping financial crises like the Great Recession, the collapse of local economies in the wake of plant closings, individual crises triggered by disabling illness or injury, family dissolution from death or divorce: these types of events take people by storm. **Just as in the case of natural disasters, those people with the fewest capabilities are the hardest hit and least able to rebound.**

Human development is about the freedom ordinary people have to fulfill their potential and direct the course of their lives. It requires that people have a full toolbox of capabilities—the personal attributes, material resources, social links, and collective investments that make up the equipment people have for living a freely chosen life of value. Capabilities matter for expanding choices and opportunities in the future, and they matter as much or more when calamity strikes. People in good physical and mental health with a sound education, adequate financial resources, and strong social networks are not immune to misfortune, but they are resilient; the capabilities they possess make their

recovery more likely in the face of reversals.

The current recession has emphatically underscored the fact that **education matters**. In the last quarter of 2009, Americans with graduate degrees faced a rate of unemployment or underemployment of 7 percent; those without a high school diploma experienced a rate five times higher, 35 percent.¹ **Income matters**: families with earnings in the bottom 10 percent of the income distribution registered an unemployment rate of 31 percent at the end of 2009, ten times higher than the rate of families in the top 10 percent of earners (3.2 percent).² **Health matters**: people in good physical and psychological health are, on average, better equipped to weather bouts of economic insecurity, find new jobs, move where there is work, and adapt in other ways to changing economic fortunes than those coping with chronic health conditions, from depression to heart disease.

The preceding chapters on health, education, and income explore the degree to which human capabilities are flourishing—or not—for different groups of Americans, and they identify severe and pervasive threats to human well-being in each of these three areas. The evidence indicates that Americans with a full toolbox of essential capabilities are able to further the goals that matter to them. But for too many, fundamental capabilities are at risk; indeed, such evidence is overwhelming. **To meet the obligations of a civilized society and realize the promise of the American Dream, we must reduce risks and build greater resilience among key populations.**

Reducing risks to fundamental capabilities requires proactive steps. People can reduce health risks by steering clear of risk behaviors, chief among them smoking, poor diet, physical inactivity, and excess drinking. State and local governments can reduce risks to educational attainment by ensuring that all children, no matter which neighborhood they live in, receive an education that prepares them for full participation in a modern, knowledge-based society. Businesses can reduce economic risks by instituting family-friendly policies—such as paid leave to care for newborns or elderly relatives and on-site childcare facilities—that put fewer men and women in the untenable position of having to choose between bringing home a needed paycheck and meeting the needs of vulnerable family members. The federal government can reduce risks to health with regulations that limit children’s exposure to junk-food marketing.

Building resilience requires helping people to develop capabilities and to protect the capabilities they already have. Individuals can learn new job skills to adapt to a changing labor market. Religious institutions can help people acquire strategies for dealing with stress, and community-based organizations can teach parenting or financial management skills. Businesses can make it easier for their employees to save for the future through automatic retirement payroll deductions for all workers (with the right to opt out). The government can do more to encourage asset building among low-income people by, for instance, establishing savings accounts for newborns or enhancing tax incentives available to those with fewer assets.

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The pages that follow identify priorities in the realms of health, education, and income drawn from analysis presented in this report. Evidence suggests the following recommendations have the greatest potential to raise the American Human Development Index scores for all Americans and to close the gaps separating those at the top from those at the bottom.



Stopping problems before they start is, in almost every instance, **less expensive and more effective** than delaying action until a crisis is full-blown.

Prioritize Prevention

An ounce of prevention is worth a pound of cure: this bit of homespun wisdom may sound hokey, but a wealth of research suggests it's true. Stopping problems before they start is, in almost every instance, less expensive and more effective than delaying action until a crisis is full-blown. In health, diabetes provides a case study. According to the American Diabetes Association, diabetes contributes to more than 250,000 Americans' deaths each year and costs \$174 billion annually in medical expenses and lost productivity³—a sum that exceeds the 2009 GDP of Singapore.⁴ Yet diabetes is largely preventable with appropriate diet and exercise.

In terms of education, the prison crisis provides a useful guide. Inmates in state and federal prisons are overwhelmingly men who failed to complete high school. In California, keeping a prisoner behind bars for one year costs \$47,000⁵—an amount that would easily cover two years' room, board, and tuition at any campus of California State University (total costs of attendance for the school year 2010–11 ranged from a low of about \$18,000 at the Bakersville campus to a high of about \$22,000 at the Channel Islands campus⁶). That sum would also easily cover four years' tuition at a small, private California high school.⁷ Yet campaigns to improve the quality of education tend to be long on rhetoric, short on resources. Universal preschool is much lauded as an ideal—and evidence suggests that it would significantly reduce the number of young men who end up behind bars—but in reality funds for preschool are often cut when budgets get tight.

Account for the Cost of Inaction

Proactive, preventative interventions are often rejected out of hand as too expensive. As discussed in previous chapters, other industrialized countries offer a set of benefits to everyone, including subsidies to offset child-rearing expenses, universal medical care, and comprehensive unemployment insurance. In the United States, too often we wait until a family bottoms out financially before offering a helping hand, an approach with high human and financial costs.

Washington state's farsighted paid family leave policy, approved in 2007, has been put on the shelf until 2012, a casualty of the recession.⁸ Taxpayers balk at the cost of providing supportive housing—stable, affordable housing units joined with on-site mental health and social integration services—to those with persistent and severe mental illness, yet end up paying the high costs of emergency room

visits and prison stays that result. Similarly, in failing to provide a quality education and a pathway toward meaningful, productive employment to young men of color, the country pays dearly in both blood and treasure, yet we focus on the cost of improving lives rather than on the costs we already pay in lives lost or wasted, in crime, imprisonment, and family and neighborhood dissolution. Our public policy is penny-wise and pound-foolish. As this book goes to press, newspapers are reporting that foundation and government funding for public health campaigns is being diverted from tobacco prevention to obesity prevention—as though the nation has sufficient resources for only one deadly health risk, but not more.⁹

Policy makers, researchers, and advocates must better enumerate and explain the costs we already pay for many social and economic ills—and the savings, as well as the social benefits, that key evidence-based interventions could bring.

Make Better Use of Economic Instruments

Expanding the use of economic instruments to induce people and institutions to make choices that are in the best interest of people and the country as a whole offers great promise for reducing risks and increasing resilience in health, education, and income. Since the 1990s, countries around the world have increasingly employed economic incentives and market-based instruments in support of environmental objectives, with considerable success.¹⁰ Such approaches include ending harmful subsidies, effectively deploying socially beneficial taxes and subsidies, and adopting the polluter-pays principle to assign the costs of a given problem to the party that created it.

The \$200 billion Tobacco Master Settlement Agreement of 1998, which required large tobacco companies to make annual payments to states until 2025 in order to offset Medicare costs incurred in treating smoking-related diseases, is a successful example of the polluter-pays principle applied to health rather than to the environment: tobacco companies were held responsible for the health costs their products generated. But other policies are counterproductive to health and quality of life. The United States should end agricultural aid that publicly subsidizes unhealthy snacks and soft drinks, and apply those subsidies instead to lower the cost of fruits and vegetables. Imposing a tax on sugary, fatty, and salty foods and drinks would make them less appealing, especially to children and teens, and could help curb the obesity epidemic.

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Make the Best Choice the Easiest Choice

Businesses, schools, families, and governments can take many steps to help people choose options that make them better off. Improving the built environment so that walking or biking is more pleasant than driving, or selling only healthy foods and drinks in school and business vending machines are obvious examples. Offering a demanding curriculum to all students and making the college-prep track the default option rather than making students proactively select the more rigorous course of study is something schools can do to improve educational quality. Making automatic savings programs the default for new employees is something that employers can do to enhance overall economic security.

Beware the Commonplace Threat

Few of us will die in plane crashes or terrorist attacks; our killers are more mundane—a daily lunch of a burger and fries; an unbuckled seat belt; chronic, low-level stress. The greatest danger to long-term employment prospects and the likelihood of marriage are the hundreds of small choices by children and those whose actions affect them that lead to a teen's disengagement from high school and the ultimate decision to drop out. To reduce risks and build resilience, we must recognize that danger often lurks in the familiar.

For a Long and Healthy Life

Address the social and economic disparities that breed ill health.

Low levels of income and education, discrimination and residential segregation, social exclusion, dangerous neighborhoods without places to exercise or buy healthy foods, substandard or crowded housing, the chronic stress that insecurity breeds—all these social determinants of health contribute to huge life expectancy gaps. Tackling social and economic disparities and improving the conditions in which people are born and raised hold the greatest promise for longer, healthier lives. Improvements in the other two subject areas of the American HD Index—education and income—are also critical to improvements in health.

Minimize people's exposure to health risks, especially to the fatal four: poor diet, tobacco, physical inactivity, and excess drinking.

Smoking, risky drinking, poor diet, and lack of exercise pose grave risks and are, in sum, the true leading causes of death in the United States. Minimizing these risks and the risks of trauma (homicide, suicide, and unintentional injury, including car crashes), which disproportionately affect men, especially male adolescents and men of color, is critical to lengthening the average American life span and closing gaps between groups. Priorities include improving the quality of food in daycare centers, schools, and poor neighborhoods; limiting the amounts of fat, salt, and sugar in commercially prepared food; banning advertising of such products to children; expanding bans on smoking in public places; and raising the driving age and lowering the blood alcohol limit to tackle the leading causes of car crashes.



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Creating neighborhood, school, and work environments in which **healthy choices are not just possible but probable** offers great promise.

Mitigate health risks through counter advertising, treatment programs, public information campaigns, and modifications to the environment.

Much can be done to mitigate existing health risks. Federal, state, and local governments as well as public-interest groups should invest in counter-advertising: innovative communication campaigns to provide a counterweight to the huge, enticing marketing campaigns used by the food and beverage industries. Making mental health care more widely available, less stigmatized, and more broadly covered by health insurance would help people develop healthy approaches to dealing with stress as well as manage a range of mental health conditions. Subsidizing weight-loss programs, along with others to help people break free of tobacco, alcohol, and drug abuse, and requiring insurance plans to cover such programs would help people to improve their health. Targeting men and boys with public health campaigns that advocate healthy coping mechanisms and convey the message that asking for help is a trait of the strong, not the weak, could help mitigate the disproportionate health risks they face. Creating neighborhood, school, and work environments in which healthy choices are not just possible but probable offers great promise.

Foster greater accountability for health disparities.

We need to monitor fundamental indicators of health, such as life expectancy, the rate of low birth weight, and the diabetes rate, with the kind of intensity we apply to baseball statistics and the gyrations of the stock market.

For Access to Knowledge

Ensure universal, quality preschool.

A quality preschool has been shown to be the single most powerful and cost-effective intervention to help disadvantaged young children learn the skills they need to succeed in school and get on the path to a life of choice and opportunity. The provision and regulation of early childhood education demands urgent attention. Despite consensus among researchers about the positive effects of preschool, many parents and policy makers have yet to recognize just how critical early childhood education is and what distinguishes a high-quality program from an inferior—and potentially harmful—one. Raising awareness of preschool among the public is crucial, because the costs of continued inaction are extraordinarily high.

Address head-on the high school dropout crisis.

Despite a rise in educational attainment over the past thirty years, the rate of on-time high school graduation has remained fundamentally unchanged. More than one-quarter of high school freshmen do not graduate in four years—if they graduate at all. Failure to graduate from high school is a harbinger of lifelong financial insecurity. Studies indicate that universal preschool would help mitigate the high school dropout crisis by helping children to develop noncognitive skills like persistence. The early warning signs that typically precede a child's dropping out of high school are now well established, allowing for the development of systems to identify, monitor, and engage at-risk youth that are being tested in states and districts across the country.

Invest in the education of immigrant children.

Whether their parents arrive in this country with high educational attainment or low literacy, with proper documentation or without, the children of immigrants deserve a fair shake from the educational system. Quality programs for English-language learners and other efforts to strengthen ties between schools, recent immigrants, and their children can help kids remain engaged in school. Immigrant children, especially Latino children, disproportionately attend large, poorly funded schools in central cities; a more equitable distribution of educational resources would help level the playing field. Latinos are the largest and fastest-growing minority group in the United States; ensuring that Latino children receive the education they need to thrive is vital not just to their futures but to the nation's.



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Ensure that all children have good teachers.

Teacher quality is the single most decisive classroom factor influencing student achievement. It is therefore imperative that teachers bring levels of education and training to their careers—and are rewarded with salaries—commensurate with the critical importance of their jobs. In middle-class suburbs, where schools tend to have better working conditions and higher pay, there is no teacher crisis; those schools are able to attract and retain skilled professionals. But in urban and rural schools that serve children from low-income, minority families, the crisis is real. Recruiting and retaining excellent educators in high-needs schools is fundamental to educational equity.

Deflate ballooning college tuition costs.

Between 2000 and 2008, college costs for both two- and four-year colleges increased by 30 percent. A college education costs more today than ever before, with increases in tuition and fees far outpacing inflation. Sticker-shock discourages would-be first-generation college students, and high costs saddle many of the rest with increasingly unsustainable debt burdens. Increased aid would help. But the runaway cost of college suggests it might be time to reconsider the business model upon which the entire system of higher education operates. Access to knowledge is a capability, not a commodity; no one should be priced out.

For a Decent Standard of Living

Protect young children from the risks of extreme poverty.

Extreme poverty imperils the cognitive, social, physical, and emotional development of young children, often causing harm that reverberates across the life course of the individual and triggers high costs to society in the long term. To ensure that early economic hardship does not preclude a child's capacity to flourish, poor parents must have support in meeting their children's material and emotional needs.

Increase educational attainment.

Those who fail to graduate from high school are all but condemned to lifelong financial insecurity as well as more frequent health and psychological challenges. Boosting the rates of on-time high school graduation, particularly among Latino and African American males, is a critical goal. So is expanding meaningful vocational training options for the seven in ten young people who do not graduate from college. For those students who begin college but struggle to finish it, we must provide support to help them complete a bachelor's degree.

Create and retain jobs.

The flood of job loss in many states denies people the financial benefits of a secure livelihood. Less acknowledged but equally important, loss of a job too often leads to a loss of identity; it robs people of the essential psychological benefits employment confers, such as agency, self-reliance, and a sense of belonging in society. Workers with outdated or insufficient skills, limited education, or residence in a region with a weak job market will likely struggle to find a job that pays a living wage. Job training and retraining are important to retain America's global competitiveness, mitigate the damage of this recession, and ease the hardships of an economy in transition. In addition, wage subsidies, such as extending the EITC to single workers, could help low-income men, the hardest hit by the current recession, stay afloat.



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Create incentives—and eliminate disincentives—for asset building among low-income people.

The working poor seldom earn enough to benefit from government incentives that foster asset building among wealthier Americans, such as the mortgage tax deduction. In addition, they rarely have jobs providing benefits like matching 401(k) contributions. Meantime, recipients of certain federal or state benefits face serious disincentives to save; having anything beyond a small sum in the bank renders the saver ineligible for further public assistance. Automatic enrollment in pension plans for all workers, matched savings accounts that allow low-income workers to build assets over the long term, children's accounts established automatically at birth, and greater asset protection, particularly related to housing, can help low-income households to build financial security.

Help families provide care.

Women represent half of the workforce. Yet babies and children, elderly family members, and the ill and disabled still need the care that women have traditionally provided—and continue to provide—free of charge. Paid leave for sickness and caregiving by men and women, on-site childcare at more workplaces, and childcare tax credits or direct subsidies for the working poor would help families deal with today's challenges.

Strengthen financial-sector regulation and improve financial literacy.

Individuals are increasingly responsible for their financial fate; the days of defined-benefit pensions that protect workers, for example, are gone, while mortgages on property have grown increasingly exotic and difficult to comprehend. Yet most people are no more financially skilled or savvy than in the past. Recent policy reforms indicate an awareness of these risks. Both greater regulation of the financial sector and greater financial literacy are vital.

Reform retirement systems to enable greater retirement security and reduce elderly poverty.

Due to major shifts in retirement systems, certain groups, particularly those with low skills and education levels, women, and LGBT households, are at higher risk of elderly poverty. Proposals to make 401(k)s a stronger vehicle for retirement security and to strengthen Social Security's long-term balance sheet are increasingly urgent as we prepare for an aging population. The institutions of American retirement must evolve with the times.

Addressing our most serious problems will take a measure of sacrifice from the public and mature political leadership that does not shrink from the reality of our challenges, or attempt to exploit them for partisan and personal gain. We trust that America once again will rise to the occasion.