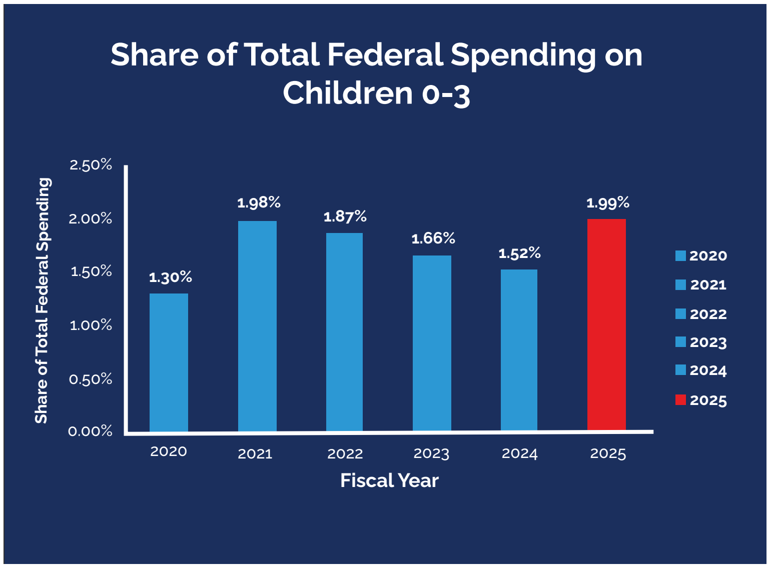
OVERVIEW OF THE FIRST FOCUS ON CHILDREN 2024 BABIES IN THE BUDGET

FIRST FOCUS ON CHILDREN

Babies in the Budget 2024 provides a comprehensive analysis of the share of spending allocated to children ages 0 – 3 across more than 150 government programs in the federal budget. This analysis tracks domestic spending on infants and toddlers, including both mandatory and discretionary funding across numerous agencies in 11 different departments. For the purposes of this study, First Focus on Children categorized federal programs into 6 investment areas: Early Childhood, Health, Housing, Income Support, Justice and Child Protection, and Nutrition. Each chapter includes background on children's well-being and urgent needs, an analysis of the current spending trends, and a brief overview of how children ages 0–3 would fare under the President's FY 2025 budget request. The health chapter is organized into four categories, including Health Care Coverage, Infant and Maternal Health, Mental Health, and Environmental Health.

In our specific analysis of infant and maternal health programs and services, we find that despite important increases to some programs, additional and substantial support is needed to improve the mortality, health, and well-being of infants and mothers. The share of federal funding for infant and maternal health and well-being experienced a 39.7% increase between FY 2020 and FY 2024, the majority of which is due to increased Medicaid funding during that time. Programs including Infant and Early Childhood Mental Health; Vaccines for Children; Screening and Treatment for Maternal Depression; Adverse Childhood Experiences; the Maternal, Infant, and Early Childhood Home Visiting Program; and Safe Motherhood/Infant Health Programs also experienced increases during that period. However, the share of funding for infant and maternal health and well-being peaked in FY 2023 at 0.8% and fell to 0.75% in FY 2024. Infant and maternal health and well-being programs receive well under 1% of the share of federal funding, and this number is wholly inadequate to meet the challenges that these populations face.



Overall, our analysis finds that for the third straight year, the share of federal spending on children ages 0-3 declined, from just 1.98% in FY 2021 to a mere 1.52% in FY 2024. Despite a modest increase in total estimated spending on children ages 0-3 in FY 2024 from FY 2023, resources dedicated to them still declined as a share of federal spending, dropping from 1.66% in FY 2023 to 1.52% in FY 2024. This demonstrates that the growth in the total federal budget is outpacing what we spend on our youngest children. On top of that, the small increase in FY 2024 funding failed to keep up with inflation, ensuring that support for babies lags behind the estimated average rise in the cost of living for families.

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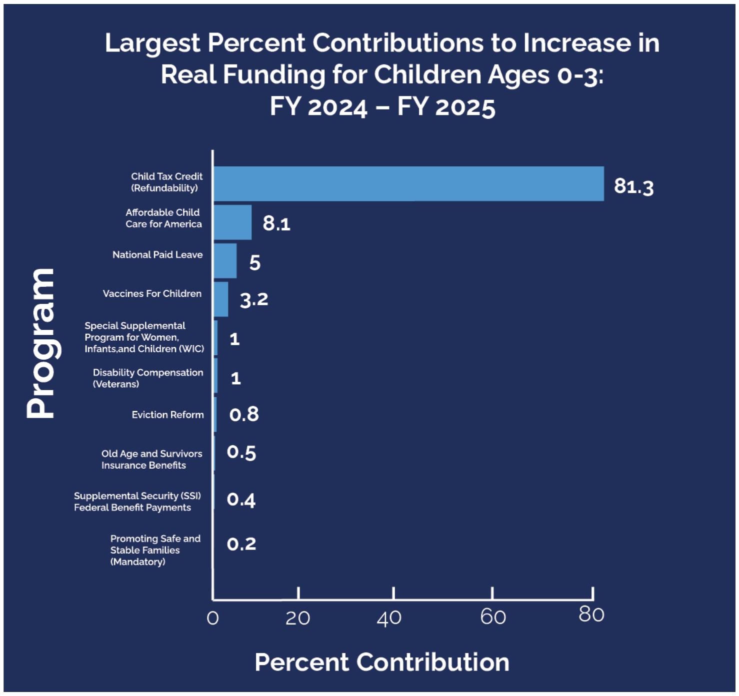
With the growth in the federal budget, the share of federal spending on infants and toddlers was 17% higher in FY 2024 (1.52%) than in FY 2020 (1.30%). However, it is important to state that the share of federal spending on children ages 0-3 in all years analyzed remains alarmingly and unacceptably low. The COVID-19 pandemic spurred a surge of investment in infants and toddlers with historic expansions of programs including the Child Tax Credit (CTC) and Supplemental Nutrition Assistance Program (SNAP), as well as temporary measures such as Economic Impact Payments, but even these investments left the share of federal spending on infants and toddlers at just under 2%. And since the end of this national crisis, Congress has clawed back most of these wins for children, resulting in a steady three-year decline in the share of spending devoted to infants and toddlers. Dramatic cuts to SNAP drove the year-over-year decline in spending on infants and toddlers more than any other single factor. SNAP benefits for infants and toddlers fell $2.168 billion between 2023 and 2024, creating an inflation-adjusted spending decline of nearly 24%. Without this significant SNAP cut, the net funding for babies would have been relatively flat. The impact of these cuts to SNAP dwarfed the effect of all other reductions in funding (see graph below) and counteracted any increases seen in some programs benefiting children ages 0-3.

One bright spot in the FY 2024 budget was an increase in discretionary funding for babies that partially offset the dramatic cuts to SNAP. Driven by increases in programs such as WIC, the Child Care and Development Block Grant, Tenant-Based and Project-Based Rental Assistance, and Head Start and Early Head Start, the share of discretionary funding for babies in the budget as a share of total discretionary spending increased from 0.95% to 0.97%. These hard-fought wins cushioned the blow for our youngest children but were not nearly enough to offset the dramatic decreases in mandatory spending on babies caused by expiration of Covid-era programs and expansions that disproportionately benefited babies.



The pandemic forced lawmakers to temporarily reckon with the chronic underfunding of children's programs. Unfortunately, too many in Congress have failed to internalize the important investment lessons from the pandemic and its economic fallout – those pandemic-related investments cut child poverty in half in 2021. Since the pandemic, lawmakers have dismantled nearly all the gains for infants and toddlers. Still, many champions for children in Congress continue to prioritize our youngest in federal budget decisions and fight to maintain funding and even increase investments in some programs. Despite their efforts, the share of federal spending on infants and toddlers is alarmingly low and declining. This underinvestment is a missed opportunity to nurture the next generation during its most critical period of development and to address economic and social inequities.

President Biden's FY 2025 budget proposal offers a path forward to entrench transformational investments in babies, increasing total spending on babies by $38.8 billion. This figure would represent a nearly 35% increase in spending — even after adjusting for expected inflation. The share of the federal budget going to babies would increase from 1.5% to just under 2%. These significant increases offer a welcome step in the right direction, but it is important to note that they still represent just a fraction of what is needed to meet the needs of all infants and toddlers. The President's proposed expansion of the CTC, including a measure to allow even the lowest-income families to receive it, provides the biggest driver of this growth in investment. The expanded CTC would increase money available for babies by almost $28 billion dollars, an inflation-adjusted increase of 630%. This one measure alone represents 81.3% of the total inflation-adjusted increase in funding for babies in the President's budget. Other significant investments in babies include new proposals such as Affordable Child Care for America and National Paid and Family Medical Leave.