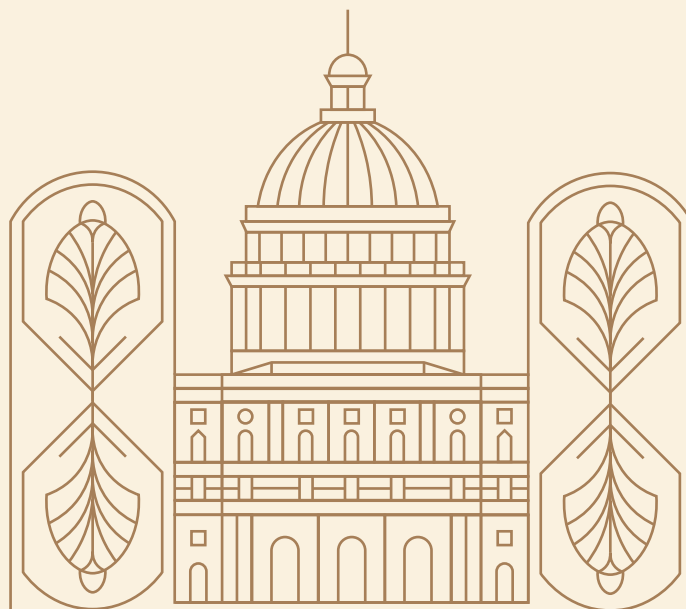




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# ABOUT THE JOURNAL

*The Public Purpose Journal* is a peer-reviewed interdisciplinary journal presenting the work of American University graduate students from the Departments of Government; Justice, Law, and Criminology; and Public Administration and Policy. Founded in 2002, The Public Purpose is supported by the SPA Graduate Student Council with the involvement and guidance of the Faculty Review Board, consisting of some of American University's most distinguished professors. In addition to an annual print journal, The Public Purpose also manages an online public affairs publication ([thepublicpurpose.com](http://thepublicpurpose.com)). The journal is entirely student run and currently has a staff of about 25 students.

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# FROM THE EDITORS

Dear Readers,

What an honor it is to present to you the 20th edition of The Public Purpose Journal, an academic journal by and for graduate students in American University's School of Public Affairs (SPA). We are privileged to have the opportunity to build on 20 years of excellence in public affairs research in The Public Purpose Journal (PPJ) and in SPA as a whole. As a student-run organization, we are grateful to the Graduate Student Council and the Dean's office for their support.

We are so proud of the sustained presence that the PPJ has maintained on campus over the past 20 years, providing professional development and a constructive outlet for two decades of graduate scholars. This year stands as a testament to the journal's staying power. We received a record-breaking 32 submissions to this year's print journal, making it exceedingly difficult to narrow it down to the pieces presented here. We are so grateful for the interest and involvement we have received from our peers. We hope this is an indication of continued future success for the PPJ.

As we reflect on 20 years of public affairs, it is striking to notice the common and enduring threads, as well as the new issues that capture our attention. In 2003, a committee within the School of Public Affairs Graduate Council (now the Graduate Student Council) founded the first edition of the PPJ, which featured four articles and three research notes speaking on themes such as civil rights, democracy, criminal justice, and religiosity in politics. All of these themes continue to be a source of debate in the classrooms of SPA today, as well as in the pages of the PPJ. But in recent years we have also seen our field turn its focus to issues such as climate change and, most recently, the COVID-19 pandemic.

While the PPJ typically publishes six to seven print articles a year, for this special anniversary edition we extended the journal to include 16 articles, an undertaking made possible by the dedication of our editing staff, faculty reviewers, and authors to an efficient and thoughtful editing process. We thank the entire print team for their hard work, which has certainly paid off. We thank our fellow executive board members for their support behind the scenes and their dedication to the mission of the journal, especially Managing Online Editor Ryan Fisher for his APA style and formatting know-how and Communications Director Gaspard Delaoustre for his iconic original cover design. And we thank you, readers, for your continued engagement with the PPJ.

We believe that the work presented in the following pages reflects the best of what SPA has to offer, featuring outstanding work in the fields of public policy, public administration, government, justice, law, criminology, and terrorism studies. While the pieces cover a wide variety of issues—from environmental remediation and immigration to public benefits and the COVID-19 response—they are tied together by their careful thought, thorough research, and demonstrated expertise. All the pieces, we believe, respond to the ever-present question in our field, "What is our public purpose?" That is the question we hope The Public Purpose Journal will continue answering for decades more to come.

Sincerely,

Amanda Hermans, Solai Sanchez, & Karen Caspa  
Editor-in-Chief | Managing Print Editor | Associate Print Editor



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2021-2022

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## **HIGHER-EDUCATION FOR EVERYONE: HOW CORPORATE INCOME TAX CAN MITIGATE THE STUDENT LOAN CRISIS**

Marcel Ano Akhame

### **Abstract**

*The United States remains the OECD country with the third highest spending on higher education per student as a share of per Capita GDP (Delisle & Cooper, 2019). However, its related problems are numerous, and many of its residents—especially African Americans and other communities of color—lack access to this increasingly necessary level of education. Even when granted access, many are left with unmanageable debt. This debt often reduces generational wealth and spending power, and importantly also restricts their socio-economic mobility. In this paper, I examine whether an improved Pell Grant—funded through an increase in corporate income tax—may be an effective avenue for addressing the student loan crisis. This could be accomplished by making college debt free for all low- and middle-income recipients attending public colleges. Also examined is the student loan debt crisis and a complimentary cancellation of all outstanding student loan debt. Finally, I address potential criticisms of these policy options and discuss alternatives that may mitigate them while also producing maximal positive impact.*

### **Introduction**

Government action—such as the cancellation of student debt and increasing education opportunities for low and middle-income students—is needed to address the worsening student loan crisis. Increasing the corporate income tax rate, closing existing loopholes that allow the ultra-wealthy to avoid taxes, and increasing the oversight capacity of the Internal Revenue Service (IRS) may represent efficacious methods of raising the funding required for these policy options.

Canceling student debt and increasing the rate and effectiveness of the corporate income tax are necessary because student loans place a heavy burden on many young borrowers. These borrowers include those who took out loans but failed to graduate, borrowers who graduated and were unable to secure a livable wage, and borrowers who graduated, found employment, but have yet to earn enough to cover interest costs. Undergraduate student loan interest is currently 3.73%. Even the most highly paid professionals can struggle to pay off both their principal and interest. Additionally, many Americans miss out on the opportunities that accompany the attainment of a college degree due to their fears of debt (Looney et al., 2021). This issue requires a two-part solution: the government must address previously overlooked failures of this system (high student loans) and dismantle the economic barriers to higher education so as to avoid recurrence of this issue.

The expenditures required for this policy change would require financial assistance from increasing taxation of the ultra-wealthy. This would be done through increasing the corporate tax rate to 35% and closing loopholes like accelerated depreciation, offshoring profits, awarding stock options, and maximization of tax credits. This would increase the federal government's ability to address economic and wealth inequality; and address racial disparities in higher education, intergenerational social mobility, and wealth. In the following subsections, these topics are addressed in greater detail, providing discourse on effective alternatives and possible criticisms.

### **Externalities of Higher Education**

Addressing the student debt crisis is important because, in our current economic system, employers are increasingly favoring those with a four-year college degree. In fact, 41% of employers are hiring college educated workers for positions previously held by those with high school degrees (CareerBuilder, 2016). Additionally, higher education greatly benefits the educated and society at large. For the educated, it can lead to a better quality of life, since educational attainment is associated with employability, higher earnings, lower unemployment, greater labor market flexibility, and greater economic and social mobility (Psacharopoulos, 2012). These personal benefits can lead to social benefits such as: higher productivity, higher net tax revenues, lower crime rates, better social cohesion, and less overall reliance on government financial support, amongst other benefits. And with their

educational attainment and the corresponding stability it can provide, graduates are less likely to commit crimes (Psacharopoulos, 2012). In sum, the higher education system treats education like a private good with enormous social costs. To improve this system, the costs of higher education ought to be reflective of the positive social impact that increased education attainment provides.

### **Racial Disparities in Higher Education & Intergenerational Social Mobility**

Reducing student debt also acts as a means to increase the social mobility of Black Americans, addressing racial disparities in college attainment, and decreasing the racial wealth gap. The change will reflect a greater increase in participation as compared to 2011, when 34% of whites completed a four-year college degree, compared to just 20% of Blacks and 13% of Latinos (Sullivan et al., 2016). Essentially, many barriers to college attainment remain for people of color, and it is important that policies intended to address this are implemented. Cost remains a key reason that this disparity persists. In addition to attainment gaps, the returns of a college degree vastly differ across racial and ethnic groups: on average, a white family typically sees a return of \$55,869 in wealth from completing a four-year college degree, while Black and Latino families typically see a return of just \$4,846 and \$4,191 respectively. This racial disparity in wealth is partly explained by their greater need to take on debt to pay for college, as loan payments decrease their ability to save and access key wealth-building resources like houses (Sullivan et al., 2016).

Improved recruitment policies for Black and Indigenous People of Color (BIPOC) may decrease the racial disparities in social mobility in the future, as after controlling for college attainment, this racial disparity is decreased (Chetty et al., 2018).

### **The Pell Grant & Debt-Free Higher Education**

The Pell Grant was originally created in 1972 as the Basic Educational Opportunity Grant. It was modeled after the GI Bill, which successfully demonstrated the lasting economic barriers to participation in higher education, as its implementation indirectly increased college attendance and attainment rates (Mullin, 2013). The policy was progressive for its time because it shifted the financial burden from institutions to the government, so students would receive funds directly (Lumina Foundation, 2020). The objective of the Pell Grant was to ensure that low-income students had equal access to higher education. By 1978, Senate leadership pushed for increased access to this grant funding. Because the Pell Grant total amount remained the same, the increase in access led to a decrease in average grant award. From the 1980s onward, there were attempts to increase the overall appropriation, so students had higher grant maximums (Lumina Foundation, 2020). Unfortunately, due to the political landscape in the Reagan era, there was not an increase, and maximum Pell Grant awards paled in comparison to the adjusted aid given in the 70s.

Although individual Pell Grant continues to decrease, it is responsible for narrowing the college-attainment gap between low- and middle-income students and students of greater income. The Pell Grant boosts college enrollment numbers, reduces college drop-out rates, and improves student graduation outcomes, meaning students are more likely to graduate within 4 years (Protosaltis & Parrott, 2017). Despite their proven success, Pell Grants now cover an increasingly minimal share of college costs for low- and middle-income award recipients. As of 2017, Pell Grants cover just 29% of the average costs of tuition, fees, room, and board at public four-year colleges (Protosaltis & Parrott, 2017). This demonstrates the central issue with the current Pell Grant: what initially provided greater access to higher education for all low- and middle-income students, is now a large expenditure that hardly moves the needle for individual students.

The Pell Grant ought to be restored to its original objective: removing the economic barriers to higher education for all low- and middle-income students across the country. The proposed change to the Pell Grant program would fully fund the undergraduate education for all students who are currently eligible for the Grant and attending public schools through an increase to the total Pell Grant purse. This would be paid for through the tax revenues collected from increasing the corporate income tax to 35%. The new Pell Grant would alleviate the lasting racial disparities in higher education and intergenerational social mobility and would likely reduce the racial wealth gap.

### **Cancellation of Student Debt**

As of 2020, national student debt totaled \$1.70 trillion (Hanson, 2021). According to the Brookings Institution, several factors are involved in explaining this failed system: increase in attendance, tuition, and cost of living, as well as an increased presence of low- and middle-income students (Roll et al., 2021). Costs of college attendance have also increased, but have not negatively impacted attendance, which implies that students are forced to borrow more funds to attend university, which requires more time to pay off (Monks, 2014) Government action – such as eliminating income limits on who can borrow for college, increasing the ceiling on how much undergraduates can borrow, and eliminating the limits on how much parents and students can borrow – have exacerbated the issue (Looney et al., 2021). Other factors such as state and university admissions and financial aid policies, and academic outcomes play a role in determining student debt levels as well (Monks, 2014). More specifically, the states have varying amounts of aid given to students and their universities, and universities all have different policies regarding admissions such as high school grades, major selections, tuition assistance needs, etc. All of these factors cause varying levels of borrowing amongst students.

Student loan debts impede the agency of students to make other financial decisions and commitments; start families; save for retirement; and save for larger purchases in the future (Roll et al., 2021). This can lead to less small business creation and investment, and more reliance on government social programs. As a result of the challenges that Americans currently face with paying off their student loans, and the reliance upon government action, the cancellation of all federal student loan debt is necessary. Doing so would increase the quality of life and agency of college graduates and provide numerous social benefits for communities.

### **Corporate Income Tax: Current Landscape of Corporate Taxation in the U.S.**

The current landscape of corporate taxation is bleak, and income and wealth growth have favored those at the top. In recent decades, the top 1% have amassed greater shares of the total US wealth at the expense of low- and middle-income Americans. In fact, the share of aggregate wealth held by the top 1% rose from 22.9% in 1979 to 34.9% in 2019. Conversely the share held by the middle 40% has decreased from 33.3% to just 27.8% (Hanlon & Hendricks, 2021). This worsening inequality negatively impacts economic growth in the United States. More specifically, as inequality worsens, it undermines the education opportunities for children from low-socioeconomic backgrounds, lowering social mobility and hampering skills development (Cingano, 2014). This rate and its implications necessitate a timely implementation process of the proposed policy options. Beyond policy change at the state and university level, federal action may be necessary to improve the situation. One significant factor allowing the rich to avoid taxation is the lack of capacity at the Internal Revenue Service (IRS) to fulfill their mandate. The IRS has lost thousands of experienced and skilled enforcement personnel due to severe budget cuts and a nearly decade-long hiring freeze. This has left the IRS with a dearth of agents able to thoroughly examine the tax returns of millionaires and large corporations (Hanlon & Hendricks, 2021). This benefits millionaires and large corporations who do have the funds and incentive to decrease their tax burden, and the audit rates of millionaires and the largest corporations have plummeted by more than 60% and 50% respectively. The Center for American Progress indicates that the United States loses at least \$175 billion each year to tax avoidance by the richest 1% (Hanlon & Hendricks, 2021). This amount includes tax avoidance schemes such as: offshore tax shelter usage by the largest corporations and millionaires, underreporting income using pass-through entities. Addressing these tax avoidance schemes would likely increase federal government revenue and increase the affordability and feasibility of expensive social programs.

Despite the currently low corporate income tax rate of just 21%, corporations actually only pay 11.3%. In fact, 55 of the largest corporations pay no tax at all. This is due to the various loopholes like accelerated depreciation, offshoring profits, and stock options. Accelerated depreciation allows companies to deduct the costs of a large asset over a period at a rate that exceeds the actual depreciation of the asset. The Tax Cuts and Jobs Act (TCJA) signed by former president Donald Trump in 2017 “improved” this tax break, as it made “full expensing” legal. Full expensing allows corporations to write off the entire cost of an investment in the year it was made. Offshoring profits entails incorporating outside the U.S. to countries—or tax havens—with minimal tax rates, even though a significant portion of their operations remain in the U.S. The big tech companies alone disclosed total revenues made abroad and held offshore of more than \$100 billion (Fuhrmann, 2021). Stock options involve awarding executives the option to buy shares at a specific price in the future; should the stock price rise, the

executive would make a lot of money. This gives companies the ability to report higher profits to shareholders than they report to the IRS, essentially saving billions on taxes.

The TCJA eased tax avoidance for millionaires and large corporations when it cut the maximum corporate income tax rate from 35% to 21% (Gale et al., 2018). The tax cuts provided by TCJA were supposed to lower the tax burden on the rich, who would then be incentivized to invest more and spur economic growth. They have not had the intended effect. Wealth from the top income and wealth bracket has not trickled down to low- and middle-income communities. Rather than addressing economic inequities, the TCJA worsened them by increasing the tax burden on low- and middle-income Americans while decreasing tax burden on the top income bracket. This trend has been recognized by the U.S. Treasury that has seen decreases in tax revenues; and individual income taxes have seen increases to offset this tax cut (Gale et al., 2018). The flaws of the U.S. corporate tax system, and the burdens set by the TCJA have increased inequality, leading to a less dynamic and just economy (Hanlon & Hendricks, 2021). The corporate tax rate should be restored to its previous level of 35%. By increasing the corporate tax rate, and addressing the many loopholes discussed here, the U.S. would greatly increase the affordability of providing free college education for low- and middle-income students.

### **Potential Criticisms**

#### *Criticisms of Pell Grant Increases & Debt Free College:*

An initial criticism of increasing the Pell Grant would address the costs needed, and that the federal government cannot afford a yearly expenditure of this magnitude. While this argument may have some merit, as the U.S. has public debt north of \$30 trillion, this country continues to pay for what it prioritizes. Should enough citizens and leaders prioritize these policies, the costs are not an issue. Still, 6.8 million college students received Pell Grants in 2019, with an average award of \$3900, with a total expenditure of \$26 billion (Hanson, 2021). This paper calls for increases of more than double the current yearly expenditure. However, that figure is much less than the increases to federal revenues expected when corporate income tax loopholes are addressed. A debt-free program covering tuition, books, fees, and room and board, would cost just over \$100 billion each year for *every* American student, regardless of parent income (Hanson, 2021; Carnevale et al., 2020). The proposed plan would be restricted to only those currently eligible for the Pell Grant program—a little more than 30% of undergraduate students in 2019 – which would greatly decrease the cost of the policy option (Hanson, 2021). The yearly cost would be approximately \$60 billion per year, certainly less than the estimated \$175 billion lost to tax avoidance by the top 1% alone.

Should this free college plan not be passed, Biden’s free-college plan is a suitable alternative – particularly for students in the bottom quintile—as 29% of funds associated with this program would contribute toward their education. The Biden free-college plan would make community college *tuition* free for all students as well as students at four-year public colleges with an income cap of \$125,000. This income cap would leave a large base of eligible students, as approximately 80% of students attending four-year public colleges and universities are from families with incomes under this cap (Carnevale et al., 2020). Further, Biden’s plan would provide increasing benefit for underserved communities at the bottom quintile. This may represent an effective means of addressing racial disparities in social mobility and closing racial wealth gaps—although its effects would still not address an issue necessitating policy change: low-income students may still be forced to take on debt to afford the other associated costs of college. The estimated costs for the Biden plan are \$49.6 billion in its first year; but should Biden’s plan be seen as a still too expensive an expenditure, the plan could be revised to cover only tuition for all students at community colleges, which would cost \$14.3 billion. This plan would deviate from racial-justice and inequality focused elements of previously proposed plans. In order to have the most far-reaching impact, it seems beneficial to pass and implement the initial policy option:

#### *Addressing Criticisms of Student Loan Cancellation:*

Many challenges arise for some when addressing the student debt crisis—every borrower requires an individualized solution, some of which are difficult for some stakeholders to support. Data shows that the average defaulter is more likely to have less student loan debt than average, more likely to be older, a college dropout, a Pell Grant recipient, and come from underrepresented backgrounds in comparison to those who never default (Miller, 2017). This leads many to suggest that student debt cancellation is capped below \$10,000. Additionally,

the holders of the largest debt are more likely to work in careers with higher-than-average earning potentials that better allow them to afford their payments. Specifically, many proponents of student debt cancellation reject proposals that would see debt canceled for high-income earners with expensive graduate and professional school degrees. Still, those at the top income and wealth brackets do not need to take on debt to get an education. Student debt cancellation would ensure that borrowers who are upwardly mobile (rising to a higher social or economic position) are not penalized for being successful in their chosen field. Policy alternatives may be needed to address the severe challenges faced by the first group of borrowers, without subsidizing the lives of the upwardly mobile. To address cost and equity criticisms simultaneously, an effective policy alternative could either limit eligible recipients of loan cancellation to those of a certain income level or utilize a formula that estimates need using factors like income, debt totals, and family size. Another policy alternative could be a widespread forgiveness of a relatively low amount of student debt, like \$10,000—similarly to Biden’s proposal during the previous election. This type of student loan cancellation would disproportionately benefit low-income borrowers who are more likely to have dropped out or attended a predatory for-profit university and lack the income to pay off loans that some may see as comparatively low (Miller, 2017).

#### *Addressing Criticisms of Increased Corporate Tax:*

Critics of no-cost college may expect an increase in the real corporate income tax rate would only increase the incidence of current tax avoidance schemes and provide improved rewards for discovering new avoidance schemes. Previously, rather than implementing policy alternatives to address the problems of corporate tax avoidance and evasion, the U.S. government has decreased real corporate income tax rates instead, thus continuing the cycle. Instead, the U.S. government could fund a division of the IRS, or a new agency with the explicit responsibility of seeking out tax policy loopholes and advising the government on the most effective way of closing them. Additionally, a high corporate income tax rate could put the U.S. at a competitive disadvantage compared to other countries with less corporate income tax rates. This challenge can be addressed through the implementation of a global minimum tax rate. Efforts on this front are already underway, as a global deal to ensure that big companies pay a 15% minimum tax rate has been agreed upon by 136 countries—over 90% of the global economy (Thomas, 2021). A global minimum tax rate may not completely erase the issue of tax sheltering, but its implementation would significantly reduce the impetus for doing so, as corporations would lose the ability to shelter their earnings in zero percent corporate income tax countries.

#### **Political Feasibility**

Although the Democratic Party currently maintains control of the House of Representatives and Presidency, the many competing priorities on the policy agenda, such as Biden’s Infrastructure Law and the Build Back Better plan, make all proposed policy options mentioned here likely unfeasible. Importantly, this infeasibility is not due to a lack of citizen support of the broad objectives discussed here. As of 2019, a 62% majority of Americans viewed the federal tax system as unfair and 71% of Democrats across income levels favor tax raises on households earning over \$250,000 (Pew Research Center, 2019). Additionally, “over 66% of Americans favored some form of loan forgiveness, either by forgiving loans for everyone with student debt (27%) or for those in need (39%)” (Hanson & Rawhouser-Mylet, 2021). Also, due to the current gridlock in the legislative branch, and the equal split in the Senate, the likelihood of changing the corporate income tax rate, or removing economic barriers to higher-education—especially to address racial disparities—are likely quite low. Regardless of this, the policy agenda is currently quite dynamic, and this may change at any moment.

#### **Conclusion**

The student loan crisis greatly lowers the quality of life of many non-wealthy Americans. The higher-education and current tax systems continue to exacerbate racial wealth gaps and racial disparities in intergenerational social mobility. To address these issues, corporate income taxes must be restored to the previous figure of 35% and the many loopholes must be addressed in this system to increase the tax burden on corporations and by extension, the ultra-rich. This increase in government revenues should offset much of the associated costs of a Pell Grant Program intended to fully fund higher education for low- and middle-income students attending

public universities. Should this policy be implemented, the racial disparities in education attainment, and wealth may finally be lessened.

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## **STORMWATER MANAGEMENT IN CHICAGO: A COST-BENEFIT ANALYSIS OF THE MCCOOK RESERVOIR, GREEN ROOFS, AND RAIN BARRELS**

Amelia Bell, Ryan Fisher, Guoyang He, Gracelyn Trast

### **Abstract**

*This cost-benefit analysis evaluates stormwater management options in Chicago by comparing the welfare effects of the McCook Reservoir expansion to green roofs and rain barrels, two leading forms of green stormwater management promoted by the EPA. Cook County, Illinois, has invested heavily in its Tunnel and Reservoir Plan (TARP), which serves as the region’s primary means of stormwater management. Based on our findings, Chicago should invest in green stormwater infrastructure to supplement the TARP, maximize co-benefits, and proactively address climate change’s intensifying impacts. First, the city should consider a subsidy program to incentivize residential green roofs. Then, if funds remain, Chicago should further research the most cost-beneficial scenarios for targeted rain barrel programs, such as a public awareness campaign on their benefits in high-risk, flood-prone areas. Expanding green roof programs to encourage broader residential implementation—ultimately, doubling the city’s existing green roof space—would improve stormwater management, limit combined sewage overflows (CSOs), and better prepare Chicago for increased rainfall.*

### **Introduction**

In the summer of 2020, a First Street Foundation (2020) analysis found that 13% of Chicago properties are at substantial flood risk, and this percentage is only projected to increase. Though Chicago has long suffered from flooding, this risk still causes concern. Cook County has invested heavily in the Tunnel and Reservoir Plan (TARP), and Chicago has become a leader in green roof implementation. However, these stormwater management methods fall short of the city’s needs in their current form. Moreover, the U.S. Global Change Research Program projects climate change to increase rainfall and heavy precipitation in the Midwest, stressing existing stormwater management infrastructure (Angel et al., 2018; Easterling et al., 2017). As a result, Chicago will face more intense flooding in the coming decades, levying a high cost on the city’s residents.

Therefore, Chicago needs to increase its capacity to control runoff and improve its stormwater management to meet current needs and adapt to worsening climate impacts. This study conducts a cost-benefit analysis of three forms of stormwater management—green roofs, rain barrels, and deep tunnels and reservoirs—because these are standard practices with varying degrees of proactivity and sustainability in Chicago.

Environmental economics traditionally classifies stormwater management as a public good that the government must provide to its residents. For example, large-scale projects like the TARP offer no private market in which city residents can participate, and the government must use public funds and policy to provide an efficient provision of stormwater management. For low-impact development like green roofs, rain barrels, and retention ponds, stormwater management aligns with Wichman’s (2016) definition of “impure public goods.” These goods provide both public and private benefits, but their stormwater management outcomes are public benefits spatially linked across the watershed (Burnett & Mothorpe, 2019). For both public works and low-impact infrastructure, government action is required to influence residents’ behavior and ensure an adequate level of stormwater management across the community. Not only does Chicago experience regular flooding from heavy rainfall and insufficient capacity to manage stormwater, but runoff also pollutes local waterways. This market failure, combined with the public-good nature of stormwater management, places the onus on the city to take action.

As climate change worsens, Chicago needs to promote adaptation and sustainability, especially in infrastructure. The city has an opportunity to adapt to climate change through improved stormwater management, preparing Chicago for increased rainfall, and reducing the intensity of future floods. In the face of climate change, the city can adopt or expand many forms of stormwater management to address these problems, each with varying degrees of proactivity and sustainability.



## Background

Across the U.S., cities and municipalities have considered and implemented green and gray infrastructure policies to manage watersheds and stormwater runoff. Cost-benefit analysis allows policymakers to gauge whether incentivizing and subsidizing green infrastructure is a socially beneficial way to manage stormwater. This analysis can inform Chicago's design and implementation of a green infrastructure requirement.

For example, Chicago's Green Permit Program offers builders, contractors, developers, and homeowners an expedited permit process and support for planning green roof projects (Department of Buildings, 2012). Currently, Chicago has 5,564,412 sq ft of green roofs, holding an estimated 127,883,932 gallons of stormwater annually. Only Washington, D.C., a third of Chicago's size, outpaces the city in its total area of green roofs (Stand & Peck, 2019).

In 2011, Chicago's Sustainable Backyard Program provided 420 \$40 rebates for rain barrels, funded by the Environmental Protection Agency's Pollution Protection Program (Department of Water Management, 2014). Though the city still encourages rain barrel use, it currently has no program to incentivize rain barrels.

The Metropolitan Water Reclamation District of Greater Chicago (MWRD) is currently constructing the McCook Reservoir expansion outside city limits as part of the TARP to decrease flooding and CSOs in the greater area. The MWRD completed the first stage of the reservoir in 2017 with a storage capacity of 3.5 billion gallons. Following its expansion, McCook Reservoir will provide "an estimated total of \$143 million per year in flood reduction benefits" to the county (Fore, 2017, p. 2). The Army Corps of Engineers (USACE) and MWRD fund the project and will operate the reservoirs once completed (Chicago District, n.d.). Since the City of Chicago does not fund the TARP but reaps its benefits, our study explores whether the city can supplement TARP with cost-beneficial green infrastructure development.

## Methodology

Our study compares three forms of stormwater management—green roofs, rain barrels, and deep tunnels and reservoirs—against the *status quo*. Currently, Chicago does not have established requirements or subsidies for stormwater management but utilizes the MWRD's existing deep tunnels and reservoirs to mitigate flooding and CSOs. Our population of interest is the residents of the City of Chicago, Illinois, and this study focuses on the costs and benefits within the city. However, we also discuss the social benefits of reduced pollution for the broader Lake Michigan and Great Lakes region.

The time frame for our analysis includes construction plus operation over each program's expected lifespan. Due to the different time frames of the McCook Reservoir, green roofs, and rain barrels, we calculate the equivalent annual net benefit (EANB) for each project to compare the three policy options. The EANB—calculated by dividing the net present value (NPV) by the annuity factor with the same time frame and discount rate—yields an annualized measure of a program's NPV over its lifespan. The EANB allows for the comparison of programs with different time frames on an equal measure.

### *Standing:*

This cost-benefit analysis assesses if the McCook Reservoir Phase II, green roofs, and rain barrels improve social welfare for Chicago residents. The MWRD, a state special-district agency that serves the broader Cook County area, conducts most of Chicago's stormwater management through its TARP. Alongside funding and support from the USACE, the MRWD expects to complete its expansion of the McCook Reservoir by 2029. Because TARP serves Cook County as the region's primary means of stormwater management, we first assessed the costs and benefits of McCook Phase II for the entirety of Cook County. We then portioned these values by household to isolate the welfare effects within Chicago using data from the U.S. Census Bureau (2020b, 2020c). Isolating the effects within Chicago allows equal evaluation of all three policy options.

This analysis compares the McCook Reservoir to green roofs and rain barrels, two leading forms of green stormwater management used at EPA facilities (Office of Mission Support, 2017). In evaluating the net benefits of green roofs and rain barrels, we assume the city would subsidize their installation, which is typical for these policies across the country. City residents and homeowners receive the primary benefits of municipal green infrastructure, so we estimate the costs and benefits of green roofs and rain barrels only for Chicago residents.

*Parameters:*

Across this study, we used a standard marginal cost of public funds (MCPF)<sup>1</sup> of \$1.20 to capture the real opportunity cost of government spending. We scale all costs borne by the government accordingly by a factor of 1.20. The installation cost of green roofs and the purchase cost of rain barrels fully factor in the MCPF to provide a more conservative estimate that does not hinge on the subsidy level. Notably, our analysis estimates green roofs' premium costs and benefits to isolate welfare effects independent of standard residential roofs.

Across our estimates, detailed for each policy option in the following section, we adjusted all values to 2020 U.S. dollars based on the U.S. Bureau of Labor Statistics (2021) consumer price index for all urban consumers in the Chicago metropolitan area (CPI-U Chicago). We then project the inflation-adjusted costs and benefits across the expected lifespan of each program, discounted at rates of 3% and 7% based on EPA best practices (National Center for Environmental Economics, 2014). A 3% discount rate best reflects the time preference for public and long-term projects like these stormwater management options, so we use 3% as the primary discount rate in our discussion. Our results and sensitivity analysis also include a 7% discount rate, which best reflects the time preference for private investment.

Additionally, our estimates monetize intangible<sup>2</sup> (i.e., non-market) social costs and benefits in several categories, including flooding and pollution reduction, homeowner installation, and upkeep. This study uses the average household willingness to pay (WTP)<sup>3</sup> per watershed service of \$6.99 from Castro et al.'s (2016) contingent valuation to capture intangible secondary benefits, including habitat preservation, recreation, and other watershed ecosystem services. Though Chicago residents' total WTP for watershed services is imprecise relative to each program's effectiveness, including a household WTP of only one watershed service provides a more conservative estimate.

*Limitations:*

Stormwater management policies primarily seek to decrease flooding, making the shadow price of these benefits critical to each program's NPV. This shadow pricing requires estimating the relationship between water storage and flooding and then monetizing each program's estimated flooding reduction. We assume that annual water storage as a percentage of yearly runoff approximates the flooding reduction of green roofs and rain barrels. We calculated runoff based on the average annual rainfall in Chicago of 36.89 inches and the average lot size in Chicago (Chicago Weather Forecast Office, n.d.; Heskes, 2012). According to Festing et al. (2014), the average cost of a household flood in the Chicago area equals \$4,560, with roughly 6.55% of households experiencing a flood each year, totaling \$298,515,823 annually. Therefore, estimated flooding reduction multiplied by the total annual cost of household flooding monetizes this benefit for green roofs and rain barrels. Analysis by the MWRD and EPA provides the estimated flooding reduction benefit of the McCook Reservoir (Aistars et al., 1988; O'Connor, 2020).

Furthermore, climate change will increase flooding, rainfall, and heavy precipitation over the next century. However, climate projections are too varied to provide precise predictions of increased rainfall at the local level. As a result, flooding costs will likely rise, especially throughout long-term projects, but our estimates cannot adequately incorporate the expected change in these baseline costs.

## **Costs and Benefits**

### *McCook Reservoir Expansion:*

The TARP is a large public works project for pollution and flood control in Cook County, Illinois. The program includes four tunnel systems that capture and transport combined sewage and stormwater to the Majewski Reservoir, Thornton Composite Reservoir, and McCook Reservoir. The MWRD has completed the

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<sup>1</sup> The *Marginal Cost of Public Funds* (MCPF) accounts for the social costs of taxation. These costs include deadweight loss, tax collection's administrative costs, the substitution effects of taxes, and inefficiencies from tax avoidance. At a MCPF of \$1.20, each dollar of collected taxes carries a marginal excess tax burden (social cost) of \$0.20.

<sup>2</sup> *Intangible* refers to impacts, goods, and services that are not sold in a market and, therefore, have no market price. Where possible, we shadow price intangible impacts to quantify their social value.

<sup>3</sup> *Willingness to Pay* is the maximum price that a consumer is willing to pay for a good or service, equaling the quantified value of the good. In this analysis, WTP represents the monetary value placed on the social benefits of cleaner watershed ecosystems.

TARP’s preliminary tunnels and most of its reservoirs, making significant and effective progress in flood control. Therefore, policymakers must evaluate whether to continue the McCook Reservoir’s expansion, especially when paired with new green infrastructure programs.

Phase II of the McCook Reservoir started construction in 2017 with planned completion in 2029 and will expand the existing reservoir through an additional 6.5 billion gallons of water storage. Given that this analysis began in 2021, we regard the expansion’s already completed subprojects, like overburden removal and slope stabilization, as sunk costs. As noted in our methodology, we calculate McCook Reservoir’s benefits to Chicago based on the percentage of Cook County households within Chicago, with 1,066,829 Chicago households out of 1,971,108 households across the county (U.S. Census Bureau, 2020b, 2020c).

McCook Reservoir’s Phase II costs include construction, materials, labor, management, maintenance, water treatment, and the MCPF. The cost of construction, materials, and labor include the land and engineering fees of continuing programs and contracts with the USACE—such as the rock wall stabilization, Des Plaines inflow tunnel, and final reservoir preparation—totaling \$361,517,145 (O’Connor, 2020). In addition, we estimate the reservoir’s annual maintenance and management costs after construction based on the costs of a similar reservoir with the same capacity, equaling \$892,080 per year for Chicago residents (Coates, 2012).

The TARP captures excess stormwater flow from the combined sewer system, conveying it through tunnels to storage reservoirs and then to MWRD facilities for treatment. Therefore, McCook Reservoir’s water treatment costs will increase after Phase II’s completion. With a metered water treatment rate of \$0.004080 per gallon and 40 billion gallons of stormwater each year, we estimate the annual cost of water treatment at \$105,941,354 for Chicago households.

The McCook Reservoir also has some intangible costs. As a large-scale project, its construction time is relatively long at an expected 13 years, a considerable time cost that we account for by discounting future benefits. In addition, long-term and continuing construction may have negative unquantifiable externalities such as noise and disruption in neighboring communities.

McCook Reservoir’s Phase II benefits mainly come from its larger water storage capacity. The larger water storage capacity operates as a sewer backup, reducing water pollution, flooding, and CSOs. We measure this additional capacity’s flooding and pollution reduction benefits using estimates from the MWRD and EPA, equaling \$50,282,112 in reduced flooding and \$144,119,992 in reduced water pollution each year (Aistars et al., 1988; O’Connor, 2020).

We estimate secondary benefits from watershed ecosystem services, including recreation and habitat preservation, using the household WTP for watershed services. For example, reduced wastewater into Lake Michigan and the Chicago River preserves habitats for more than 50 fish and wildlife species in the regional watershed. These ecosystem benefits further protect citizens’ interests, conserve regional waters in line with state and federal law, and increase property values. In 2020, Chicago had 1,066,829 households (U.S. Census Bureau, 2020b), and assuming each household is willing to pay \$6.99 for secondary watershed and ecosystem services (Castro et al., 2016), the total annual WTP equals \$7,454,458. Furthermore, as a public works program, one intangible and unquantifiable benefit of McCook Reservoir’s expansion is that the onus to implement and maintain the program falls solely on the city and does not require active citizen participation.

**Table 1: Costs and benefits of the McCook Reservoir Phase II.**

	<b>Tangible</b>	<b>Intangible</b>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• Construction</li> <li>• Maintenance and management</li> <li>• Water treatment</li> <li>• MCPF</li> </ul>	<ul style="list-style-type: none"> <li>• Construction time</li> <li>• <i>Unquantifiable</i>: Noise and disruption</li> </ul>
<b>Primary Benefits</b>		<ul style="list-style-type: none"> <li>• Reduced water pollution and CSOs</li> <li>• Reduced household flooding</li> </ul>
<b>Secondary Benefits</b>		<ul style="list-style-type: none"> <li>• Habitat preservation, recreation</li> </ul>

*Green Roofs:*

The primary tangible costs of green roofs include installation and the subsidy’s MCPF. There are two types of green roofs: multi-course and semi-intensive. Semi-intensive green roofs are deeper and allow for larger plants and more stormwater retention than multi-course roofs. Multi-course residential green roofs generally cost \$11.49 to \$13.94 per sq ft, and semi-intensive green roofs generally cost \$18.07 to \$21.97 per sq ft (Miller et al., 2011). In this analysis, we use the median cost of a multi-course green roof because the subsidy targets homeowners who would install a residential green roof, and we factor the \$1.20 MCPF into these installation costs. Lastly, green roofs’ primary intangible cost is the required upkeep by property owners, ranging from \$0.23 to \$0.35 per sq ft annually (Miller et al., 2011). Therefore, this analysis uses the median of \$0.29/sq ft.

We measure the primary benefits of green roofs as their reduction in water treatment costs, longer average lifespan than a standard residential roof, reduced flooding and CSOs, and improved health from reduced pollution. Green roofs’ capacity for water storage—through the capture, evaporation, and transpiration of rainwater—decreases the stormwater flowing to water treatment plants, thus reducing water treatment costs and household flooding. Based on Chicago’s average rainfall, an additional 5,564,412 sq ft of green roofs would hold 63,941,966 gallons of water per year. This water storage would provide \$295,466 in flooding reduction benefits and \$260,883 in water treatment cost savings each year. We calculate the health benefits of reduced pollution using Miller et al.’s (2011) estimate of \$0.09/sq ft, equaling \$464,708 annually. Additionally, green roofs have a 40-year lifespan, compared to 20 years for a standard residential roof, providing a \$4.40/sq ft benefit at year 20 (Miller et al., 2011; Technical Preservation Services, n.d.).

Green roofs also reduce the urban heat island effect, returning the tangible, secondary benefit of lower energy costs equaling \$0.06/sq ft (Miller et al., 2011). The urban heat island effect will worsen with climate change, so Chicago could greatly benefit from expanded investment in green roofs in this regard. This benefit initially prompted Chicago to begin its investments in green infrastructure like green roofs; in 1995, Chicago experienced an extreme heat event that led to the deaths of several hundred people over five days. As a result, Chicago adopted a comprehensive Climate Change Action Plan that set extreme heat adaptation priorities, including green roofs (Climate Change Adaptation Resource Center, 2016).

Additionally, green roofs provide several intangible, non-market benefits, including urban green space, biodiversity, gardening, and habitat preservation opportunities. For example, some biologists believe bees are starting to fare better in urban areas than in rural areas, and green roofs offer habitat and pollination opportunities (Cameron, 2017). Our analysis uses Castro et al.’s (2016) household WTP for watershed ecosystem services to reflect these non-market benefits.

**Table 2: Costs and benefits of green roofs.**

	<b>Tangible</b>	<b>Intangible</b>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• Installation</li> <li>• MCPF</li> </ul>	<ul style="list-style-type: none"> <li>• Upkeep by property owners</li> </ul>
<b>Primary Benefits</b>	<ul style="list-style-type: none"> <li>• Reduced water treatment costs</li> <li>• Deferred roof replacement</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced water pollution and CSOs</li> <li>• Reduced household flooding</li> </ul>
<b>Secondary Benefits</b>	<ul style="list-style-type: none"> <li>• Reduced energy costs</li> </ul>	<ul style="list-style-type: none"> <li>• Biodiversity, habitat preservation</li> </ul>

*Rain Barrels:*

The primary private cost of rain barrels is the purchase of the barrel. Our study assumes an average cost of \$100 for a 50-gallon barrel with a usable life of 20 years (Department of Environmental Services, 2006). Since the owner can install rain barrels, we measure the installation and annual maintenance costs with a shadow price of time using the median hourly wage in Chicago of \$27.79 (Midwest Information Office, 2020). The primary public cost of rain barrels is the social cost of rebates or subsidies provided by the city, accounted for in the MCPF.

Rain barrels can reduce water treatment costs by collecting stormwater runoff in the barrel rather than municipal catch basins. Residents can use this water for gardening or car washing, decreasing the demand for

potable tap water. In addition, the rain barrels divert runoff from the sewage system, reducing flooding, CSOs, and pollution deposits into the Chicago River and Lake Michigan.

This study prices the reduction in water treatment cost by multiplying the number of gallons harvested per year by the metered rate of water in Chicago (Department of Finance, 2020). Furthermore, we price the benefits of runoff diversion using the number of rain barrels and the average annual rainfall in the city. Our study assumes that each of the 554,200 single-family, attached or detached residences in Chicago has one 50-gallon rain barrel (U.S. Census Bureau, 2020a), which has the potential to harvest up to 1,752,657,500 gallons of water per year, assuming the average barrel is at 50% capacity before each day of rainfall.

**Table 3: Costs and benefits of rain barrels.**

	<b>Tangible</b>	<b>Intangible</b>
<b>Costs</b>	<ul style="list-style-type: none"> <li>• Barrels and materials</li> <li>• MCPF</li> </ul>	<ul style="list-style-type: none"> <li>• Upkeep by property owners</li> <li>• Installation by property owners</li> </ul>
<b>Primary Benefits</b>	<ul style="list-style-type: none"> <li>• Reduced water treatment costs</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced household flooding</li> <li>• <i>Unquantifiable</i>: Health benefits of reduced water pollution</li> </ul>
<b>Secondary Benefits</b>		<ul style="list-style-type: none"> <li>• Habitat preservation, recreation</li> </ul>

**Results**

Table 4 provides the purchase and construction costs, annual costs, and annual benefits alongside the results of our cost-benefit analysis over each program’s expected lifespan. The McCook Reservoir expansion produces the largest EANB for Chicago residents of \$63,996,979 per year at a 3% discount rate, equaling \$2,048,161,777 of total discounted net benefits over its 100-year lifespan. Moreover, the McCook Reservoir returned the highest flooding reduction benefit of all three programs in this analysis. The project’s benefit-cost ratio (BCR) equals 1.69, with an internal rate of return (IRR)<sup>4</sup> of 14.4%.

Of the two city-level green infrastructure options assessed in this analysis, only green roofs produced positive net benefits for Chicago, with \$4,114,464 in EANBs and \$95,104,893 in total discounted net benefits over 40 years at a 3% discount rate. Though the BCR at a 3% discount rate is higher than that of the McCook Reservoir expansion, equaling 1.78, the project’s IRR is 8.6%. Accordingly, green roofs’ EANB decreased to \$1,290,805 with a BCR of 1.16 at a 7% discount rate.

Rain barrels resulted in a net social loss with an EANB of -\$65,155,029 and -\$969,342,310 of total discounted net benefits over 20 years at a 3% discount rate. Annual upkeep costs totaled \$76,997,014, accounting for the program’s largest category of costs. With a BCR of 0.21, no variation in the discount rate returns a break-even NPV, resulting in the program’s lack of an IRR.

<sup>4</sup> The *Internal Rate of Return* (IRR) is the discount rate at which the NPV equals zero.

**Table 4: Social benefits and loss table with first-year costs, annual benefits, and annual costs in 2020 USD.**

<i>Expected Lifespan</i>	<b>McCook Reservoir Phase II</b> <i>100 years</i>		<b>Green Roofs</b> <i>40 years</i>		<b>Rain Barrels</b> <i>20 years</i>	
<b>(1) Costs</b>						
<i>(a) tangible</i>						
Rain Barrels ( <i>yr. 1</i> )					65,559,346	
Construction	361,517,145		84,889,131			
Maintenance and Management	892,080					
Water Treatment	105,941,354					
<i>(b) intangible</i>						
Installation ( <i>yr. 1</i> )					30,798,806	
Upkeep			1,613,390		76,997,014	
<b>(2) Benefits</b>						
<i>(c) tangible</i>						
Reduced Water Treatment Costs			260,883		3,575,421	
Reduced Energy Costs			342,526			
Deferred Roof Replacement ( <i>yr. 20</i> )			25,039,854			
<i>(d) intangible</i>						
Reduced Flooding	50,282,112		295,466		7,288,887	
Reduced Pollution	144,119,992		464,708			
WTP for Watershed Services	7,454,458		7,454,458		7,454,458	
<i>Discount Rate</i>	<i>3%      7%</i>		<i>3%      7%</i>		<i>3%      7%</i>	
<b>(3) Present Value of Costs</b>	2,987,042,707	1,167,261,016	122,182,271	106,398,376	1,241,879,292	912,065,615
<b>(4) Present Value of Benefits</b>	5,035,204,484	1,676,385,204	217,287,164	123,607,008	272,536,982	194,069,269
<b>(5) Net Present Value of Benefits</b>	2,048,161,777	509,124,189	95,104,893	17,208,633	-969,342,310	-717,996,346
<b>(6) Equivalent Annual Net Benefit</b>	63,996,979	35,661,048	4,114,464	1,290,805	-65,155,029	-67,773,776
<b>(7) Benefit-Cost Ratio</b>	1.69	1.44	1.78	1.16	0.22	0.21
<b>(8) Internal Rate of Return</b>	0.144		0.086		n/a	

**Sensitivity Analysis**

This section contextualizes the article’s main findings by examining each program’s sensitivity to varied discount rates and parameters. Green roofs and the McCook Reservoir—the two cost-beneficial programs in our results—undergo further scrutiny in Monte Carlo analyses that vary critical parameters based on the expected range of values at 3% and 7% discount rates.

This study uses 3% as its primary discount rate, as it best reflects the time-preference of public and long-term investments, alongside a 7% discount rate for the time-preference of private investment. Our sensitivity analysis examines each policy’s BCR, EANB, and NPV at 2%, 5%, and 8% discount rates. Finally, our break-even analyses investigate the values of given parameters necessary to return an NPV of \$0 at 3% and 7% discount rates holding other parameters constant.

*McCook Reservoir Expansion:*

Table 5 provides the BCR, EANB, and NPV of the McCook Reservoir expansion at 2%, 5%, and 8% discount rates. Consistent with the project’s 14.4% IRR, the McCook Reservoir expansion produced sizable net benefits at all three discount rates. In addition, even with an expected lifespan of 100 years, the project returned \$29.6 million in EANBs and \$370 million in net benefits at an 8% discount rate consistent with short-term private investment.

**Table 5: Sensitivity analysis of the McCook Reservoir Phase II at varying discount rates. EANB and NPV in 2020 USD.**

	Discount Rate		
	2%	5%	8%
<b>Benefit-Cost Ratio</b>	1.74	1.56	1.37
<b>Equivalent Annual Net Benefit</b>	\$71,473,376	\$49,077,552	\$29,641,214
<b>Net Present Value</b>	\$3,160,910,736	\$976,739,562	\$370,430,921
<i>Internal Rate of Return</i>	0.144		

To assess the McCook Reservoir expansion's break-even points, we conducted a sensitivity analysis of the annual water storage and household WTP necessary to return a break-even NPV, as detailed in *Table 6*. Given our estimates of annual water storage, annual flooding benefits, and annual pollution benefits, we assumed perfectly linear relationships between (1) water storage and reduced flooding and between (2) water storage and reduced pollution—the two criteria of the program's effectiveness. Within the range of this analysis, we expect a 1% decrease in annual water storage to produce a 1% decrease in flooding reduction benefits and a 1% decrease in pollution reduction benefits. This analysis provides a rough estimate of the break-even annual water storage, holding construction cost, maintenance and management costs, and WTP constant.

In order to break even under these assumptions, the McCook Reservoir expansion would have to collect 2.9 billion gallons annually of combined sewage-stormwater at a 3% discount rate and 12.3 billion gallons at a 7% discount rate. The MWRD estimates that the reservoir expansion will process 40 billion gallons each year—significantly higher than our break-even estimate. At a 3% discount rate, break-even corresponds to over \$14 million of combined flooding and pollution reduction benefits for Chicago each year. Absent unexpected infrastructure failure over the reservoir's lifetime, these conditions are improbable considering Chicago's climate, average rainfall, and population.

**Table 6: Break-even analysis of the McCook Reservoir Phase II.**

	Discount Rate	
	3%	7%
<b>Water Storage (gallons per year)</b>	2,872,185,205	12,279,429,997
<i>Flooding Reduction in Chicago*</i>	\$3,610,488	\$15,435,892
<i>Pollution Reduction in Chicago**</i>	\$10,348,483	\$44,242,784
<b>Household Willingness to Pay for Watershed Services</b>	-\$69.98	-\$50.48

\*Assuming a perfectly linear relationship between water storage and flooding reduction benefit

\*\*Assuming a perfectly linear relationship between water storage and pollution reduction benefit

To return a \$0 NPV, household WTP for watershed services would have to equal -\$69.98 at a 3% discount rate. Holding all other values constant, the primary benefits of reduced flooding and decreased potable water pollution maintain a positive net benefit for the McCook expansion up to these WTP values.

As reported in *Table 7*, we conducted a Monte Carlo analysis to estimate the range of net benefits. Analysis from the MWRD and EPA provided our estimates for water pollution costs, reduced flooding benefits, and reduced pollution benefits (Aistars et al., 1988; O'Connor, 2020). Therefore, our Monte Carlo analysis varied household WTP for watershed services based on Castro et al.'s (2016) findings. We varied WTP with a triangular distribution using the WTP among city residents for recreation (the lowest WTP of a relevant watershed service) of \$2.67 as the minimum, the average for watershed services at \$6.99 as the mode, and the highest WTP of a relevant watershed service among city residents (habitat for species) of \$18.78 as the maximum.

**Table 7: Monte Carlo analysis of the McCook Reservoir Phase II with variable WTP for watershed services (n=10,000 simulations). EANB and NPV in 2020 USD.**

Discount Rate	Benefit-Cost Ratio		Equivalent Annual Net Benefit		Net Present Value of Benefits	
	3%	7%	3%	7%	3%	7%
<b>95% Confidence Interval</b>	1.66 1.77	1.41 1.51	61,426,358 72,013,276	33,861,217 41,632,521	1,965,891,545 2,304,715,676	483,428,447 594,377,476
<b>Mean</b>	1.71	1.46	66,042,040	37,221,697	2,113,612,006	531,405,208
<i>Standard Error</i>	0.0003	0.0003	28,472	20,991	911,229	299,681
<b>Median</b>	1.70	1.45	65,672,078	36,931,782	2,101,771,711	527,266,163
<i>Standard Deviation</i>	0.03	0.03	2,847,232	2,099,086	91,122,914	29,968,149
<b>Min</b>	1.65	1.40	60,451,898	33,017,602	1,934,704,891	471,384,357
<b>Max</b>	1.79	1.52	73,752,162	42,860,535	2,360,367,039	611,909,535
<b>Range</b>	0.14	0.12	13,300,264	9,842,933	425,662,148	140,525,178
<b>Cost-Beneficial Simulations</b>	100%	100%	100%	100%	100%	100%

At a 3% discount rate, our Monte Carlo analysis returned a cost-beneficial outcome in 100% of the 10,000 simulations. The 95% confidence interval of the EANB ranges from \$61.4 to \$72.0 million. Point estimates of the EANB returned a median of \$66.0 million, compared to an estimated \$64 million in our primary analysis.

*Green Roofs:*

As detailed in Table 8, green roofs maintain a sizable net social benefit at 3% and 7% discount rates. However, 8% approaches the program’s IRR, reducing the EANB to \$502,981 and the BCR to 1.06. Under conditions at or above the standard discount rates of private investment, a city-funded green roof program of this size may return a small or slightly negative NPV.

**Table 8: Sensitivity analysis of green roofs at varying discount rates. EANB and NPV in 2020 USD.**

	Discount Rate		
	2%	5%	8%
<b>Benefit-Cost Ratio</b>	2.00	1.42	1.06
<b>Equivalent Annual Net Benefit</b>	4,705,392	2,781,265	502,981
<b>Net Present Value of Benefits</b>	128,718,244	47,723,965	5,997,859
<i>Internal Rate of Return</i>	0.086		

We calculated the break-even values of the program’s main parameters at our principal discount rates, as reported in Table 9. Holding all other values constant, we estimate that a Chicago green roof program would be cost-beneficial up to 12,419,087 sq ft at a 3% discount rate and 6,729,722 sq ft at a 7% discount rate. Since our study evaluates doubling Chicago’s area of green roofs with an additional 5,564,412 sq ft, a reasonable variation in the square footage is unlikely to return a net social loss.

**Table 9: Break-even analysis of green roofs.**

	Discount Rate	
	3%	7%
<b>Square Feet of Green Roofs</b>	12,419,087	6,729,722
<b>Installation Cost Per Sq Ft</b>	\$26.96	\$15.29
<b>Upkeep Cost per Sq Ft</b>	\$1.03	\$0.52
<b>Willingness to Pay for Watershed Services</b>	\$3.13	\$5.78

Upkeep and installation costs vary depending on the type of green roof (e.g., multi-course residential vs. intensive), climate, vegetation, and region, so we also conducted a break-even analysis of these costs. At a 3%



discount rate, green roofs provide a positive NPV with up to \$1.03 in annual upkeep costs per square foot. The program also remains cost-beneficial at installation costs per square foot up to \$26.96 at a 3% discount rate. At a 7% discount rate, our study estimates upkeep cost (\$0.29) considerably below the break-even value, but the estimated installation cost of \$12.71 approaches the break-even value of \$15.29 at a 7% discount rate.

Additionally, we calculated the household WTP required to return a break-even NPV. Break-even WTP equals \$3.13 at a 3% discount rate and \$5.78 at a 7% discount rate. While \$3.13 is below our estimate, \$5.78 approaches our estimate of \$6.99. These break-even values fall within the range of WTP per watershed service provided by Castro et al. (2016). Considering the impact of a 7% discount rate, which nears the program's 8.6% IRR, we conducted a Monte Carlo analysis to determine the probability of a cost-beneficial outcome.

The sources for upkeep cost, installation cost, and WTP for watershed services provide a range of estimates depending on the type of green roof (for upkeep and installation costs) and the type of watershed service (for WTP). Our Monte Carlo analysis varies these three parameters simultaneously over 10,000 simulations based on triangular distributions to identify the effect of variation in these estimates. *Table 10* details the descriptive statistics, point estimates, and probability results of this analysis.

We varied the installation cost with a triangular distribution based on estimates from Miller et al. (2011) at the U.S. General Services Administration. We used the median cost per square foot of multi-course residential green roofs (\$12.71) as the mode, \$11.49 for low-cost residential roofs as the minimum, and \$21.97 for high-cost intensive green roofs as the maximum. Annual upkeep cost was also varied with a triangular distribution using the median cost per square foot of \$0.29 as the mode, \$0.23 for low-cost extensive roofs as the minimum, and \$0.35 for high-cost intensive roofs as the maximum.

**Table 10:** Monte Carlo analysis of green roofs with variable installation cost, upkeep cost, and WTP for watershed services ( $n=10,000$  simulations).

Discount Rate	Benefit-Cost Ratio		Equivalent Annual Net Benefit		Net Present Value of Benefits	
	3%	7%	3%	7%	3%	7%
<b>95% Confidence Interval</b>	0.99 3.46	0.64 2.26	-35,936 13,764,862	-3,713,495 10,561,977	-830,661 318,171,636	-49,507,232 140,809,205
<b>Mean</b>	2.03	1.30	6,077,873	2,613,904	140,488,648	34,847,808
<i>Standard Error</i>	0.007	0.004	37,283	38,091	861,792	507,824
<b>Median</b>	1.94	1.23	5,607,436	2,185,657	129,614,603	29,138,536
<i>Standard Deviation</i>	0.66	0.43	3,728,319	3,809,144	86,179,240	50,782,398
<b>Min</b>	0.70	0.43	-2,167,849	-6,897,275	-50,109,331	-91,952,460
<b>Max</b>	4.25	2.84	16,693,722	13,646,434	385,871,571	181,930,283
<b>Range</b>	3.55	2.41	18,861,571	20,543,709	435,980,902	273,882,743
<b>Cost-Beneficial Simulations</b>	97.38%	72.03%	97.38%	72.03%	97.38%	72.03%

This analysis varied household WTP with a triangular distribution based on Castro et al.'s (2016) estimates. The minimum equals the WTP among city residents for recreation (the lowest WTP of a relevant watershed service) at \$2.67, the mode was set to the average for watershed services at \$6.99, and the maximum equals the highest WTP of a relevant watershed service among city residents (habitat for species) at \$18.78.

The 95% confidence interval of this Monte Carlo analysis estimates the EANB would range from -\$36,936 to \$13.8 million at a 3% discount rate. Point estimates place the median EANB at \$6.1 million, compared to \$4.1 million in our main results. The probability of a cost-beneficial outcome under these assumptions equals 97.38%.

Similar to the break-even analysis, these results indicate that a municipal green roof program is highly likely to result in a net social benefit at a 3% discount rate. However, these results also suggest that green roofs are sensitive to the time-preference of costs and benefits. At a 7% discount rate, variation in WTP, installation cost, and upkeep cost returned a net social loss in 27.97% of simulations.

*Rain Barrels:*

Rain barrels produced a net social loss in our results, and the results at varied discount rates illustrate the impact of upkeep cost—the highest cost of rain barrels—on the program’s NPV. As provided in *Table 11*, a 2% discount rate increased the program’s total net social loss as future upkeep costs were discounted at a lower rate, with the inverse occurring at an 8% discount rate.

**Table 11: Sensitivity analysis of rain barrels at varying discount rates. EANB and NPV in 2020 USD.**

	Discount Rate		
	2%	5%	8%
<b>Benefit-Cost Ratio</b>	0.22	0.22	0.21
<b>Equivalent Annual Net Benefit</b>	-64,571,196	-66,410,275	-68,492,539
<b>Net Present Value of Benefits</b>	-1,055,831,612	-827,618,820	-672,469,840
<i>Internal Rate of Return</i>	n/a		

Though our results estimate that an extensive rain barrel program would not return a net social benefit to the city, we also conducted a break-even analysis to gauge how specific variables contribute to the program’s negative NPV. Our study assessed the value of one rain barrel per residential home in Chicago, equaling over half a million barrels. However, as detailed in *Table 12*, this sensitivity analysis estimates that reducing the number of rain barrels could result in a break-even NPV, equaling 56,897 barrels at a 3% discount rate and 54,916 barrels at a 7% discount rate.

While we initially expected the average empty rate to impact the results considerably, neither the empty rate nor the water averted from city sewers has a practically significant impact on the program’s NPV. For example, at a 3% discount rate, homeowners would have to catch over 354% more water than their rain barrels could accumulate annually for decreased flooding costs to bring the BCR to 1. Similarly, homeowners would have to avert 961% more water from city sewers than their rain barrels could collect annually for reduced water treatment costs to result in a break-even NPV.

**Table 12: Break-even analysis of rain barrels.**

	Discount Rate	
	3%	7%
<b>Number of Rain Barrels</b>	56,897	54,916
<b>Hours of Upkeep</b>	0.77	0.60
<b>Empty Rate of Rain Barrels</b>	354.68%	366.92%
<b>Water Averted from Combined Sewage-Stormwater System</b>	961.15%	997.77%
<b>Willingness to Pay for Watershed Services</b>	\$68.06	\$70.52

Compared to green roofs and the McCook Reservoir expansion, rain barrels require the most time and engagement from residents to achieve benefits—including homeowner installation, emptying barrels, and clearing debris from gutters. Even at an annual upkeep time of 5 hours per household, upkeep was the largest category of costs. In order to achieve a break-even NPV, homeowner upkeep would have to equal 0.77 hours annually at a 3% discount rate, holding all other values constant. However, reduced homeowner upkeep would decrease the empty rate and the program’s overall effectiveness. Additionally, while we estimated WTP at \$6.99 per household, break-even WTP equals \$68.06 at a 3% discount rate. These results suggest that homeowner upkeep cost, which we shadow priced based on Chicago’s average wage rate, and WTP are the two most significant variables contributing to the program’s net social loss.

**Policy Recommendations**

This analysis primarily considers scenarios at a 3% discount rate and includes results and scenarios at a 7% discount rate. In line with our results and sensitivity analysis, we recommend that Chicago implement a subsidy program to expand green roofs by 5.5 million sq ft and supplement the net benefits of the MWRD’s

McCook Reservoir expansion. In addition, if funds remain, Chicago should consider running a public awareness campaign about the benefits of rain barrels in residential areas at the highest flood risk to better prepare these areas for increased rainfall.

Considering the NPV of benefits, EANB, and BCR, our analysis fails to demonstrate a cost-beneficial result for the rain barrels subsidy. The program also has a considerable present value of upkeep costs. However, our break-even analysis finds that the quantity of rain barrels significantly impacts the program's NPV. Therefore, this program may return a net social benefit at less than 56,000 barrels. If further research supports the use of rain barrels at a smaller scale, the city can use available resources to publicize their benefits for flood control and pollution reduction to residents in flood-prone areas. Especially in flood-prone areas, information campaigns may increase public understanding of flood risk, correcting information failure and raising the WTP for rain barrels.

The McCook Reservoir expansion is cost-beneficial, with a NPV of over \$2 billion. The reservoir expansion has the largest EANB of the options evaluated in this study, equaling nearly \$64 million per year over its 100-year lifespan and breaking even in 2034. Moreover, the McCook Reservoir's 14.4% IRR indicates that this project can confidently withstand a higher discount rate. Additionally, our Monte Carlo analysis produced cost-beneficial outcomes in 100% of simulations at both 3% and 7% discount rates. Although the TARP has the largest net social benefits, the City of Chicago does not fund the project. Chicago can only supplement the TARP with its own city-level policies to meet the increasing demand for stormwater management.

The green roofs subsidy is cost-beneficial with an EANB of \$4 million. Over a 40-year lifespan, this program would improve social welfare with over \$95 million of discounted net benefits. Moreover, green roofs have the highest BCR of the three options evaluated, equaling 1.78 at a 3% discount rate with each dollar in costs associated with more benefits than the McCook expansion. Also, green roofs returned a cost-beneficial outcome in 97% of our Monte Carlo simulations. However, the IRR of 8.6% makes this project moderately sensitive to high discount rates. Therefore, the 95% confidence interval in our Monte Carlo analysis includes the possibility of a net social loss.

Considering our estimates, Chicago should implement a program to double the existing area of green roofs with an additional 5.5 million sq ft. Though it provides high net social benefits, TARP is insufficient as the only stormwater management method as the Chicago area faces an expected increase in rainfall and flooding. Chicago should consider green roofs as a supplement. Second, green roofs have unique co-benefits, such as reducing air pollution, the urban heat island effect, and household energy costs. Green roofs would not only improve Chicago's stormwater management but would also assist adaptation to broader climate impacts. Third, green roofs require some, but not extensive, resident participation. They do not require as much resident upkeep as rain barrels, and green roofs provide added incentives and positive net benefits for residents to participate.

## Discussion

Although the McCook Reservoir yields the highest NPV of benefits, implementing gray infrastructure takes considerable time, money, and coordination between government agencies. Therefore, we believe city-level policymakers should supplement gray infrastructure with green infrastructure, which is less expensive, quicker to implement, and a critical adaptation to climate change. Gray infrastructure alone will likely not meet all of Chicago's needs. The future costs imposed on the city from flooding and other climate impacts could well exceed those of maximizing investments in improved stormwater management now. Green infrastructure's effectiveness and social benefits, especially rain barrels, depends on community buy-in and WTP. In Chicago, the city could focus rain barrel programs on flood-prone areas, with community education of rain barrel's benefits in those neighborhoods. Citizens willing to commit time and effort to maintain rain barrels—and therefore, with a high individual WTP—can effectively mitigate flooding.

Notably, however, this study is specific to Chicago, and results may differ in other parts of the country. For example, gray infrastructure in the greater New Orleans area includes spillways and levees; the region also sits at or below sea level, rendering deep tunnels and reservoirs infeasible. Additionally, the subtropical climate of southeastern Louisiana means temperatures rarely fall below freezing. Rain barrels are particularly susceptible to damage from freezing temperatures, thus lowering upkeep costs in warmer climates.

Moreover, we could not quantify all of green infrastructure's social benefits in this analysis. For example, the reduction in water pollution from rain barrels would improve public health. Further research should isolate and quantify the health benefits of green infrastructure and low-impact development more precisely.

Though rain barrels would likely not produce positive net benefits across Chicago, local communities can use green infrastructure to supplement large-scale gray stormwater management with adaptable small-scale initiatives that target runoff at its source. In Chicago, doubling the area of green roofs enables the city to improve the region's stormwater management efforts with positive net benefits at a roughly equivalent ratio of benefits to costs as the McCook Reservoir.

## Conclusion

To better prepare Chicago for increased rainfall in the coming years and reduce flooding across the city, we analyzed three alternatives to improve stormwater management: green roofs, rain barrels, and the McCook Reservoir Phase II. Based on our results and sensitivity analysis, we recommend that the City of Chicago implement a subsidy program to expand residential green roof implementation and add 5.5 million sq ft of green roofs to double the existing space. In addition, if needed, the city can use available funds to raise public awareness about the benefits of rain barrels for residents in high-risk, flood-prone areas.

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## THE RHETORIC OF EXCEPTIONALISM: ENDURING CULTURAL FRAMES OF AMERICAN EXCEPTIONALISM

Caroline R. Connor

“I, in my own mind, have thought of America as a place in the divine scheme of things that was set aside as a promised land. Any person with the courage, with the desire to tear up their roots, to strive for freedom, to attempt and dare to live in a strange and foreign place, was welcome here.” – Ronald Reagan, America the Beautiful: Commencement Address, June 2, 1952

### Abstract

*This literature review examines the cultural frames and perspectives of American exceptionalism used by American presidents, at home and abroad. First, it identifies key definitions and themes associated with historical and modern-day perspectives on American exceptionalism. Next, American presidential speeches and notable addresses are examined for their use of frames associated with this concept. This review then draws on framing theory and its application to the concept of American exceptionalism. Last, major domestic and foreign policy cultural frames are identified in relation to American exceptionalism. In sum, this literature review examines American exceptionalism, its accompanying cultural frames, why it continues to strategically influence foreign and domestic policy decisions by American leaders, and the challenges to its continued relevance in modern political rhetoric.*

### Introduction: The Story of American Exceptionalism

The concept of American exceptionalism has long been the framework for establishing the American nation. Scholars have only recently begun to study the effects it has had on American presidential discourse. At its core, American exceptionalism is the idea that the United States is a nation that is superior above all other nations and was chosen by God to be a favored nation (Lipset, 1996; Pease, 2009; Gilmore, 2018). Before America’s founding in 1776, European-born settlers helped to lay the foundation for these defining principles during the European experiment in the New World. The first acknowledgment of the uniquely American “experiment” came from John Winthrop, leader of the Massachusetts Bay Colony. He described his colony as “a city on a hill,” and prophesied, “the eyes of all people are upon us” (Rodgers, 2018). Alexis de Tocqueville was the first to conceive the concept of an “exceptional nation,” grown out of America’s Puritan origins, geopolitical strength, and capitalist-centered version of democracy (Tocqueville, 1835). Extensive scholarship has sought to define American exceptionalism and its use in American rhetoric. It has continued to be a fluid concept based on necessity to explain or persuade American decisions both at the domestic and international level. At its core, scholars cite America’s superior status above other countries as its main indication of uniqueness, as well as a “God-favored” country, meaning God chose the United States to be a “blessed nation” (Lipset, 1996, p. 63). The most holistic take on American exceptionalism comes from Seymour Martin Lipset (1996), who identifies the unique attributes that defined America: politics, economics, religion, warfare, unionism, race relations and intellectualism. American exceptionalism has also been marked by notable “absences,” including a rejection of socialism, lack of class conflicts, no major labor and trade unionism, and others (Pease, 2009). While these absences are less acute today, the spirit of individualism continues to be deeply rooted in American life. American exceptionalism is also defined using “present” elements, including racial and ethnic diversity, religious diversity, an abundant and successful middle-class population, and tolerance for immigration (Pease, 2009; Pew Research Center, 2012).

American exceptionalism also encompasses the idea that America and Americans are markedly different from their roots in the Western world and have created a way of life that does not resemble Western monarchies that governed in the 18<sup>th</sup> century. The European settlers who came to the New World were primarily those who practiced persecuted religions, including Puritanism and Catholicism. British authorities gave these settlers little supplies to settle in the New World, and many took the chance to practice their religion freely even if it cost their lives (Reid & Pease, 2016). This fortitude fostered a unique independence and accountability towards one another

only seen in a community forged through hardship. While many of the new colonies differed in its religious affiliation and lifestyle, the social cohesion formed through the “American experiment” became the basis for the American mythology of exceptionalism (McCrisken, 2003, p. 2). In revolutionary times, America was the first and only country to have successfully broken from British colonial rule to form an independent nation, solidifying its exceptional status as seen by the world.

Gradually, the rhetoric of America as a “God-favored” nation has largely been dropped by modern presidents. This trend mirrors the overall American decline in personal religious affiliations, more Americans advocating for enforced separation of church and state, and the increase of non-Christian religions throughout the country (Pew Research Center, 2021). American presidents focus most heavily on America’s superiority above other nations. This has been a key justification for foreign policy narratives, especially in the 20th century, explained in detail later. Presidents and political leaders have used exceptionalism as a means for advancing political agendas, conducting foreign policy initiatives, policing the world, and cementing America’s position as leader on the world stage. Examining the enduring use of American exceptionalism and its accompanying cultural frames is important since it has been the fundamental argument behind major domestic and foreign policy decisions. Some of these decisions have had major global implications, including Manifest Destiny, the use of nuclear bombs in World War II, and the justification of wars in Iraq and Afghanistan (Gilmore & Rowling, 2021).

For over three decades, scholars have attempted to distill this concept into empirical studies that can prove whether American exceptionalism is indeed relevant and enduring to domestic and global understanding. In other words, defining American exceptionalism by a few key attributes may help scholars as well as other countries replicate the success of the United States by following a “guidebook” for a developing democracy (Pease, 2009). However, many scholars have cast doubt in the American exceptionalism narrative. These bodies of research have come to three conclusions. First, to consider oneself *superior* or *exceptional* simply requires self-selecting criteria that add to this goal, and therefore any one country can consider itself exceptional (Pease, 2009). The second conclusion is that the United States is exceptional in both positive and negative ways. (Lipset, 1996). The United States is positively exceptional through its military might but is negatively exceptional for factors like its lack of universal healthcare for all citizens (Lipset, 1996). Last, the third conclusion states that the United States has passed its time as a hegemon and will soon fade as the world’s greatest superpower (Gilmore & Rowling, 2018). However, these assertions overlook the mere principle that Americans believe themselves to be exceptional and have convinced the globe that it is so (Gilmore & Rowling, 2018).

### **Framing Theory & its Application to American Exceptionalism**

American exceptionalism is a broad, overarching cultural frame, and is best explained through its implications on cultural understanding. Framing theory can help explain why American exceptionalism and its accompanying cultural frames have become a political norm. It is particularly useful for complicated or nuanced topics as it seeks to fit these topics into easily identifiable and understandable realities. Chong & Druckman (2007) summarize framing theory as, “The process by which people develop a particular conceptualization of an issue or reorient their thinking on an issue” (p. 3). Through successful framing processes, a collective culture or shared orientation of life can arise (Hart, 2008). This, in turn, influences how an individual responds to and identifies with “the outside world” (Hart, 2008). Understanding of and solidarity with an overarching group identity can be used to create powerful rhetorical tools.

Early in American political life, the newly established government and its citizens embraced nationalism as a key identity. Americans call its founders “the Founding Fathers,” recite the Pledge of Allegiance in primary schools, and generally view themselves in a positive and unique light when compared with other nations (Pew Research Center, 2021). Much of this was intentional as its founders sought to create one national identity out of a conglomeration of colonies, religions, and backgrounds throughout the country. The broader cultural frame that America is a unique and superior nation above others simplified complex historical events and created a strong motivation to continue to assert this frame. These principles and behaviors were solidified in the American lexicon as the United States grew to be a global superpower out of the ashes of World War II.

In the decades since, new generations have begun to question these ideals as the thresholds of individual success have become less tangible; increased costs of education and living, flattened growth in wages, and

perceived weakness in foreign policy. Even still, American presidents continue to assert these historical perspectives of success in advocating for the continued belief in American exceptionalism.

### **Thematic Frames of American Exceptionalism**

Through the lens of notable American presidential speeches, American exceptionalism has been used to advance three key frames. The first frame assumes that America is superior to the rest of the countries of the world, and therefore has a special role to play in global politics. The second frame highlights the notably different origins of America that are markedly different from the Old World. Third, America as a democracy is resistant to decline, unlike traditionally short-lived democratic governments. This section will break down each frame and discuss its enduring cultural relevance as used by American presidents.

#### *Superiority:*

The superiority frame is a particularly salient type of social and national comparison because it inherently accepts that the United States is seen in a positive light by its citizens as well as *compared to* all other countries (Gilmore, 2018). This framework of superiority was widely accepted after World War II, when Europe, the previous world leader, was in shambles following two wars spanning two generations. The United States stepped into the role of fixer following decades of isolationist policies. By emerging from the destruction of World War II without a single battle fought on mainland American soil and its economy fully equipped to prop up Europe, the United States both asserted itself as the hegemonic leader of the world and was openly accepted as so by the rest of the world, still largely to this day.

This cultural framework is important as it gave legitimacy in reconstructing major world regions and facilitating regime change primarily in the Middle East. American presidents have continued to assert this cultural framework, leading the United States to take on the role as fixer, enforcer, and police force of the world. Exemplifying this, President George H.W. Bush chose to invade Iraq as it threatened peace in the entire Middle East region:

As we enforce the demands of the world, we will also honor the deepest commitments of our country. And when the dictator has departed, they can set an example to all the Middle East of a vital and peaceful and self-governing nation. The United States, with other countries, will work to advance liberty and peace in that region. (Bush, 2003)

Americans as well as the rest of the world acknowledged and looked toward the United States for peace and restoration of a better world, and the United States has continued to use this frame in its policy decisions. As other countries continue to challenge the United States on the world stage, it has become prudent for American presidents to find ways to assert American hegemony in discourse and in action.

#### *Difference from Old World:*

Citizens across the globe traditionally find identity through community and a shared history. In Europe, the French have hundreds of years of class structure and cultural heritage to relate to one another, while the British have a common history rooted in an enduring monarchy. Americans, however, do not derive identity through centuries-old class structure. Rather, to be American is to accept the shared values we fought for: freedom, individuality, hard work, diversity and more. Lipset summarized this frame as, “Being an American is an ideological commitment. It is not a matter of birth. Those who reject American values are un-American” (Lipset, 1996, p. 31).

This difference from the Old World can also be seen in social and economic norms. Unlike most of America’s European counterparts, the United States never struggled with class warfare or major labor unionism that has historically hampered economic growth (Restadt, 2014). Instead, the United States has enjoyed economic freedoms through capitalism, so successful that it has helped dozens of other countries transition to democracy and introduced capitalism to many developing countries (Burns et al., 2002). When it comes to social norms, the United States has enjoyed relatively few class divisions in the traditional sense (Burns et al., 2002). In Old World Europe, there were clear divisions between serfs versus landowners and royals versus commoners (O’Rourke, 2017). There was no possibility for upward movement between the social classes (O’Rourke, 2017). On the other



hand, the United States became the first nation to introduce the concept of upward mobility and had no fixed class divisions that hampered an individual's potential success, which in turn introduced "The American Dream," a cultural frame that accompanies American exceptionalism (Jantti et al., 2006). President Ronald Reagan used this notion in implicit terms during his 1981 inaugural address when he said, "If we look to the answer as to why for so many years we achieved so much, prospered as no other people on Earth, it was because here in this land we unleashed the energy and individual genius of man to a greater extent than has ever been done before" (Reagan, 1981). In recent decades, trends in attitudes towards the possibility of social mobility have challenged American exceptionalism due to growing disparities between the ultra-wealthy and middle class (Pew Research Center, 2020).

Even with growing challenges to American exceptionalism, related concepts such as the American Dream have always been a powerful rhetorical tool used by American presidents. It was an idea that allowed for the largest flow of immigrants into the United States during the 19<sup>th</sup> century, catapulted economic growth, and leveled the playing field for those who did not have opportunities in their home countries but were willing to seek the great American experiment in search of a better life (Restadt, 2014). These sentiments and the American value system inspired great movements of people and great economic engines that could only have formed with these economic and social conditions present.

#### *Resistant to Decline:*

The very creation of America as a nation speaks to American exceptionalism. With a ragtag assembly of volunteer militia, the American colonies managed to defeat the most powerful army in the world (Burns et al., 2002). Soon after, the English and the French both recognized America's sovereignty, a step towards creating a nation after hard-fought freedom (Burns et al., 2002). The "American experiment" began, as the world watched the first democracy flourish. Manifest Destiny, a 19<sup>th</sup>-century doctrine stating that westward expansion was both justified and inevitable, soon led to America stretching from the Atlantic to the Pacific (Joy, 2014). This expansion was justified further as Americans continued to defeat great empires, vanquishing the Spanish in Florida territory, ousting the Mexican Empire in parts of the Southwest, and brokering millions of acres of land from the French in the Louisiana Purchase (Restadt, 2014).

These great successes in the early decades of America gave justification to the greatness of this new democracy, an experiment that proved to be more than successful but exceptional. Nations across the world waited for an inevitable American collapse, which never materialized. This American permanency is unique as it evaded what Italian philosopher Giambattista Vico called *corsi i ricorsi*, or the rise and fall of empires that follow a cyclical pattern (Restadt, 2014, p. 6). These early Americans, made up of different ideological, racial, and religious groups, bought into the notion of America before oneself, which in turn created the rhetoric for the next two hundred years. 239 years after American independence, President Barack Obama alluded to these principles at a speech in Selma, Alabama:

What Selma does better than perhaps any other moment in our history is to vindicate the faith of our founders; to vindicate the idea that ordinary folks — not of high station, not born to wealth or privilege or certain religious belief — are able to shape the destiny of their nation. You can't get more American than that. This is the most American of ideas. The most American of moments. (Obama, 2015)

This idea of "the most American of moments" speaks to the enduring strength of the American exceptional narrative. American buy-in to this concept has dated back more than two centuries and continues to be the predominant frame for American leaders.

#### **American Exceptionalism and its Foreign Policy Implications**

Scholars as well as political leaders have long used frames of American exceptionalism for foreign policy decisions and justifications. Scholars have identified two main dichotomic arguments for its justification in foreign policy. The first is America acting as an exemplary nation by which others should follow, and the second is America as a missionary nation, which has a duty to spread the success of democracy to others across the globe (Tuveson, 1968; McCrisken, 2003; Edwards & Weiss, 2011). These arguments are in opposition to one another, and American discourse has followed based on policy initiatives.

*Exemplary:*

The exemplary model is well-known to historians of American history, as it was the basis for foreign policy decisions from the Revolutionary War to World War I and II. America's identity in the 19<sup>th</sup> century was firmly rooted in its difference from the Old World. It offered a haven for citizens from other countries facing religious and social persecution, as well as offered a chance for economic freedom and success (Lipset, 1996). It was simply up to the individual to take advantage of the American Dream. This exemplary model, in turn, was the argument used in justifying America remaining separate from Europe and disengaging from foreign policy (Lipset, 1996). In his first inaugural address, Thomas Jefferson exemplified this principle: "peace, commerce, and honest friendship with all nations, entangling alliances with none" (Jefferson, 1801). During World War I, American presidents focused on the exemplary argument as a basis for isolationist policies, trying instead to stay out of war and support the effort only through providing limited economic resources to their closest allies (Restadt, 2012). America was content to allow others to emulate its success and not interfere with the choices of other nations.

After the end of World War II, the Marshall Plan ushered the United States into its first years as the world's global superpower (The Editors of Encyclopaedia Britannica, 2021). By doing so, American presidents and the public recognized the necessity of involvement in global affairs, and a new cultural frame was introduced. Modern presidencies have used this to justify America's role as a model to other nations. In a 1991 speech, President George H.W. Bush said, "Long-term economic growth is central to the quality of decency for America's communities, and to the quality of leadership America can bring in its special role as the world's leading diplomatic, cultural, and economic power" (Bush, 1991).

*Missionary:*

Political communication scholars agree that the United States is currently exercising a missionary form of American exceptionalism (Burns et al., 2002). The United States' role as global missionary represents much more involvement than its past isolationist or exemplary policies and rhetoric. After World War II, America felt emboldened not only to act as a shining example of global success, but to help other nations achieve democracy and freedom (Eisenhower, 1953). This change in cultural framing can be seen both in foreign policy initiatives as well as in modern American presidential speeches. In his inaugural address, President Dwight Eisenhower said, "To produce this unity, to meet the challenge of our time, destiny has laid upon our country the responsibility of the free world's leadership" (Eisenhower, 1953). With this responsibility justified in the framing of American exceptionalism, Eisenhower set upon strengthening the world's democratic powers through nuclear proliferation against the Soviet threat, supported two military coups in Iran and Guatemala, and directed economic and military aid to countries threatened by Soviet influence (Barrett, 2007).

For the next seven decades and into present day, this missionary ideology has remained an important rhetorical framework for presidents in justifying foreign policy actions. After September 11, 2001, President Bush declared, "This is the world's fight. This is civilization's fight. [The world's leaders] understand that if this terror goes unpunished, their own cities, their own citizens may be next (Bush, 2001). Not only did President Bush allude to the strength of the United States and why it was specifically targeted by terrorists but called on other nations to respond with force as a threat to the United States was a threat to all of democracy. This rhetoric was especially powerful at a time when the United States was the most united it had been in decades (Pew Research Center, 2021). Since then, Americans' support for military intervention has waned and political divisions have grown even more divisive (Hartig & Doherty, 2021).

### **Conclusions & Further Research**

Cultural frames of American exceptionalism have informed America's standing on the domestic and global stage since its founding days. American presidents have long used American exceptional-based narratives as explicit or implicit means to bolster support for policy decisions, justify foreign policy directives, and derive a powerful and patriotic campaign strategy. Throughout history, emphasizing American exceptionalism is more than often a winning frame, as Americans continue to see themselves in a positive light as well as view the United States as better than the rest (Pew Research Center, 2021). Moreover, American presidents use accompanying frames of American exceptionalism, such as America's missionary role, to explain foreign policy decisions and

gain popular support with its allies. This allows for certain frames to continue to be used without sounding self-aggrandizing. Instead, American presidents may offer ideas for other countries to strengthen democracy within their own country or justify military interventions for the sake of protecting democracy.

Studying cultural frames within American exceptionalism allows political communication scholars to understand the power of discourse in politics. Through concerted efforts to maintain America's image as superior, worthy of emulation, and necessary for the maintenance of democracy across the globe has allowed the United States to enjoy its presence as global superpower for the past two centuries. American buy-in to this concept continues to hold strong even after challenges to its position on the domestic and world stage. However, in the past several decades, social cohesion has declined, and economic disparity has increased. The once-solid belief in American exceptionalism may be reaching a pivotal moment.

There is no question that Donald Trump's presidency changed the traditional understanding of many political norms: campaign strategy, acceptable presidential rhetoric, social media, politics, and more. What stands out most is Donald Trump's novel use of American exceptionalism as a means for attack, rather than unity. Every president since Thomas Jefferson has alluded to the idea of American exceptionalism as the great unifier; one nation under God. Donald Trump, both on the campaign trail and later as president used American exceptionalism as a scare tactic. He argued that America is in decline, and only one person, Donald Trump, could save America from itself. Studying his rhetorical use of American exceptionalism compared with past presidents would be useful in understanding why two centuries of conceptual understanding could not explain why these tactics worked in Trump's favor. Whether American exceptionalism, and a broader belief in American hegemony, will endure is a question that presidents must face as polarization and divisions grow.

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## **CRACKS IN THE FOUNDATION: EQUITY AND GRANTMAKING IN VIRGINIA COMMUNITY FOUNDATIONS**

Peter Coyne

### **Abstract**

*This report examines the distribution of community foundation grants in the Virginia Beach, Richmond, and Northern Virginia Metropolitan Statistical Areas (MSA) in the state of Virginia, by using the Opportunity Atlas Data Tool to map grantees' locations over income mobility outcomes. The atlas relies on 1970-2010 Census data and tax information to estimate the earning potential of residents based on neighborhood location, race, and gender. The results demonstrate that foundations—specifically the Richmond Foundation, The Northern Virginia Foundation, and the Hampton Road Foundation—did not focus on funding non-profits located in neighborhoods with the worst socioeconomic outcomes. Additionally, the funding disparities often correlated along racial lines, as neighborhoods with a higher fraction of non-white residents were less likely to receive funding. Based on these observations and the larger body of nonprofit and foundation research, funding mechanisms for local non-profits need to be rethought to ensure that funds are being directed to the neighborhoods that need them the most to improve residential outcomes. Potential solutions to reduce philanthropic inequities include foundation lifespan restrictions, changes in tax law to incentivize foundation spending, and boosts to government Community Development Block Grant and Community Service Block Grant programs, as well as further research and analysis of foundation giving.*

### **Introduction: Why Nonprofits and Foundations Matter to Metropolitan Areas**

Nonprofits and foundation giving are central to program and service delivery in metropolitan areas. The presence of nonprofit community organizations is associated with positive long-term socioeconomic and health outcomes for nearby residents (Chetty et al., 2016). Equally important, these organizations serve as vital means to boost the social capital within neighborhoods needed to sustain economic success and civic engagement (Putnam, 2000).

In 2020, the Department of Human Services contracted out nonprofit and private sector services that totaled \$25 billion (Department of Health and Human Services (DHHS), 2020). In addition, Americans donated a record total of \$471 billion to charitable organizations in 2020 (NPTrust, 2021). Charitable foundations offer a vehicle to deliver the charitable dollars responsibly and, ideally, to where they are needed most. Foundations are responsible for delivering over \$88 billion a year in funding across the country (NPTrust, 2021). Additionally, most of this money is directed towards developing urban metropolitan areas, with only 30% of foundations directing funds towards rural areas (Ashley, 2014). The demonstrated benefits of nonprofits and community organizations on societal well-being make them vital resources for Metropolitan Statistical Areas (MSAs) to address poor health and socioeconomic outcomes in their neighborhoods.

However, nonprofits are not distributed equally across metropolitan communities nationwide. Diverse low-income communities demonstrate lower levels of nonprofit organizations in their jurisdictions than white low-income and high-income communities (Kim, 2015). Additionally, grant applications favor organizational capacity in both the nonprofit and public sectors, making it difficult for lower-income communities to obtain grant funding (Collins and Gerber, 2008). The operation costs of nonprofits in lower-income communities suffer from a lack of investment that jeopardizes their ability to maintain programming and services (Levine, 2021). Foundations are trusted to invest funds through grants to improve the presence and capabilities of community nonprofits, organizations, and services. Still, they do not always fund organizations where they are needed the most. Current funding practices in foundations perpetuate existing racial and economic disparities.

### **Downfalls of Foundation Funding**

Foundations are 501c3 organizations that are categorized as either private foundations or public charities by the IRS and generally focus on grantmaking over delivering actual programs and services (Council on Foundations, 2022). Foundations deliver grants from the excess interest built off their vast financial portfolios and

have little incentive to spend significant portions of their wealth in high need areas. Furthermore, foundations work to maintain images of trust and expertise that can influence their willingness to aid organizations that might not guarantee success. As a result, the objective and mission of serving those in need can be misplaced in the pursuit of funding nonprofits with the greater perceived organizational capacity rather than those serving the most people in need. (Levine, 2021). What determines the definition of capacity is an array of political and administrative factors of the foundation's choosing. Capacity can be but is not limited to, a track record of project success, existing financial situation, or community lobbying that determines who and where funding is directed too. The result is a lack of grant funding being directed to less established organizations in underserved communities despite foundations being created to distribute funds to those communities. Exacerbating the problematic emphasis on capacity, operational costs are subsequently overlooked or not considered all together. Less established nonprofits face financial hurdles to maintain operation in areas with the worst socioeconomic outcomes and would benefit from grants for operational costs (Levine, 2021). Current foundations grantmaking practices misplace the goal of serving those in need by denying funding to nonprofits who serve communities with demonstrated need but lack perceived capacity causing goal displacement.

Public services are often vulnerable to goal displacement “because they have many bottom lines—social, political, and economic—making it almost impossible to develop simple quantitative measures of how they perform” (Bohte and Meier, 2000, p. 174). Government examples of goal displacement are many, from school districts gaming standardized test scores to falsely reflect better performance to the underreporting of crime by law enforcement to falsely reflect safer jurisdictions. The prioritization of funding nonprofit organizations with demonstrated administration capacity—a decision made because of performance concerns—ignores the need to fund organizations with less administrative capacity in communities of need.

Nonprofits are commonly used in public-private-partnerships (P3) for service provision by the federal and local governments. P3s provide an attractive alternative to cut perceived inefficiency and bureaucracy in government service delivery, yet P3s often come with overlooked risks. For example, nonprofits can lose vital sources of funding in public and private grants or donations which can cause service delivery to collapse. In addition, oversight of P3s can lead to issues of accountability to ensure services are being adequately delivered (Amirkhanyan et al., 2008). Foundations in Boston were documented specifically neglecting areas of high need despite having the funding to serve them because of political concerns coupled with organizational capacity objections to the non-profits in the high need areas (Levine, 2021).

Conjointly, surveys on the capacity of nonprofits highlight how crucial foundation funding can be to supporting community success. Over 60% of the non-profit industry is made up of small nonprofits (Faulk et al., 2021). These small nonprofits do not typically receive the majority of their funding from major foundations: They are instead especially reliant on less reliable funding to operate, such as the donations of individuals and alternate funding streams. In contrast, non-profit organizations with over \$1 million in financial assets reported substantially less reliance on individual donors (Faulk et al., 2021). Foundations serve as stewards of funds to invest with expertise and thought. The goal is to direct these funds to areas the foundation identifies as a place, service, or research area with the greatest need for funding. Instead, nonprofits and foundations have been documented doing the opposite, which can negatively impact areas in need instead of helping them (Levine, 2021). Foundations and nonprofits are misplacing the goal of helping those in need with perpetuating funding practices focused on perceived capacity and success to maintain their own financial portfolios.

Although nonprofits often deliver services in the place of government, nonprofits face financial challenges that are exacerbated by foundation grantmaking practices. Foundations benefit from their culmination of assets, with foundations holding over \$1 trillion in financial assets in 2020 (Faulk et al., 2021). Despite having over \$1 trillion in assets, foundations only spent \$88 billion in 2020 in giving. For example, the Bezos Earth Fund—set up in 2020 by Amazon founder Jeff Bezos—gave only \$791 million of its funds to environmental nonprofits despite being founded with \$10 billion that same year (Kulish, 2021). Foundations avoid giving to maintain financial assets to generate wealth that they are not spending or directing to where they are needed. Foundations' role in funding service delivery needs to be re-examined on an operational and organizational level.

**Case Study: Community Foundations in Virginia MSAs**

Community foundations represent a specific kind of foundation that has a board composed of members from the community being served and directs charitable funds towards community-specific nonprofit programming and operations. Although community foundations only represent a small portion of foundation spending, roughly 8% in 2017, they are often seen as trusted community advisors (Levine, 2021). Given the role and assumed local knowledge community foundations possess, they are ideal examples through which to examine foundation funding inadequacies. After all, if foundations with local knowledge and expertise cannot invest their funds where they are needed the most, it may suggest that foundations as a whole are even less equipped to do so.

**Figure 1: Major Urban Areas. 2020 U.S Census Bureau Population Estimates**

	<b>Arlington County, Virginia (NOVA)</b>	<b>Norfolk city, Virginia (Virginia Beach)</b>	<b>Richmond city, Virginia (Richmond)</b>
Population estimates, July 1, 2019, (V2019)	236,842	242,742	230,436
Median household income (in 2019 dollars), 2015-2019	\$120,071	\$51,590	\$47,250
Per capita income in past 12 months (in 2019 dollars), 2015-2019	\$71,841	\$29,830	\$33,549
Persons in poverty, percent	7.60%	18.70%	23.20%

The Hampton Roads, Northern Virginia, and Richmond Foundations service three distinctly different metropolitan areas. Northern Virginia, which is part of the larger Washington-Arlington-Alexandria, DC-VA-MD-WV MSA—one of the 25 largest metro areas in the country—had a median income of \$77,201 in 2020, which, according to the Bureau of Labor Statistics (2020), is \$25,000 and \$22,000 more than Virginia Beach and Richmond, respectively. Additionally, the DC-VA-MD-WV Metro Area enjoys a thriving professional sector with Office and Administrative Support, Business and Financial Operations, and Management making up the top three employment sectors in the region (Bureau of Labor Statistics, 2020). Virginia Beach, along the Hampton Roads waterway, is a coastal area heavily reliant on its tourism industry, which brought \$2.7 billion to the region in 2017. The demographic and economic makeup of the Richmond MSA has similarities with Virginia Beach, but its center, the city of Richmond, had a 23.2% poverty rate in 2019. Despite the clear economic advantages, the residents of North Virginia enjoy, as outlined in Figure 1, impoverished areas can be found in each of these three metropolitan areas. Figures 2 through 4, created with the Opportunity Atlas Data Tool, demonstrate how effective the Hampton Roads, Northern Virginia, and Richmond Foundations are at distributing funds to areas in need within the three Virginia metropolitan areas (Chetty et al., 2020). These maps represent the distribution of community foundation grants in each region and compares them to (A) the estimated median income of residents from each neighborhood at age 35 and (B) the fraction of non-white residents per neighborhood.

Figure 2a: Grant distribution compared median income of residents in Virginia Beach

Household Income at Age 35 for Children of Low Income Parents

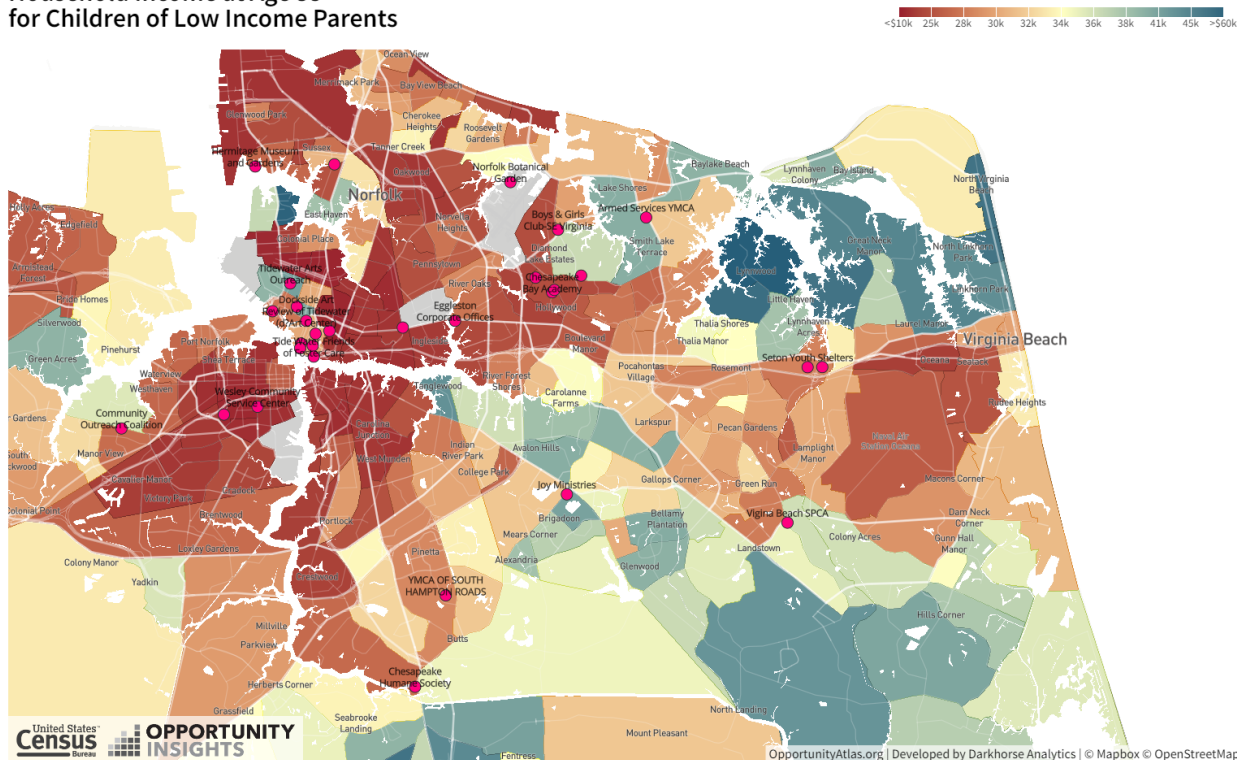


Figure 2b: Grant distribution and distribution of non-white residents per neighborhood in Virginia Beach

Fraction Non-White in 2010

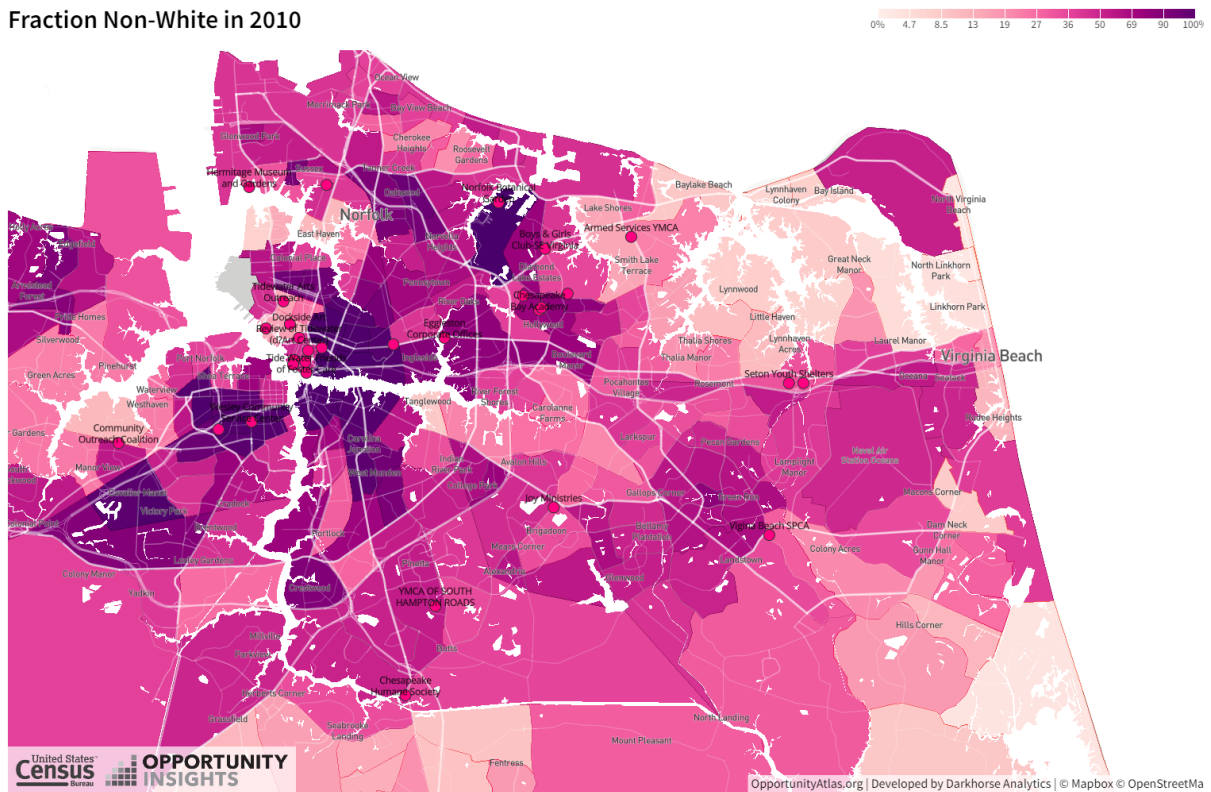




Figure 3a: Grant distribution compared median income of residents in Richmond

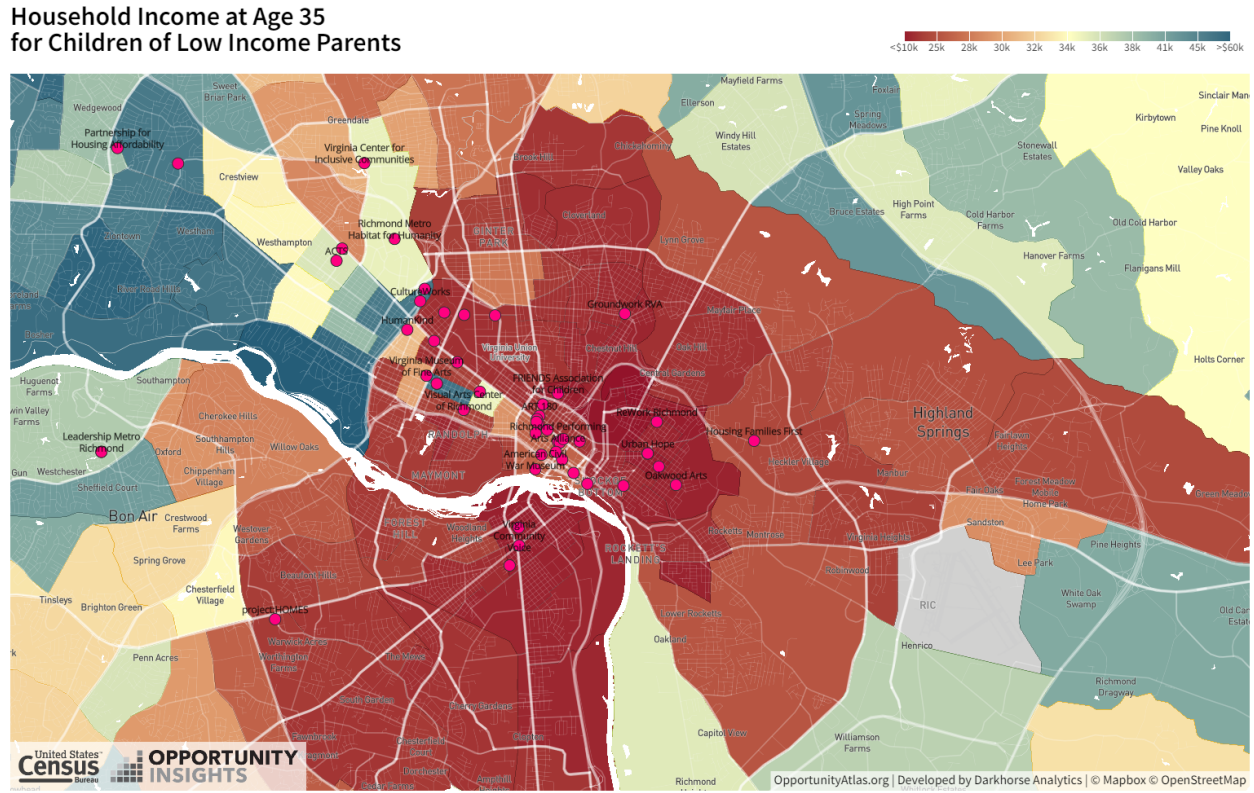


Figure 3b: Grant distribution and distribution of non-white residents per neighborhood in Richmond

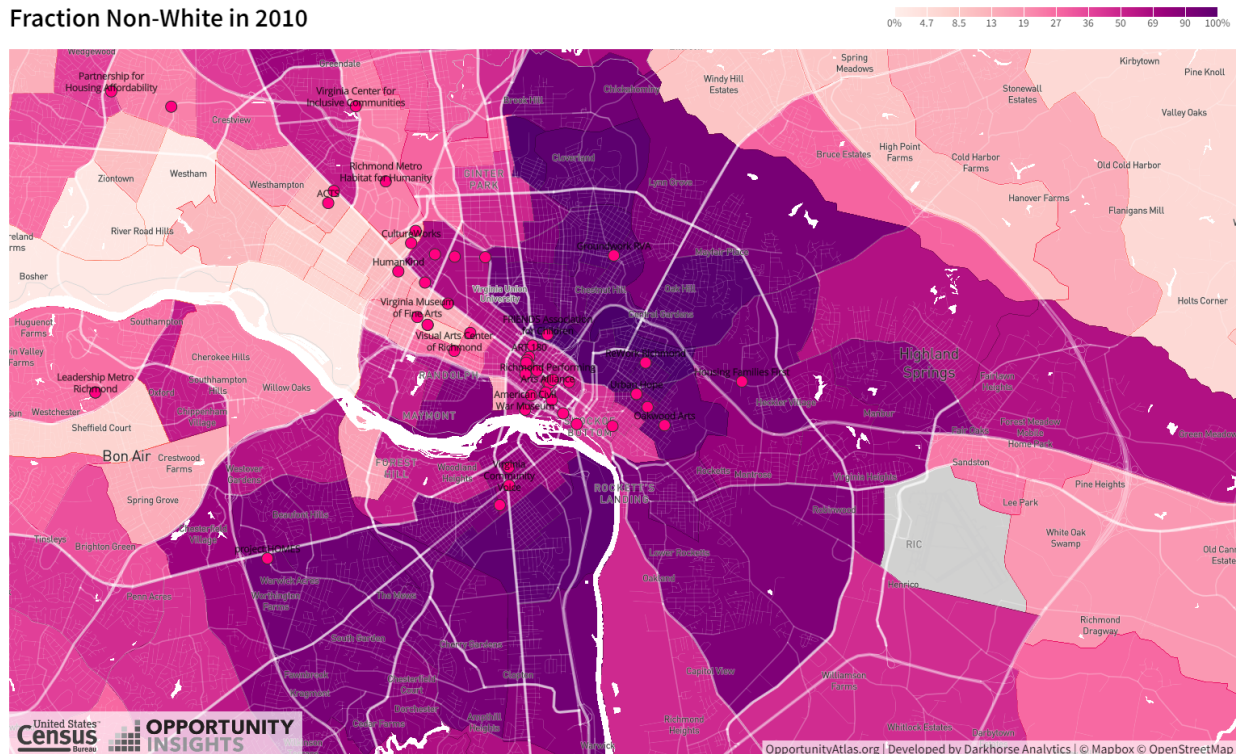


Figure 4a: NOVA Poverty Rate Map

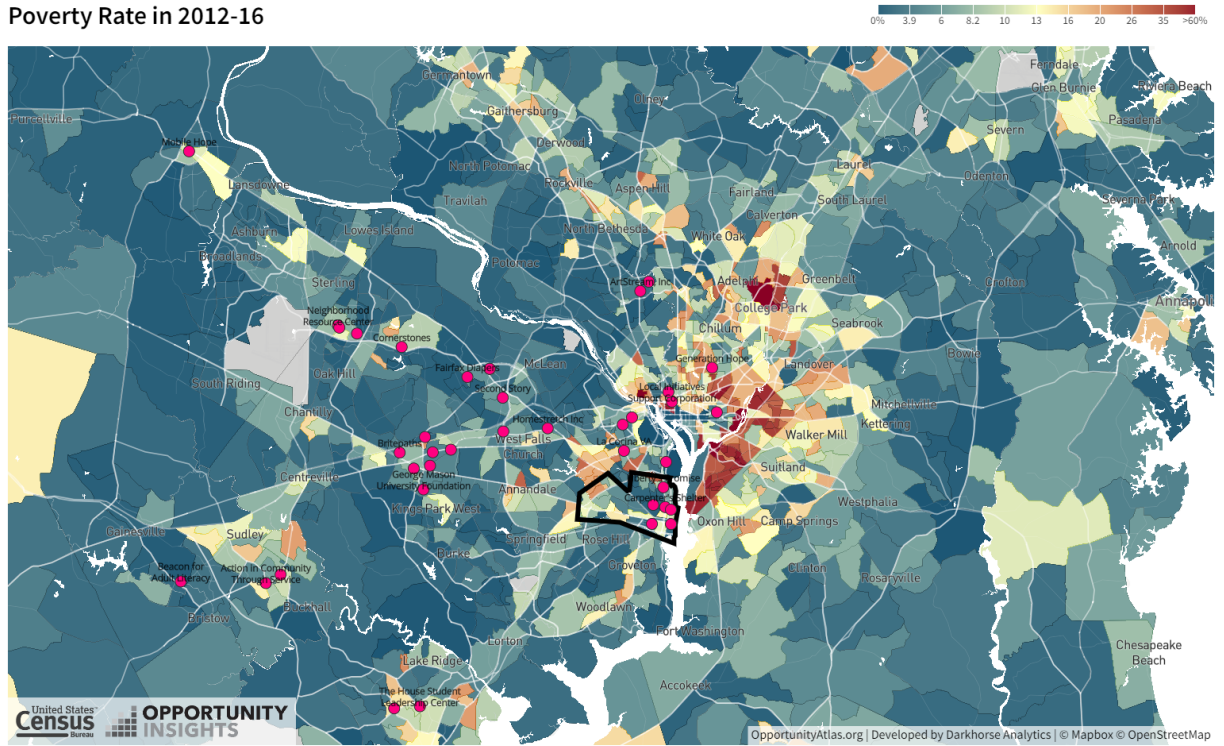
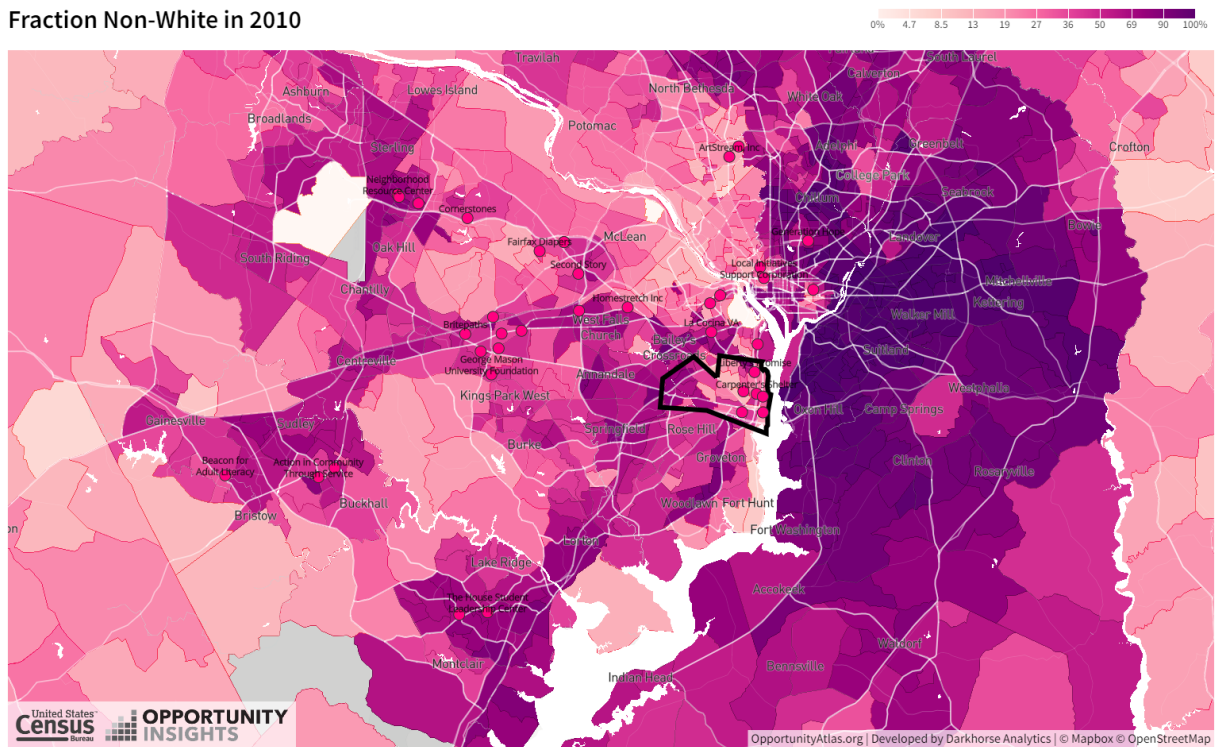


Figure 4b: grant distribution and distribution of non-white residents per neighborhood in NOVA



## Results

### *Virginia Beach:*

Hampton Road Foundation gave out 37 grants in 2021, with the majority concentrated in the Norfolk County area (Hampton Road Community Foundation, 2021). Figure 2a maps those grants against the estimated median income of residents from each neighborhood at age 35. The shaded areas with darker red demonstrate the lowest median income at age 35 for residents, while the light green color shows above median income earnings. Based on the results, Hampton Road Foundation rarely invested in the parts of the region with the worst economic outcomes.

Figure 2b further investigates the location of grantee organizations by measuring against the fraction of non-white residents per neighborhood (Chetty et al., 2020). Darker shades of purple represent a greater number of non-white residents in each neighborhood, while lighter shades of purple and pink represent the opposite. The Hampton Road Foundation only awarded ten grants in majority-nonwhite neighborhoods in 2021. One of these grantees was the Chesapeake Bay Academy, a private academy for those with learning disabilities. This organization may not be a good representation of an organization serving the needs of average community members, since the cost of tuition is \$21,000. Another award that may not be a good representation of serving the average needs of citizens included the Virginia Wesleyan University, a private university, for the purchasing of a new piano. Excluding the academy and University, only 8 of the investments made by the community foundation in the Norfolk Area went to majority-nonwhite neighborhoods.

### *Richmond:*

The Richmond Foundation gave out 61 awards in 2021 from their Community Impact Grants. Community impact grants are the primary community investment vehicle of the foundation that focuses on economic prosperity, community vibrancy, educational success, and health and wellness (The Richmond Foundation, 2022). Figure 3a and Figure 3b repeat the same analysis for the Richmond area, mapping the median income and fraction of non-white residents against the location of the Richmond Foundation grantees. The results are similar, with the majority of Richmond's grantees located in areas that do not demonstrate the worst economic outcomes and needs. More concerningly, when accounting for a fraction of non-white residents in each neighborhood, a clear concentration of grantees emerges in less diverse, whiter neighborhoods. Figure 3b demonstrated that whiter neighborhoods in the Richmond MSA were more likely to receive a grant from the foundation.

### *NOVA:*

For the Northern Virginia Foundation, the grant information came from their 2021 Community Investment Fund grantee announcement, which included 38 grantees (NOVA Foundation, 2022). The NOVA Foundation is the largest of the three foundations and has a significantly larger number of grantees than Hampton Roads or Richmond. Therefore, the Community Investment Fund grantees do not capture the full grant-making profile of the foundation. Still, Community Investment Fund grantees should be focused on communities in need, so this subset of grantees can provide similar insights to the Richmond and Hampton Foundation examples. Figure 4a demonstrates that the NOVA Foundation tended to award funding to grantees in neighborhoods with fewer residents of color, but the disparity was not as pronounced as it was in the Hampton Road and Richmond Foundation examples.

In addition, the NOVA Metropolitan area has significantly better economic outcomes than either Richmond or Virginia Beach and has fewer neighborhoods with poor median incomes. The median income map used in the prior examples was omitted to refine the results further. Instead, Figure 4b maps the grantees over the poverty rate of each neighborhood in the NOVA MSA. The NOVA Foundation rarely awarded grants to areas that had the highest poverty rates within the area they serve. Community development within the highest-poverty areas in NOVA was not considered a priority in the NOVA Foundation's decision making for the 2021 grantees.

## Conclusion and Recommendation

Pressure needs to be applied to foundations—especially community foundations—to spend their funds equitably and overcome funding disparities, as demonstrated in the Richmond, NOVA, and Virginia Beach MSA

examples. One recommendation for accomplishing this is to limit foundation lifespans. Foundations do not have a current incentive to spend down their funds, and instead have become focused on perpetuating their wealth portfolios. Limits on the lifespan of foundations would incentivize foundations to spend more, since they would not be able to perpetually build wealth (Levine, 2021).

Secondly, tax laws need to be changed to require foundations to spend more of their assets every year. Current tax laws allow foundations to spend only 5% of their assets on grantees despite having over a trillion in assets collectively (Levine, 2021). Finally, the operational costs of nonprofits in high-need areas need to be funded before specific programming costs. An historical emphasis on funding programming over operational costs is misplaced, since if the overhead cost needs of nonprofits in underserved areas are not met, there can be no programming or services at all.

In addition, adjusting Community Service Block Grants and Community Development Block Grants can also help minimize inequities in nonprofit funding. CSBG and CDBG funds provide flexible sources of federal funding for nonprofit programs. Specifically, CSBG grants are targeted to fund programs that serve those falling at or below 125% of the federal poverty level but are currently limited to funding programs and services. CSBG grants are dispersed from the states to Community Action Agencies (CAAs), made up of a board encompassing one third local government representatives, one third private representatives, and one third impoverished citizens or their community representatives. CAAs then either operate or distribute funds for service and programs at other organizations. Instead CSBG funds should be distributed directly to local nonprofits in underserved communities. Additionally, the requirements of CSBG grants should be changed to allow this funding to be spent on operational costs and focused on funding nonprofits in high need areas. Furthermore, expanding the federal funding of both CSBG and CDBG would benefit nonprofits who are not able to secure private foundation funding. Since the inception of CDBG and CSBG both programs have seen their funding decline by 74% and 34% respectively when adjusting for inflation and population growth (Reich et al., 2017).

As with the majority of nonprofit grant funding, CDBG grant applications need to be refocused on community need over the perceived administrative capacity of applicant organizations (Collins & Gerber, 2008). In the current system, established and financially secure nonprofits that do not necessarily serve those with the most need have a clear competitive advantage over smaller or newer nonprofits. Reforming CSBG and CDBG to reward need over administrative capacity would level the playing field for smaller organizations while directing funds to neighborhoods that demonstrate the most need. This could provide a lifeline for smaller nonprofits located in underserved communities who are often denied funding by foundations. It is vital for CSBG and CDBG administration to be reformed to serve those in need and for the funding to be restored to at least inception level if not more.

Nonprofits and community organizations are vital to the success of low-income and historically underserved communities. The services they provide are irreplicable and make demonstrated differences. However, the foundations responsible for directing the financial resources nonprofits need to succeed in economically burdened areas are denying those resources to them. The cases of the three Virginia foundations captures a snapshot of a systemic issue in philanthropic giving. Similar analysis of foundations would aid in furthering the research and proposed solutions to reforming foundation giving. In order to improve impoverished metropolitan areas and the economic and well-being outcomes for the residents in those areas, the funding structure of community nonprofits and organizations in the U.S. needs to change on a fundamental level.

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## **THE AMERICAN OPPORTUNITY ACCOUNTS ACT: HOW BABY BONDS CAN TRANSFORM THE RACIAL WEALTH GAP**

Sarah Edwards

### **Abstract**

*The American Opportunity Accounts Act (or "baby bonds") has the potential to substantially narrow the racial wealth gap as it stands today. Combined with a long history of institutional racism omitting and/or targeting Black individuals, traditional forms of wealth-building such as homeownership have widened the racial wealth gap. By shifting the focus of wealth-building mechanisms away from individual responsibility and towards institutional accountability, the United States can begin to tackle the racial wealth gap and its associated negative externalities. The American Opportunity Accounts Act is not flawless; for example, its focus on household income over total wealth fails to capture the full extent of the economic inequality present in today's society. Nonetheless, it is a crucial first step forward that may pave the road for similar policies down the line. Baby bonds are innovative, feasible, and above all vital for a more equitable and sustainable future.*

### **Introduction**

In February 2021, U.S. Senator Cory Booker and Representative Ayanna Pressley re-introduced the American Opportunity Accounts Act (AOAA)—also known as “baby bonds.” If codified into law, this groundbreaking legislation would be the first of its kind on the federal level to address the growing racial wealth gap in the United States (U.S.). The bill would create a federally funded savings account of \$1,000 for every American child at birth, with additional deposits of up to \$2,000 a year depending on household income. This money would be placed in an interest-bearing account only accessible by the account holder when they reach 18 years of age (Booker, 2021). Once the account holder reaches the appropriate age, they would have access to anywhere between \$1,600 and \$46,000 to spend on qualified expenses (such as education) tied to wealth-building (Committee for a Responsible Federal Budget, 2019).

According to the U.S. Federal Reserve, in 2019, white households held 86.8% of the overall wealth in the country while Black and Hispanic households held only 2.9% and 2.8%, respectively. This is the case despite the fact that white households only comprise 68.1% of the U.S. population, while Hispanic and Black households comprise 15.6% and 10.9% (The Federal Reserve, 2020). This wealth gap has been exacerbated due to years of racial discrimination and inequality on both a local and national level. Policies of redlining, racial covenants, and discriminatory lending practices are just some of the historical mechanisms that have limited the opportunity for Black households to build wealth. The repercussions of such discrimination continue to affect the economic opportunities and resources of Black households to this day (Cassidy et al., 2019). As such, the U.S. government must address the lingering legacy of these inequities before they continue to exacerbate societal inequality. Baby bonds – as proposed in the AOAA – can be used as a key policy mechanism to shrink the racial wealth gap and reduce reliance on more exclusive forms of wealth-building such as homeownership, subsequently ensuring a more equitable and sustainable future for minority households throughout the country.

### **The Racial Wealth Gap**

#### *The Basics:*

The racial wealth gap has grown substantially over the past 40 years (The Federal Reserve, 2021). In 2019, the median wealth of Black households was \$24,100 compared to \$189,100 for white households. Although median wealth collectively rose for all races and ethnicity groups between 2016 and 2019, the growth for Black families did not result in a change in the wealth gap. In 2016, the Black-White wealth gap was \$163,700; in 2019, it was \$164,100 (The Federal Reserve, 2020). Data also shows that this gap only increases with age. In 2019, young Black families had almost no wealth while young white families had approximately \$25,400. Once those households surpass age 55, that gap widens to fall somewhere between \$101,700 and \$261,100. Thus, “at middle and older ages the median wealth of white families is four to six times greater than the median wealth of Black families” (The Federal Reserve, 2020).

Looking at the larger distribution of wealth in the U.S. also reveals some startling trends. In 2018, three men held as much wealth as the bottom 50% of all Americans. Zooming out slightly reveals that the richest 5% of Americans own two-thirds of the wealth in the U.S. Additionally, in 2019, 28% of Black households and 26% of Latinx households had zero or negative wealth (i.e., household debt exceeded assets), which was twice the rate of white households (Inequality.org, n.d.). Thus, while overall wealth inequality is a rising issue across the U.S, it is also clearly stratified by race.

#### *Consequences of the Racial Wealth Gap:*

The racial wealth gap has severe consequences for economic mobility and inequality. It is also “more intransigent than other forms of inequality” due to the fact that the wealth gap accumulates over time and thus has intergenerational consequences (Herring & Henderson, 2016, p. 15). Past racial discrimination in sectors such as housing, employment, and education affect young generations of African Americans to this day by limiting opportunities to accumulate wealth at the same rate as white families (The Federal Reserve, 2021). A recent study of the major individual-level sources of wealth found that even after considering cultural (e.g., family structure), behavioral (e.g., spending patterns), and social structure variables (e.g., housing ownership), structural and ownership variables are associated with a much larger portion of the wealth gap. Thus, even if “African Americans had the same characteristics on these variables as whites, there would still be a racial wealth gap of more than \$155,000” (Herring & Henderson, 2016, p. 15). The structural racism that sustains this wealth gap has immense consequences for both individual and group outcomes as well.

To fully understand these differences in outcome, researchers have analyzed the racial gap changes in the U.S. across generations using data from 20 million children and parents. The study found that Black children in America have substantially lower rates of upward mobility than any other racial group besides American Indian children (Chetty et al., 2018). Black children who are born into households at the bottom income quintile have a 2.5% chance of rising to the top quintile of household income, in contrast to 10.6% of white children in a similar situation. Additionally, even Black children born into high-income families are at a much greater risk of downward mobility; the study found that Black children are almost as likely to fall to the bottom quintile as they are to remain in the top. This is in contrast to white children, who are roughly five times as likely to stay in the top quintile (Chetty et al., 2018). Thus, Black families are often “stuck in place” across generations in part because these families do not have the accumulated wealth to pass on to their children or provide a safety net if financial difficulties should arise. Disparities in wealth also increase gaps in college attendance and completion, affect early adult decisions regarding marriage and fertility, and even impact standardized test scores. These disparities cannot be explained by income alone and reveal wealth’s role in mitigating the adverse effects of low incomes on child achievement (Gibson-Davis et al., 2021). If unaddressed, these disparities will persist and continue to predispose children in minority households to negative and uneven outcomes.

There are a number of negative externalities of the racial wealth gap that harm the nation’s broader economic and political health. While the research is emerging in this area, there is strong evidence that inequality can hinder economic growth. In particular, studies of inequality both internationally and within the U.S. reveal that inequality is associated with lower long-term growth and lower income growth for those who do not sit within a population’s top income distribution (Boushey & Price, 2014). Additionally, the racial wealth gap may contribute to racial and/or political polarization. For instance, a recent rise in white supremacy has increased polarization and is sustained by the presence of extreme inequality; in a 2020 report, the FBI reported that hate crimes had increased by 42% since 2014 (Yang, 2021). Moreover, increased concentration of wealth among top income brackets is also correlated with increased frequency of political corruption (Cassidy et al., 2019). These two externalities are vitally important to think about when considering how to address the racial wealth gap.

#### *Traditional Forms of Wealth-Building:*

In order to analyze how policies can shrink the racial wealth gap, it is first important to understand how traditional forms of wealth-building function. Wealth serves a number of purposes: it can ease the transition between jobs, provide a financial buffer for unforeseen events, support retirement, help fund a child’s future education, and ensure greater independence for families beyond household income (Weller et al., 2020, p. 197). Different forms of wealth-building have grown over the years to support these goals.

The arguably most significant form of wealth-building within the U.S. is homeownership. Federal tax policy has historically subsidized and incentivized homeownership, making it an effective asset-building mechanism for many families (Adams, 2009). Yet government established programs that promoted homeownership such as the GI Bill, Homeowners' Loan Corporation, and the Federal Housing Administration were originally only open to white families. Even after the Fair Housing Act of 1968 made housing discrimination explicitly illegal, federal tax code policies like the mortgage interest tax deduction gave \$71 billion in subsidies to homeowners—twice as much as the Section 8 Rental Voucher Program receives to support low-income renters (Cassidy et al., 2019). Today, five key factors contribute to the elevation of homeownership as an effective means of wealth-building: (1) the belief that it acts as forced savings, (2) homes are assumed to be appreciating assets, (3) home financing can leverage asset returns, (4) federal income tax benefits from owning a home can be substantial, and (5) homeownership provides a hedge against rent inflation over time (Herbert et al., 2013). While these beliefs do not hold true for all homeowners, it is nonetheless the dominant discourse within the U.S.

Investing is another common form of wealth-building. Investment strategies may involve buying stock, purchasing property, capitalizing on family inheritances, and leveraging “good debt.” In what might seem like a paradoxical statement, “high personal debt is not necessarily reflective of economic hardship” (Charron-Chenier & Seamster, 2021, p. 978). In fact, having “good debt” can actually jumpstart the asset accumulation process by being able to access affordable credit to start a business, buy a house, or finance education (Charron-Chenier & Seamster, 2021). Overall, investing often leads to asset accumulation, which “has been shown to enable social mobility and educational attainment by providing a foundation from which to assume” risks (Zewde, 2020, p. 5). These tactics help accumulate wealth more quickly over a lifetime, thus creating more resources and assets to pass down to future generations.

Business ownership/entrepreneurship is another tool often cited as a key to wealth-building. A survey of affluent Americans with incomes over \$100,000 found that “70% of those with at least \$3 million in assets had acquired the bulk of their wealth through business ownership” (Herring & Henderson, 2016, p. 7). Entrepreneurship is highlighted as a way to improve individual financial security while also improving the collective prosperity of the community. This argument is particularly relevant in discussions about minority business ownership/entrepreneurship because of the tightly knit nature of these communities and their propensity to support workers from their own neighborhood (Rice et al., 2018). Thus, it can be a wealth-building mechanism for the individual as well as the community at large.

#### *Consequences of Traditional Forms of Wealth-Building:*

Despite the popularity of these traditional forms of wealth-building, they come with stark consequences that exacerbate the racial wealth gap. The first issue with these mechanisms is that they are often unstable. Homeownership, for example, can concentrate a family's resources in a single asset (Schuetz, 2020). This can be problematic given the volatility of the housing market—a truth illustrated in great detail during the Great Recession of 2007-2009. Black wealth was hit especially hard by the Great Recession; between 2005 and 2009, the median net worth of Black households dropped by 53% compared to only 17% for white households (Famighetti & Hamilton, 2019). The modest gains in wealth that Black households had accumulated were entirely wiped out by the housing crash and subsequent economic downturn. A report by the ACLU found that by 2030, Black household wealth will be 40% lower than if the recession had not happened versus only 31% for white households. While all households lost home equity, the decrease was 3% greater for Black households (Burd-Sharps & Rasch, 2015). Even upper-income Black households suffered from the crisis, often being subject to targeted predatory loan practices called subprime loans. In fact, “Black families living in upper-income neighborhoods were two times more likely than white households in lower-income neighborhoods to have refinanced their homes with subprime loans” (White, 2015). All of these factors illustrate the unstable dynamics of the housing market, particularly for minorities.

Additionally, traditional forms of wealth building are often exclusive. Rates of entrepreneurship are consistently lower for people of color, and the average value of their business is markedly lower than white owners in the same situation (Pantin, 2017). This is in part because being an entrepreneur and owning a business requires startup capital that many minority individuals do not have access to given overlapping layers of historical discrimination (Darity et al., 2018). Investing is also an exclusive form of wealth-building, in part because



financial planning resources are often inaccessible to minority households. Financial knowledge is often passed down through families that already manage wealth, and even more generic financial planning services are often unreachable based on the price tag alone (Brown & Robinson, 2016). Lastly, these traditional forms of wealth building often ignore the structural racism present within the institutions themselves. For example, the tax code is supposedly “race neutral.” Yet in reality, the tax code favors white households by ignoring the broader context of institutional racism that prevents minorities from accessing wealth, leading to disproportionate taxation (Steverman, 2021). By ignoring these nuances, traditional wealth-building mechanisms reproduce negative and uneven outcomes and contribute to growing racial and economic disparities.

### *Critiquing “The American Dream:”*

The culture around homeownership in the U.S. also needs to be addressed before fully analyzing how baby bonds can more effectively build wealth. Homeownership is emphasized as the primary form of wealth building due to its centrality to the “American Dream”—the idea that individuals can build a good life for themselves in the U.S. if they work hard, regardless of background or external factors (Adams, 2009). Especially before the Great Recession, the importance of homeownership as part of the “American Dream” was rarely questioned and increased homeownership rates were a desirable goal for the country. Yet this culture of individualism and emphasis on owning property has thwarted housing policies favoring low-income and minority renters, which make up approximately a quarter of all renter households in the U.S. (Aurand, 2021; Adams, 2009).

Pursuing this ideal of the “American Dream” is also particularly problematic within the context of the COVID-19 pandemic. Wealth concentration has increased during the COVID-19 crisis, highlighting the stark reality of inequality in the U.S. A recent analysis revealed that the combined wealth of all U.S. billionaires increased 59.8% between the onset of the pandemic in March 2020 and July 2021. Of the 700 billionaires that made up that percentage, the richest 5 saw a 113% increase in their combined wealth during this same period (Inequality.org, n.d.). Additionally, unlike the Great Recession, the housing market has boomed during the pandemic. As mortgage interest rates fall dramatically, households have sought additional space amid work-from-home and social distancing requirements. Housing supply is at a historic low, sending home prices skyward. While this is good news for homeowners, it is problematic for those shut out from the housing market altogether (Demsas, 2021).

Continuing to give homeownership a privileged position in the “American Dream” does not bode well for social well-being. In light of the inequalities COVID-19 has brought to light, homeownership is predicted to be even more unstable and exclusive in the future—a trend that is sure to exacerbate the racial wealth gap. A recent Urban Institute report found that U.S. homeownership will decline by 62.1% over the next two decades, with losses particularly concentrated among Black Americans and younger households (Goodman & Zhu, 2021).

With these predictions looming, the question remains: if traditional forms of wealth-building are layered with inequities, how can the U.S. possibly begin to close the racial wealth gap? The answer to that question requires looking beyond traditional mechanisms to reimagine the nation’s processes and priorities. One key policy that could transform this sector is the AOAA—a policy that will be explored in depth in the following sections.

## **Baby Bond History and Background**

### *Origins:*

While the concept of baby bonds has been around for many years, it was popularized by economists William Darity and Darrick Hamilton in 2010 as a key policy mechanism to narrow the racial wealth gap. While similar policies had been proposed before, none went as far as the proposal that Darity and Hamilton elevated. For example, the American Dream Demonstration used Individual Development Accounts to create match incentives for low-income individuals, and the Savings for Education, Entrepreneurship, and Down-Payment initiative established Child Development Accounts which created match incentives for children at birth (Hamilton & Darity, 2010). However, these policies have not been universal and rely on individual contributions for the accounts to have any real impact. In contrast, the idea of baby bonds is grounded in economic studies that, “demonstrate that inheritances, bequests and intrafamily transfers account for more of the racial wealth gap than any other demographic and socioeconomic indicators including education, income and household structure”

(Hamilton & Darity, 2010, p. 212). As such, private action and market forces alone are not sufficient to close the gap.

Darity and Hamilton's proposal is estimated to raise between \$50,000 to \$60,000 for children in the lowest wealth quartile of families, and the funds would be accessible once the child turned 18. The individual trust would be comprised of federally managed investments and have a guaranteed growth rate of 1.5-5% annually (Hamilton & Darity, 2010). Additionally, eligibility for the program would be based on the net worth of a child's family rather than the family's household income. This is a key piece of the proposal, as wealth can paint a very different picture of a family's financial status than income. In fact, nearly 10% of the wealthiest families in the U.S. have incomes that put them in the bottom 90% of the income distribution (Bricker et al., 2020). By taking wealth into account, Darity and Hamilton's proposal ensures that those at the top are not receiving benefits disproportionate to their needs.

#### *The American Opportunity Accounts Act:*

When Senator Cory Booker and Representative Ayana Pressley reintroduced the "American Opportunity Accounts Act" in February 2021, they did so at a time when issues of racism and inequality were at the forefront of the political agenda. The proposed legislation would transfer \$1,000 to an American Opportunity Account for every individual born after December 31, 2021. Each year thereafter until the individual turns 18, the Treasury Secretary would transfer an annual contribution amount to the individual account based on a sliding scale of household income. Households who make up to 100% of the federal poverty line would have \$2,000 deposited every single year, with the number decreasing in amount until the household exceeds 500% or more of the federal poverty line and the additional payments stop altogether. These annual allocations are based on tax returns, and any taxpayer not required to file a tax return would be treated as a household that makes less than 100% of the federal poverty line (H.R.835, 2021).

The account holder would be able to use the funds for any "qualified expense" upon turning 18, which includes higher education, career or technical school, homeownership, or any other investments in financial assets or personal capital determined by the Treasury. The legislation also requires the Comptroller General to submit a report – no more than two years after enactment of the legislation – that looks at the feasibility and distributive impacts of a new measure that determines annual contributions based on family wealth, assets, and total net worth. (H.R.835, 2021). Thus, Booker and Pressley's Baby Bond proposal differs from Darity and Hamilton's in their use of household income over wealth. Nonetheless, this provision to develop a new measure for wealth would be a significant step towards implementing the policy based on total wealth in the future.

#### *Example Programs:*

While there have been several local initiatives piloted that are tangential to the AOAA, none of them quite model what the legislation would look like on a national scale. However, these existing initiatives and programs can offer some insight on how models already in place function. In 2017, the City of Oakland, California launched the "Brilliant Baby Program" which provides \$500 in a child savings account for Oakland babies. To be eligible, a household must have an income that is 200% of the federal poverty level or lower. Families in this program are also eligible for a personal savings match program that includes financial coaching. As of 2019, the program had enrolled over 300 babies and had a total budget of \$33 million. While it is too early to determine long-term outcomes of this program, qualitative data suggests the program has been a success in providing critical services to low-income residents and bolstering the financial position of low-income families (Cassidy et al., 2019).

A more recent program was approved by the D.C. Council in October 2021. The council moved to pass a bill that will put up to \$1,000 a year into trust funds for low-income children until they turn 18. Any child born after October 1, 2021, in D.C. that is part of a family enrolled in Medicaid and making less than 300% of the federal poverty line will be enrolled. Families who live at or below the federal poverty line will receive an initial deposit of \$500 and have subsequent annual deposits capped at \$1,000. Families who are between 100%-300% of the federal poverty line will get an initial deposit of \$500 and receive subsequent annual deposits of \$600 thereafter. The money may be used for the same sort of qualified expenses presented in Booker and Pressley's legislation and is estimated to help over 1,800 children born every year in the District (Austermuhle, 2021). While

there are some differences in eligibility, the D.C. program is most in line with what Booker and Pressley’s legislation proposes.

#### *Potential Impact of Baby Bonds:*

Naomi Zewde, a postdoctoral research scientist at Columbia’s Center on Poverty and Social Policy, recently put Booker and Pressley’s Baby Bond proposal to the test using longitudinal data from the Panel Study of Income Dynamics. The study simulated a policy environment where the U.S. had distributed baby bonds to every newborn and those bonds had remained in place until young adulthood. Zewde found that if baby bonds were implemented, “the share of total wealth held by the top decile of households would decline from its current share of 72% to a new share near 65%” (Zewde, 2020, p. 15). While racial disparities would still exist, “the relative differential would be substantially diminished. The median White young adult household would hold approximately \$79,000 versus the median Black American’s \$58,000. Thus, the program would reduce the Black-White wealth disparity from a factor of 15.9 to 1.4 at the median” (Zewde, 2020, p. 11). Zewde concludes that the Baby Bond program would not only reduce generational wealth disadvantages in the short term, but also successfully improve the asset position of young Black Americans in the long run.

Additional research supports the conclusion that the AOAA will have a significant impact on the racial wealth gap. A 2020 study on the effectiveness of the AOAA estimated that if the bill had been in place over the past 25 years, the racial wealth gap would have been narrowed by one fourth (Mitchell & Szapiro, 2020). Another study recently evaluated the impact of five policies on helping to close the racial wealth gap: debt-free college, civil rights enforcement in housing markets, credit market regulations enforcement, a national retirement savings plan, and baby bonds. While the authors conclude that all policies would reduce the Black-White wealth gap to some degree, baby bonds itself has the largest singular effect (Weller et al, 2020).

There is still much more research to be done to analyze the impact of the AOAA on individual and generational wealth. Still, the limited research that is available clearly illustrates the positive externalities of such a proposal. For example, “even independent of the effect of income, evidence suggests that young people from wealthier families are more likely to complete 2 or 4 years of higher education and to move up in the socioeconomic distribution” (Zewde, 2020, 5). Education has a net benefit for society by creating more employment opportunities, increasing earnings, and generating more charitable contributions (Association of Public & Land-Grant Universities, n.d.). Additionally, it is important to note that “wealth is not only a question of financial savings; it provides access to the political process and, therefore, exerts political influence” (Weller & Roberts, 2021). Thus, a more equal distribution of wealth can ensure that there is not just one voice dominating the political landscape.

### **The Political Landscape of Baby Bonds**

#### *Baby Bond Proponents:*

Proponents of the AOAA emphasize the policy’s universality as a net good for all children in the U.S. Since the policy is universal, it addresses the needs of all low-income children—not just minorities. Thus, supporters of baby bonds emphasize class over race as a way to tackle both and still maintain that it is not a race-specific intervention, which is often more controversial (Lowrey, 2020). Another argument wielded by proponents focuses on the data that shows investments in children provide the greatest return on investment (ROI). For example, the National Forum on Early Childhood Policy and Programs found that high quality childhood programs yielded a \$4-9 dollar return per every \$1 invested (Center for High Impact Philanthropy, 2015). Even though baby bonds would not be available to recipients until adulthood, investing in children throughout the course of their lifetime based on their households’ resources would be a sound public investment based on ROI alone. Lastly, proponents echo the positive externalities of baby bonds discussed earlier such as increased education rates and more equal political participation (Zewde, 2020). Ultimately, advocates highlight the AOAA as a sound investment that will produce better economic outcomes for the country at large.

#### *Baby Bond Critics:*

The criticism levied against the AOAA focuses more on the role of government and the social safety net. Critics argue that social programs such as baby bonds are an inefficient allocation of resources that drive up U.S.

government spending unnecessarily. A conservative view of this policy posits that the redistribution of wealth acts as a “backdoor subsidy” while also diminishing personal incentives to save (Bourne, 2018). Another criticism of the AOAA centers around its role in closing the racial wealth gap. In this case, some critics view the racial wealth gap as a product of other circumstances. These individuals often counter baby bond proposals by focusing on policies that are supposedly “race neutral”—for example, increasing educational attainment. There is a common view that education is the “great equalizer;” thus, by increasing educational attainment across groups the racial wealth gap will even out over time (Darity et al., 2018). Other “race neutral” policies proposed by Baby Bond critics focus on greater financial literacy programs and incentives to save. Advocates of this view claim that the proper resources for navigating the financial system exist—minority households just need to be exposed to them. Entrepreneurship is often praised in a similar way, as advocates claim it can eliminate the racial wealth gap while also strengthening the economy and diversifying capital (Darity et al., 2018). Whether deemed inefficient or unnecessary, the AOAA does experience major pushback from certain parts of the political spectrum.

*Critique of the Critic:*

The critiques listed above can and should be addressed by the AOAA’s advocates. To tackle the first argument about the inefficient allocation of resources, there is robust data that illustrates how universal programs can advance economic mobility for all (Huang et al., 2021). By tying baby bonds to overall economic mobility and growth, one can argue that it is an efficient allocation of resources in the long run. While some opponents will always consider social safety net programs to be unnecessary, those who are in the middle may be swayed to support it. To address the second criticism about better “race-neutral” policies, no policy is ever truly “race-neutral.” As the previous section about the consequences of traditional forms of wealth-building illustrates, there is systemic racism within many sectors of society that have historically prevented minorities from accumulating wealth at the same rate as their white counterparts (Steverman, 2021; Pantin, 2017).

The idea of “race-neutral” policy continues to circulate in political circles, yet the available data highlight its inaccuracies. Regarding education, many clear-cut racial disparities exist. In fact, “at every level of educational attainment, Black families’ median wealth is substantially lower than their white counterparts” (Darity et al., 2018, p. 6). Even more drastically, the average Black household with a college-educated head has less wealth than a white household whose head does not have a high school diploma (Darity et al., 2018). Thus, we can see that with education held equal, there are still drastic, unaddressed inequalities resulting from years of systemic racism and discrimination. In regard to financial management, the data indicates that Black families often have higher savings rates than white families. Yet since white families have more resources and financial assets from the outset, they can navigate the system more easily while Black families are more vulnerable to predatory financial institutions (Darity et al., 2018). Lastly, encouraging increased levels of entrepreneurship for minorities can have a detrimental effect on income inequality by driving up the cost of living and draining public institution resources (Isenberg, 2014). Overall, the critics of the AOAA do not have solid data or research to support their critiques, instead relying on outdated and inaccurate depictions of the U.S. social safety net that ignore the historical context of systemic racism.

*Feasibility:*

Beyond the AOAA policy proponents and critics, there is also the question of feasibility to consider. It remains to be seen if Congress can approve this bill in its current state of extreme partisanship. While key social programs have gained some ground in recent years (such as the expansion of the Child Tax Credit), many of those proposals either have time limits or run the risk of being defunded if the party composition of Congress changes during its mid-term elections. Nonetheless, there is some evidence that baby bonds can attract support from people who would normally oppose policies focused on race and redistribution. Polling by Data for Progress found that baby bonds have an approximately 27% net approval rating among those under 25 compared to only 2% for reparations (Data for Progress, n.d.). The COVID-19 pandemic also exacerbated many racial and economic inequities in a way that was difficult for politicians to ignore. Thus, the legislation is perfectly situated for this particular policy window if Congress can find a way to push it through.

In terms of financial feasibility, Senator Booker’s office estimates that the AOAA would cost \$60 billion annually, totaling approximately \$650 billion over a decade (Kijakazi & Carther, 2020). While this appears to be

a large sum of money, Senator Booker has also proposed a set of tax increases that aim to target the wealthiest households. The legislation would increase the top tax rate on capital gains and dividends to 28%, increase the estate tax, and eliminate the step-up in basis of capital gains at death. Under the current law, gains from assets that are passed through inheritance are exempt from taxation. Under Booker’s proposal, they would generally tax them at the time of death. The plan would also restore 2009 estate tax parameters and increase the “tax rate to 45% above \$3.5 million of assets for a deceased individual, 55% above \$10 million, [and] 65% above \$50 million” (Committee for a Responsible Federal Budget, 2019). The Committee for a Responsible Federal Budget estimates that these tax increases “would more than offset the cost of [the AOAA]” and bring in about \$700 billion over a decade (2019). This robust tax plan ensures the financial feasibility of the AOAA is intact—the political feasibility, however, remains to be seen.

## Conclusion

The American Opportunity Accounts Act would represent a substantial expansion of the current U.S. social safety net. This expansion is not only necessary to shrink the racial wealth gap; but it is also fundamental in addressing underlying racial inequities and accounting for past transgressions. The racial wealth gap is expansive, and the AOAA could be just one tactic in a broader, more comprehensive political strategy. Traditional forms of wealth-building such as homeownership have deepened the racial wealth gap over the years alongside institutional racism that leaves out and/or targets Black individuals. By shifting the focus of wealth-building mechanisms away from individual responsibility and towards institutional accountability, the United States can begin to tackle the gross inequities that currently dominate its economic, political, and social landscape. The AOAA is not perfect; its focus on household income over total wealth fails to address the full extent of wealth inequality. Nonetheless, it is a crucial first step forward that will pave the road for similar policies in the future. Baby bonds are innovative, feasible, and above all vital for a more equitable and sustainable future.

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## HOW THE 2020 SOUTH CAROLINA SENATE RACE FORESHADOWS A POSSIBLE REPUBLICAN SWEEP IN 2022

Genny Glembotzky & Sahiba Kaur

### Abstract

*As we enter a pivotal election year, Democrats are grappling with the idea that keeping the House and securing the Senate might not come as easily as when the “blue wave” rolled across the nation in 2018. The victory of Glenn Youngkin in the 2021 Virginia gubernatorial race was perhaps the first sign of difficulty ahead for Democrats competing in the 2022 midterm cycle. Were there indicators before the Virginia race that indicated an uphill battle for Democrats? We treat the 2020 South Carolina Senate race as a case study for Democrats’ struggle to remain competitive among a rapidly polarizing electorate.*

*This article analyzes the South Carolina U.S. Senate race between incumbent Senator Lindsey Graham and former Democratic Party Chairman Jaime Harrison. We detail the history of South Carolina Senate races, explore the political legacies of Graham and Harrison, and compare the sources and uses of donations that fueled a historically expensive race. Our analysis concludes that despite increasing competitiveness for Democrats in conservative strongholds, the Harrison-Graham race should have been a sobering bellwether of diminishing confidence among the national electorate in the Democratic Party.*

### Introduction

South Carolina has long served as a safe Republican call for most statewide races. Yet, in 2020, former South Carolina Democratic Party Chairman Jaime Harrison’s underdog bid and unprecedented fundraising against Republican incumbent Senator Lindsey Graham dramatically changed South Carolina’s election dynamics. In the months leading up to the election, the race appeared to be a potential tossup, opening up the possibility for South Carolina to lean Democrat. A 2020 Quinnipiac University poll, conducted from July 30 to August 3, showed the race tied at 44%. A September 8, 2020, generic ballot poll from The Economist/YouGov showed that 46% of South Carolina voters would have voted for a Democratic congressional representative if the election were held that day. The same Quinnipiac University poll found Harrison with a sizable lead among independents at 41% to Graham’s 37%. Harrison also demonstrated traction among women, at 47% to Graham’s 42%, and particularly Black women (*South Carolina US Senate polls*, 2020). With a promising race for Harrison prior to Election Day, the Cook Political Report moved its prediction of the race from “likely” to “lean” Republican. These predictions laid the foundation for the most expensive Senate race in American history.

Despite promising signs for Democrats in South Carolina throughout the campaign, Graham still won the state with over 54% of the vote, leaving Democrats in disbelief over what went wrong. Below, we discuss this election’s implications and how Harrison’s stunning loss could foreshadow a Republican sweep in 2022.

We suspect that several underlying factors contributed to this Senate race’s high stakes and historic number of individual monetary contributions. In 2020, Democratic voters extensively mobilized, perhaps as a reaction to the extreme conservatism in the Executive Branch or acrimony towards Graham’s alignment with then-President Trump. Additionally, South Carolina is home to the nation’s largest Black voting bloc, making up 60% of the state’s Democratic electorate yet only 30% of its population (Jackson, 2020). Moreover, Harrison successfully fundraised over \$28 million by the June 2020 filing deadline, closing the donation gap between the two candidates months ahead of the election and setting the stage for an expensive and competitive race. These conditions created a tense, heated race that veered closer to a tossup than the Palmetto State has witnessed in recent decades. Through a discussion of these factors and analysis of the disparity between campaign finance contributions and election results, we seek to investigate how the South Carolina Senate race became so contentious and close and discuss the potential implications for the 2022 midterm elections.

### Historic Election Results

Senator Graham, who has represented South Carolina since 2002, is one of the great political giants of the modern Republican Party. He became known for his creative political maneuvering, moderate policies, bipartisan



ties, and powerful fundraising. After Graham helped on the late Senator John McCain’s presidential campaign in 2008, he focused his attention on his own state by deploying a barrage of paid staff and volunteers to build six regional offices to mobilize donors (Raju, 2014). Toward the end of the first quarter of 2014, Graham raised \$11.6 million, a total his opponents could not fathom—none of his opponents passed the \$1 million mark (Raju, 2014). Graham regularly attended major political events for crowds of both political parties, and he even befriended some political adversaries while garnering support from high-funding donors. His fundraising tactics and amiable reputation paid off, allowing the Senator to donate \$150,000 to the South Carolina Republican Party while headlining big-donor events that brought in around \$50,000 each (Raju, 2014).

Graham was openly critical of his party during his previous Senate runs and advocated for changes in its structure and platform. During his first term in the Senate, he often warned his base of the Republicans’ lack of non-white support and the need to foster a more inclusive party. He was headstrong with his stance on climate change as an impending threat to the U.S., expressed support for lenient immigration policies, and advocated for higher taxes on wealthier Americans. Even when criticized by his own party, he showcased his support of liberal justices Elena Kagan and Sonia Sotomayor for the Supreme Court (Raju, 2014). After Tea Party conservatives gained momentum in Congress in 2010, Graham rallied hard in the 2014 primary by warning against an overtly conservative wave and working to eliminate more conservative voices on the ticket. These views and his robust fundraising organized the Republican Party by rallying support from moderates and Black Americans, and they allowed him to steer clear of a Tea Party insurgency in South Carolina. These strategies streamlined his eventual win in 2014 over Democratic state Senator Brad Hutto, and his massive fundraising molded him into a nationally renowned symbol of the Republican Party.

In 2020, Harrison, the former chair of the South Carolina Democratic Party and a newcomer to elected office, posed an unusually intimidating challenge to Graham’s weighty political reputation. Harrison cast himself as Graham’s antithesis: a candidate of unwavering moderate politics and a man of the people of South Carolina. Following a national galvanization by Democrats seeking to undermine Republican control of the federal government, Harrison gained considerable traction among voters in the state and across the country, putting Republicans on guard. We suspect that two major factors led to such a stark break from historical political trends in South Carolina. First, President Trump’s extremist and divisive policies and political rhetoric undoubtedly created measurable polarization among both major parties, an effect that radiated into every echelon of government nationwide. To win over a growing ultra-conservative base, Graham aligned himself and his campaign platform with the president. Second, after the death of liberal Supreme Court Justice Ruth Bader Ginsburg, Graham’s chairmanship of the Senate Judiciary Committee shifted the race beyond the scope of South Carolina alone.

Graham’s seemingly narrow margin in a staggeringly expensive race ahead of the election reflected Republicans’ fears of losing control of South Carolina. Examining the presidential race alone, Republicans faced a steep battle to stay on top in a state where they have won every presidential election since 1980. According to one Quinnipiac University poll from September of 2020, Trump and Biden were neck-and-neck at 47% and 48%, despite Trump’s comfortable victory in the state in 2016 (*South Carolina US Senate polls*, 2020). Seizing an opportunity to capitalize on a fracturing Republican Party, Democrats positioned Biden as the frontrunner for national campaign finance expenditures and outspent President Trump by at least \$40 million. Outside groups supporting Biden outspent groups backing Trump by around \$134 million. Biden’s push in “Blue Wall” states, which exceeded Trump by \$174 million, paid off to win him the presidency. Similarly crucial was the Democratic push in Texas. Biden’s consistently high spending laid the groundwork for the Republican stronghold to turn closer to blue than ever before (Montanaro, 2020).

Biden’s aggressive nationwide spending and favorable polling, part of a widespread coalescence against Trump, may have contributed to the narrow races in South Carolina and posed the formidable challenge to Graham’s seat. Biden’s nearly 30-point win over Senator Bernie Sanders in the state’s Democratic primary (Biden 48.4%, Sanders 19.9%) and his electoral win on Super Tuesday gave him the much-needed momentum to ultimately win the Democratic nomination and boost Democratic mobilization (Bernert, 2020). Upon the endorsement of Biden by South Carolina Rep. Jim Clyburn, the highest-ranking Black Member of Congress, half of South Carolina’s Democratic voters believed this endorsement to be a driving factor in their vote for Biden (Owens, 2020). Additionally, Biden won 61% of the Black vote in the Democratic primary, reinforcing the

importance of their role as the nation's largest Black voting bloc. Moreover, 85% of Black voters had a favorable view of Biden, given his positive relationship to the Black voting bloc and his time as Vice President to Barack Obama, according to ABC News exit polls (Self and Schechter, 2020). Notably, South Carolina added around 330,853 registered voters in the past four years (*Voter History Statistics*, 2020), contributing to a voter turnout of nearly 16.3% with 540,062 votes cast (*Election Night Reporting*, 2020), compared to 2016's 12.5% turnout (*Voter History Statistics*, 2020).

The increased difficulty Republicans experienced mobilizing their base in this election cycle posed unheard consequences for the South Carolina Senate race. Since he took office in 2002, Graham has enjoyed significant establishment support as a Senator and has benefited from easily outraising his previous Democratic opponents. When Graham first ran for a Senate seat in 2002, Graham raised \$5,296,043 to Democrat Alex Sanders's \$3,554,293 in total individual contributions (Federal Election Commission [FEC], 2020b, 2020e). After enjoying general favorability during his first term in the Senate, Graham's campaign fundraising cleared the way for a landslide victory in 2008 and 2014. In 2008, Graham raised \$8,261,385 to Democrat Bob Conley's \$14,705; in 2014, he raised \$9,976,231 to Democrat Brad Hutto's \$449,226. (FEC, 2020a, 2020b, 2020d). Graham's favorability is reflected in how easily his campaign outraised each of his Democratic challengers and emphasized that Democratic campaigns have not always been viewed as legitimate candidates for office in his state. However, the contributions to the 2020 Senate race demonstrated a considerably tougher bid and a shift towards Democratic viability in South Carolina. By the end of the second quarter of 2020, Harrison almost edged out Graham's \$29,229,166 in fundraising by less than \$500,000 (FEC, 2020b, 2020c).

### **Along the Campaign Trail**

Though Graham's reputation was a strong selling point in this race, several new developments created a strenuous race for the incumbent Senator. The changing electorate of South Carolina contributed to the unusual divisiveness of the race and led to some fear that Graham's seat was not as safe as anticipated. For many decades, South Carolina had one of the country's whitest, poorest, and least educated state populations. However, its electorate has been slowly changing over the past 10 years and now consists of 28% Black voters alongside an exponential growth of college-educated white voters (Bacon, 2020). This change in the electorate proved challenging for Graham, who has historically relied on a mostly homogeneous voter base. At the time, it was speculated that Graham experienced a negative coattail effect from President Trump on the campaign trail, which could have driven down his poll numbers while the president's polls plunged statewide. Many moderates and Democrats criticized Graham for his about-face support to Trump after a bipartisan and moderate track record in the Senate. Trump's disapproval rating increased by 5 points amongst voters in the state over his term (*Donald Trump: Job approval*, n.d.), which could have signaled an increased willingness of South Carolina voters to move towards other candidates. In response to these events and the fear of a widespread Democratic upset, Republicans from across the nation poured funding into traditionally safe-red seats to curb the potential for an insurgent blue wave.

While Democrats built an increasingly intimidating presence in South Carolina politics, Graham's campaign turned to a dramatically different strategy from his 2014 run. He did not shy away from contradicting himself, reversing policy positions, working with more extreme candidates, or creating partnerships with former adversaries. While Graham portrayed himself as an opponent of the conservative Tea Party movement in 2014, he campaigned in 2020 alongside conservative House candidate Nancy Mace who ran against him in the bitter and contentious 2014 Senate Republican primary. Similarly, Graham employed Trump-like rhetoric on the campaign trail, a move that contradicted his previous public disapproval of the president when they ran against each other in 2016 (Desiderio, 2020). Graham also openly reversed a crucial stance on judicial politics by claiming that Republicans had a constitutional duty to confirm Judge Amy Coney Barrett to the Supreme Court despite blocking Merrick Garland's 2016 nomination due to that upcoming election. After Sen. Mitch McConnell's push to confirm a judge to Justice Ginsburg's vacant post, Graham reversed his belief against confirming a Supreme Court Justice before a presidential election to push for Judge Amy Coney Barrett's confirmation:

As I have repeatedly stated, the election cycle is well underway, and the precedent of the Senate is not to confirm a nominee at this stage in the process. I strongly support giving the American people a voice in choosing the next Supreme Court nominee by electing a new president. (Graham, 2016)

Despite the thin margins that emerged prior to the election and the outpouring of financial support for Harrison, several factors made the race more favorable for Graham. While Democrats relentlessly attacked Graham for his Supreme Court confirmation hypocrisy, his support for the Barrett confirmation may have actually strengthened his support. He gained praise from President Trump, rebuilding the trust of far-right conservatives who were skeptical of Graham's moderate policy stances in 2014. Additionally, in a poll conducted prior to Barrett's confirmation, 28% of registered voters in South Carolina said they would be more likely to back Graham if he voted in favor of Trump's nominee, and 27% said they would be less likely (Bacon, 2020).

Another factor that contributed to Graham's victory was South Carolina's inelasticity, or its unlikeliness for partisans to switch party lines at the ballot box (Bacon, 2020). Previous Democratic candidates in South Carolina have easily achieved 45% of the vote but have never reached 50% of combined Black voters and white Democrats statewide. This is largely because Graham enjoys consistent popularity among white voters, who make up over two-thirds of the state's population and overwhelmingly vote for Republicans. In a YouGov poll, Graham led by 26 percentage points among white voters overall, by 31 points among white voters without a college degree, and by 20 points among white voters with degrees (Bacon, 2020).

Lastly, Harrison's lack of name recognition, relatively short time in elected politics, and reputation outweighed the strengths of his impressive campaign chest and favorable polling. Graham frequently capitalized on Harrison's low name recognition in South Carolina as a campaign tactic, and polls suggest that Harrison's unfavorable ratings were partially a result of South Carolina voters lacking information about him. When polled, 48% of likely South Carolina voters viewed Harrison favorably, 35% viewed him unfavorably, and 14% said they had not heard enough about him to have an opinion (Bacon, 2020). Graham leveraged this to link Harrison with progressive and Democratic Socialist leaders in a state dominated by blue-collar conservatives, casting Harrison as a leftist leader whose policies were too radical to benefit working-class and rural South Carolinians.

In response to Graham's clever strategies and hefty political history, the Harrison campaign built an enormous war chest in an effort to counter Graham's name recognition. Harrison outraised Graham in every quarter of 2020, demonstrating a competitive edge in hopes of gaining the attention of moderate or politically indifferent voters on both sides of the aisle (Taylor, 2020). Even after amassing an unusually large sum of contributions in the first two filing periods of 2020, Harrison continued to shatter fundraising records by raising over \$57 million in the third quarter. Attributing his opponent's inundation of cash to "liberals hating [Senator Graham's] guts" (Peirce, 2020), Graham's third-quarter fundraising trailed in total individual contributions at \$57,148,452.65 (FEC, 2020b). At the conclusion of the election, Harrison had \$107,645,931.99 in individual contributions against Graham's \$63,511,932.78 (FEC, 2020b, 2020c). Sustained record-breaking fundraising led to an influx of out-of-state donors and a national following, particularly among liberal, affluent donors who poured money into Congressional races that could undermine the Republican Senate majority. By June 30, 2020, Harrison had counted 18,931 contributors from South Carolina and 105,008 from the other 49 states. In contrast, Graham had 8,136 contributors from South Carolina and 52,655 contributors from outside of South Carolina (FEC, 2020b, 2020c).

Ideologically, Harrison positioned himself as a moderate to fend off Graham's political accusations and attacks on the Democratic Party. Though Graham often portrayed Harrison as a radical Democrat whose policies were too liberal for the conservative South Carolina political sphere, Harrison's platform was consistent with the moderate wing of the Democratic Party. Regarding national issues, Harrison backed expanded protections for military members and veterans, backed gun safety laws rather than a broader ban on guns, and did not support a single-payer healthcare system. He also espoused rhetoric for stronger national security and did not support defunding the police. On the local level, he voiced concern for the crumbling infrastructure, shuttered hospitals, underfunded public schools, and rural poverty that afflict South Carolina. Much like the strategies that created coalitions backing Joe Biden, these policies were crafted to attract moderate, undecided, or even Republican voters disaffected with Trump.

The focal point of Harrison's campaign strategy was their digital and television advertising campaign, where they used their massive war chest to boost Harrison's name recognition and publicly attack Graham. When asked how they would spend the plentiful individual contributions that flooded in after the third quarter, the Harrison campaign planned to use "every dollar donated" for TV ads, digital organizing measures, and outreach efforts to Black voters via seven different TV markets (Kinnard, 2020) This strategy is consistent with his early

campaign history, which has placed a heavy emphasis on television and internet advertising to communicate his platform to voters. From the time he began his run in 2019, Harrison spent over \$7 million on digital advertisements, while Graham spent approximately half that amount (Choi, 2020). Harrison also spent or reserved more than \$61 million in TV ad spots, \$14 million of which aired in the three weeks leading up to the election.

Harrison's advertisements ran the gamut of political strategy, ranging from positive ads that emphasize his down-to-earth character and narrative of struggle to vicious attacks on his opponent's partisan loyalties. In one negative ad, Harrison accused Graham of "attacking" South Carolina by ignoring the skyrocketing unemployment rate in South Carolina and refusing to extend COVID-19 unemployment benefits (Jaime Harrison, 2020a). Though Graham had aligned himself with Trump to appeal to the conservative stronghold, Harrison used ads to garner the votes of anti-Trump Republicans and disaffected Democrats, moderates, or Independents who voted for Trump in 2016 due to their distaste for Clinton. In a February 2020 ad from the Harrison campaign, Trump is quoted as saying: "The guy is a nutjob ... I think you have one of the worst representatives I have ever seen" (Jaime Harrison, 2020b). Harrison portrayed Graham as a flip-flopper and two-faced politician to gain support from voters, especially those who felt betrayed by Graham's ultra-partisan loyalties and reversal from previous policies.

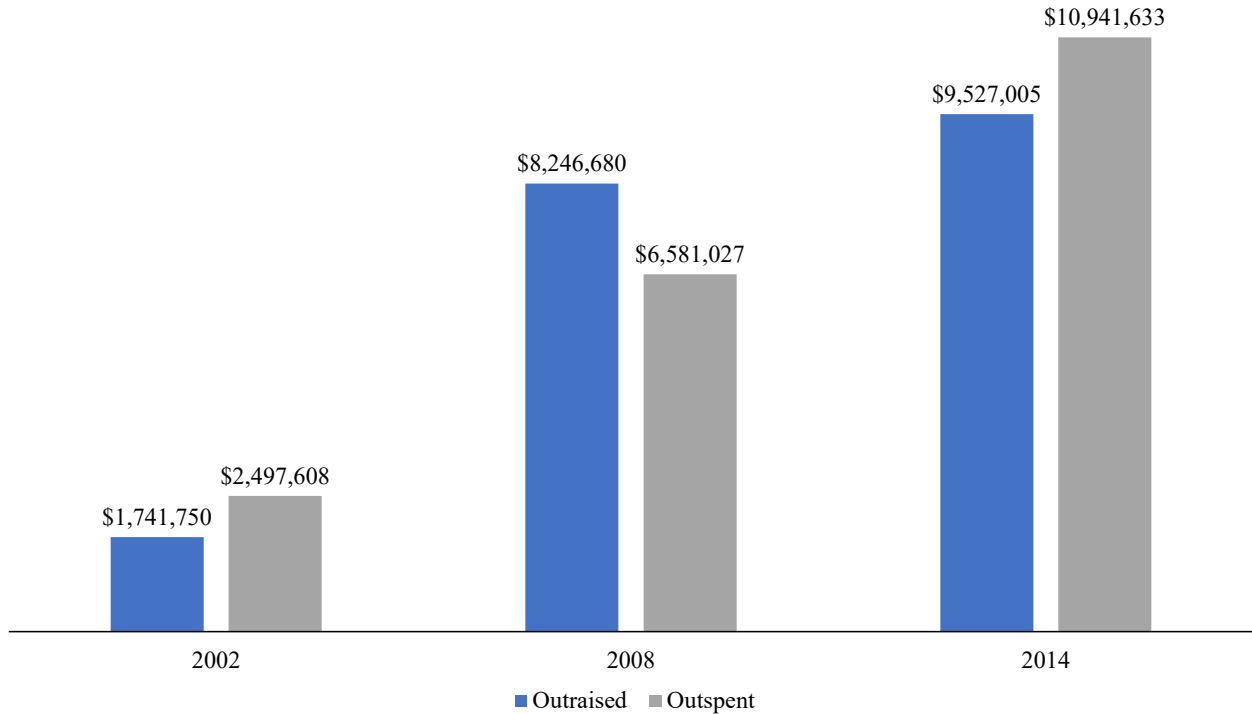
Harrison and Graham successfully debated once during this election cycle after several cancellations. Harrison declined to appear at the first debate after the Graham campaign refused to comply with Harrison's request for COVID-19 testing prior to the event. Graham bowed out of the second scheduled debate due to the Supreme Court confirmation hearings of Judge Amy Coney Barrett. On Twitter, Graham claimed that "Mr. Harrison [*sic*] is ducking the debate because the more we know about his radical policies, the less likely he is to win. It's not about medicine, its [*sic*] politics. His liberal views are a loser in South Carolina - and he knows it!" (Graham, 2020). Harrison portrayed Graham's cancellation as a failure to the people of South Carolina in favor of Washingtonian politics (Choi, 2020). Once the candidates finally debated, their constant clashes over economic issues, the Supreme Court, and priorities in Washington made it clear that they offered radically different priorities and loyalties to their voter base.

Since moderates comprise a substantial part of the Democratic voting bloc in South Carolina, Biden's early support of Harrison could have built him an advantage among Democrats in the state. Biden endorsed Harrison in a tweet for the Democratic Primary on May 30, 2019: "South Carolina would be lucky to have @harrisonjaime representing them in the Senate. He has the character, intelligence, and integrity needed to serve his community well. I hope you'll #JoinJaime" (Biden, 2019). This bloc voted for Biden overwhelmingly in the primary elections and showed up in record numbers on Election Day. Though neither Harrison nor Biden won South Carolina, this Senate race has indicated that Republicans should prepare for the possibility that South Carolina is no longer a *deep* red state and instead has become a red state with a rapidly strengthening Democratic coalition. In the next section, we analyze how money contributed to the incumbent's win and investigate other potential reasons for Harrison's eventual defeat.

## **Results**

November 6, 2020, officially put an end to Harrison's Senate bid as incumbent Graham swept the Palmetto State. As mentioned above, money is essential in American electoral campaigns. Without funds, candidates have an exceptionally hard time amplifying their message as money is primarily used to pay for communication and staff, which, in turn, mobilize voters. Ads hold the greatest expense for most campaigns, and, on average, a Senate campaign between 2012 and 2014 spent 43% of its budget on ads compared to an average of 33% for House campaigns (Koerth, 2018). Graham certainly proved his financial might in his previous Senate wins by massively outreasing and outspending his Democratic opponents.

**Figure 1:** Indicates by how much Lindsey Graham outraised and outspent each of his Democratic opponents in each South Carolina Senate Election since the start of his Senate career in 2002 (Gratzinger, 2020).



Even before potential candidates air their first advertisements or receive their nominations, early money from big donors during the foundational period of the campaign can bring a serious edge in the primary. This early fundraising occurs during the “invisible primary.” Generally, money matters more for challengers than it does for incumbents. Incumbents already have the name recognition that leads to free media coverage, and opponents have to work extra hard to build name recognition that can challenge an incumbent’s powerful existing war chest (Robbins, 2018).

Political scientists acknowledge there is no simple causal link between fundraising and election success. Incumbent reelection rates are increasingly high, and research shows that incumbent spending does not necessarily guarantee reelection. Incumbent spending also does not increase vote shares, though challenger spending does increase vote shares (Koerth, 2018). Additionally, though most campaigns spend a great deal of their money on political advertisements, the decentralization of media has made it challenging to track the effectiveness of political ads across different contexts and audiences (Koerth, 2018).

Furthermore, research has shown that attack ads have less of an impact on election outcomes than previously thought, especially in presidential elections. For example, partisan politics played a significant role in voter alignment in the 2016 election between Donald Trump and Hillary Clinton. “In 2016, about 7 in 10 voters identified as either a Democrat or Republican, according to exit polls; 89% of Democrats voted for Clinton, and 90% of Republicans voted for Trump” (Koerth, 2018). As partisan polarization reached high levels in 2016, attack ads on rivals were virtually futile because voters were less likely to switch party alignment.

**Table 1:** This table displays the amount raised, spent, and distributed by each presidential candidate in the 2016 election. Clinton outspent and outraised Trump yet still lost the general election (Malbin et al., 2018).

	Raised	Spent	Distributed to National Party Committees
<b>Hillary Clinton</b>			
Hillary Victory Fund	\$529,943,913	\$529,524,143	\$107,533,318
Hillary Action Fund	\$46,575,709	\$44,061,995	\$36,651,492
<i>Democratic Total</i>	<i>\$576,519,622</i>	<i>\$573,586,138</i>	<i>\$144,184,810</i>
<b>Donald Trump</b>			
To Make America Great Again Committee	\$263,736,052	\$258,488,089	\$37,599,727
Trump Victory	\$108,424,871	\$105,261,232	\$51,060,088
<i>Republican Total</i>	<i>\$372,106,923</i>	<i>\$363,749,321</i>	<i>\$88,659,815</i>

Though money generally matters in election success, a district's existing partisan divides tend to predetermine House and Senate races. Moreover, in highly polarized election cycles, funds alone might not be enough to tip the scale in favor of one candidate over the other. This is likely what happened in South Carolina in 2020, where Graham won the Senate election by 54.9% to Harrison's 44.21% despite his inability to outspend and outraise Harrison.

**Table 2:** This table shows Lindsey Graham and Jaime Harrison's fundraising and spending totals during the 2020 Senate election. Additionally, this table highlights each candidate's online ad spending total divided between Google and Facebook. As shown, Jaime Harrison outraised and outspent Graham in each category (OpenSecrets, 2020).

<b>Total Raised and Spent</b>			
Candidate	Raised	Spent	Left Over
Lindsey Graham	<b>\$72,690,495</b>	\$60,015,745	\$13,130,873
Jaime Harrison	<b>\$107,568,737</b>	\$104,092,829	\$3,475,909
<b>Online Ad Spending</b>			
Candidate	Total	Google	Facebook
Lindsey Graham	<b>\$13,745,070</b>	\$5,749,100	\$7,995,970
Jaime Harrison	<b>\$17,732,916</b>	\$6,550,200	\$11,182,716

Graham's power as Chair of the Senate Judiciary Committee could be among the most important reasons for his victory. Graham previously earned praise for his bipartisan support of President Barack Obama's two liberal Supreme Court appointments, which caused him his anger over the Democrats' opposition to Justice Kavanaugh's nomination in 2018. He passionately defended Kavanaugh's nomination in the face of sexual assault allegations, which fired up the South Carolina voting base that supported a conservative Court appointment. His support for Justice Barrett's confirmation after the death of Justice Ginsburg in 2020 was also hugely consequential for his reelection. While Harrison led in fundraising and spending efforts setting a historic Senate candidate record, Graham shifted his concentration to the confirmation of Justice Barrett. Polls conducted in September 2020 showed that 54% of South Carolinians were in favor of filling the Supreme Court vacancy left by the death of Ruth Bader Ginsburg (Bustos, 2020). With Graham as the chairman of the Senate Judiciary Committee, the spotlight shone on him as a leading figure during the nationally televised hearings of Justice Barrett. He cemented himself as an ally to conservative women and helped solidify the conservative stronghold on the Supreme Court (Fandos, 2020). Graham relied on his relationship with Trump and his influence in

Washington, D.C., to bring him victory in his state. Trump swept South Carolina in the election, and by aligning himself with the President, Graham amassed the votes he needed to secure his Senate seat.

An important contextual factor that likely supported Graham’s victory was his orthodox vision for the South. Graham’s customary Southern ethic and rhetoric played a significant role in garnering voter support, specifically due to the emerging extreme factions of both major political parties. Drawing on voters’ fear of social unrest and change, Graham played into conservative relics of previous decades in his campaign, even speaking as specifically as telling women that “there’s a place for you in America — if you are pro-life” or stating that there is mobility for minorities in South Carolina, but they “just need to be conservative” (Glenza, 2020). He portrayed Harrison as a liberal who, through his policies, would take away Southerners’ stability, agency, and liberty in their lifestyles. For South Carolinians who grew apprehensive about the Democratic Party’s left-leaning contingent and progressive messaging, this deep-seated conservatism was perhaps a refreshing return to the political and social status quo of days past. In addition, Graham’s alignment with Trump and the conservative wing of the party likely convinced many rural white voters of his viability despite his moderate platform in 2014.

Lastly, Graham received a last-minute boost from out-of-state billionaires that might have contributed to his win. Eight billionaires gave around \$1 million to a pro-Graham super political action committee (PAC). Additionally, \$4 million more came from “dark money” groups that can contribute money to political organizations without disclosing their donors. In total, Graham could trace about \$10.9 million in fundraising brought by super PACs, of which 25% came from billionaires that all live outside of South Carolina (Tindera, 2020). While Harrison’s fundraising efforts led political scientists to conclude that there, in fact, might be a limit to how much money can improve the chances of winning an election, Graham still raised objectively large sums of money of \$72 million to solidify his reelection campaign. Graham understood that South Carolina was effectively a Republican state, and swinging the state to the left in a highly polarized climate was too big a hurdle for a newcomer like Harrison. With Trump largely silent to the world, Graham is well-positioned to become the leading conservative in the Republican Party with at least four more years in the Senate.

**Table 3:** Displays the billionaire contributions to pro-Graham Super PAC through October 14, 2020, in the last leg of his election campaign (Tindera, 2020).

<b>Billionaire</b>	<b>Net Worth</b>	<b>Source of Wealth</b>	<b>Residence</b>	<b>Contributions</b>
Sheldon & Miriam Adelson	\$31.4 billion	Casinos	Las Vegas	\$1,000,000
Frank VanderSloot	\$3.5 billion	Nutrition, wellness products	Idaho Falls, Idaho	\$300,000
Larry Ellison	\$74.2 billion	Software (Oracle)	Woodside, CA	\$250,000
Donald Friese	\$1.1 billion	Manufacturing	Los Angeles	\$250,000
Laura Perlmutter	\$4.6 billion	Marvel Comics	Palm Beach, FL	\$250,000
Jimmy John Liautaud	\$1.7 billion	Sandwich chain (Jimmy John’s)	Key Largo, FL	\$150,000
Charles & Ann Johnson	\$4.1 billion	Money management	Palm Beach, FL	\$110,000
Jim Davis	\$6.9 billion	New Balance	Newton, MA	\$100,000
Douglas Leone	\$4.9 billion	Venture capital (Sequoia Capital)	Atherton, CA	\$100,000
Warren Stephens	\$2.6 billion	Investment banking	Little Rock, AR	\$200,000
Linda McMahon	\$1.6 billion	Entertainment (WWE)	Greenwich, CT	\$50,000
Sam Zell	\$4.6 billion	Real estate, private equity	Chicago	\$30,000
John Catsimatidis	\$2.8 billion	Oil, real estate	New York	\$25,000

## Discussion

Graham’s victory may seem peculiar on the surface because it defies the average individual’s conception of campaign finance theory. One might expect that the candidate who raises more money should be able to run a more effective campaign, have a better advertising and outreach strategy, and eventually win the seat. However, the South Carolina U.S. Senate race emphasized the importance of studying the influence of money in a variety of contexts. Harrison campaigned intelligently and expediently, vigorously tapping into diverse voter bases, boosting

voter registration among historically disenfranchised voters, and campaigning on a platform that promoted bipartisanship and avoided extremism. By conventional wisdom, he could have won, but several factors outside of his control precluded him from winning the election.

For Harrison, beating a political giant like Graham was only half the battle of running for Senate. In addition to attempting to take down one of the most prominent members of the Republican Party, Harrison ran against a history of systemic racism and disenfranchisement that is still deeply ingrained in the state's politics, elections, and social divides. South Carolina has several measures in place that disproportionately disenfranchise Black people, who comprise about a third of the state's population and are overwhelmingly Democratic voters. The state has stringent photo ID requirements for voters, mandates all absentee or mail-in votes to have a witness's signature, and prohibits "ballot curing," in which election officials can notify voters if they are at risk of an invalidated ballot and provide an opportunity to correct their signatures. These measures create an overwhelming possibility of inadvertent but record-high rates of disenfranchisement in future elections.

In addition to these forms of voter suppression, South Carolina's Congressional map distinctly segregates the state's voters along both racial and political lines. U.S. House district SC-6, represented by Black Democrat Jim Clyburn, is drawn around the cities of Columbus and Charleston to maximize the number of Black voters in one area and minimize the dispersal of Black voters to its other six Congressional districts. These urban centers also contain the bulk of the state's Democratic voters, who consequently lack the opportunity to elect Democrats in other districts and are systematically blocked from forming a majority coalition. South Carolina's only other Democratic Congressional representative, Joe Cunningham, was voted out of office in 2020 after only one term.

Harrison's competitiveness and national following are also symbolic of the changing undercurrent of systemic racism in the United States. The resurgence of the Black Lives Matter protests in May 2020 awakened a movement for racial equity and a push for more political representation for Black people in all levels of elected office. If Harrison were elected, he would have been the second Black Senator to represent South Carolina, a role he would have shared with current Senator Tim Scott. His national following, successful fundraising, and mobilizing of South Carolina Democrats provided a personal victory to Harrison as well. Throughout his campaign, Harrison emphasized his humble origins and narrative of personal struggle as a Black man growing up in predominantly white rural South Carolina. He ran on a platform of equity and opportunity against an opponent who upheld traditionalist, ultra-conservative, and antiquated positions that have disenfranchised swaths of South Carolinians for decades. Though the latter mindset prevailed in Graham's victory, Harrison's run offered an inspiring and hopeful future for all South Carolinians: "A new South is rising ... leaders who reflect the community and serve the interests of everyone will be here soon enough" (Harrison, 2020).

Harrison's run is also laudable due to his record-breaking fundraising and skillful, strategic communication with voters, which generated more threatening polling numbers than any of Graham's previous Democratic challengers. A September 30, 2020, Quinnipiac University poll showed Graham and Harrison tied at 48% each. Two October 1, 2020, Data For Progress polls showed Harrison at 44% and Graham at 45%, as well as at 46% and 47%, respectively (*South Carolina US Senate polls*, 2020). Compared to 2014 elections polls, Graham had a much tougher battle to fight on election day than ever before: according to a late September 2014 poll from CBS News/NYT Upshot, Graham had a wide lead of 43% to 28% over his Democratic opponent Brad Hutto (*Senate races: Headline results*, 2014). In 2008, Graham enjoyed a 16-point lead over Bob Conley in the month preceding the election and led Conley 56% to 40% (Survey USA, 2008). Though Graham enjoyed a comfortable 10-point victory over Harrison in 2020 in a race called early on election night, this margin was significantly closer than any of Graham's previous challengers.

Though polling and fundraising are generally perceived as two major indicators for a candidate's success, these metrics can also be highly unreliable and inconclusive. Pollsters work diligently to overcome biases from race, education, income, and other demographics. However, the widely speculated inaccuracy of 2020 polling could have led to false confidence and optimism for Harrison's victory. Polls were widely criticized as improperly weighted after the 2016 presidential election, but significant demographic errors remained salient in 2020 that particularly impacted South Carolina elections. Nationally, polling errors among white voters and senior citizens created a much slimmer margin of victory than anticipated for Biden, who appeared on track to coast to victory up until election day. Errors among these demographics—especially those that mismeasured the size of these groups and their likeliness to vote—created a large underrepresentation of Trump's national base. Given Graham's



alignment with Trump and the white majority of South Carolina, mismeasurements of this demographic group likely contributed to the underestimation of Graham's public support. Future polling for presidential and statewide elections has a large challenge to overcome:

[This polling error] suggests a fundamental mismeasurement of the attitudes of a large demographic group, not just an underestimate of its share of the electorate. Put differently, the underlying raw survey data got worse over the last four years, canceling out the changes that pollsters made to address what went wrong in 2016. (Cohn, 2020)

Given the national scope of this race with Graham's role in the Senate, this fundraising speaks to Democrats' desire to support any and all campaigns that might undermine Republicans' authority. Polling and fundraising exist in a feedback loop, where one positive outcome triggers increased support for the other. These metrics may be misleading when predicting a candidate's likelihood of winning a race. Though most Senate races receive the majority of their funding from out-of-state donors, the national popularity of Harrison's campaign could have clouded a realistic view of his chances of victory at home. Many liberal donors, enraged by the Trump Administration and determined to change the outcome of the next election, sent money to "glamorous" Senate races across the country in hopes of ousting powerful Republicans such as Graham. Three zip codes alone in the affluent, left-leaning Upper West Side of New York City sent \$1.5 million to "doomed" candidates like Harrison and Amy McGrath in Kentucky (Bellafante, 2020). Since irrational and emotional factors primarily motivate political donations, forecasters possibly placed too much weight on fundraising data's objectivity when projecting the Harrison campaigns' potential for success.

### **A Precursor to the 2022 Midterm Elections**

Graham's win should have been the first sign for Democrats to sound the alarm. Senator Graham's win was not a fluke—but rather, an early look at our nation's current political tilt. Despite the historic coalescence of Democrats in the 2020 cycle, Republicans are shaping up to sweep the 2022 elections. Many Republicans in 2022 will benefit from the same weaknesses that have plagued the Democratic Party for decades. The Democratic Party lacks a central leadership figure, and its ideological coalitions constantly oppose one another. To voters, this dynamic exudes inconsistency and unpredictability. As shown by this Democratic Congress's inability to pass the Build Back Better Act—the centerpiece of President Biden's campaign agenda—the party's sheer unruliness and disorganization has failed Americans most in need of economic relief and rebuilding. If Democrats continue to overpromise and underdeliver as they have this year, Republicans are right to define the Democratic Party as shapeless, spineless, and even untrustworthy.

If Democrats continue to operate in the same ways that have set them up for upsets, these issues will resonate in the 2022 cycle and could lead to a Republican Congress and a red sweep in state elections. By fixating on Trump's evils instead of the strengths of their agenda, Democrats have allowed Republicans to capitalize on their weaknesses to coast to victory. A timely case study is the Virginia gubernatorial race in the fall of 2021, in which Democrats' fixation on defeating Trumpism set Democrat Terry McAuliffe up for an unexpected failure. Like Harrison in 2020, McAuliffe appeared strong in the polls until election day in 2021. Republican Glenn Youngkin ultimately won by a mere 2 percentage points, a slim margin that could foreshadow similarly tight battles this year. Youngkin also underspent McAuliffe by just under \$1 million, demonstrating that the campaign tactics of the right wing are likely more powerful than the force of money if Democrats use donations on ineffective strategies (Virginia Public Access Project, n.d.).

Virginia Republicans were successful for several reasons. Republicans took advantage of an electorate that was weary of the pandemic restrictions and blamed Democrats for the ongoing challenges posed by COVID-19. The Youngkin campaign distanced itself from directly naming Trump while luring voters into the same ideological traps that helped Trump succeed in 2016. Though his rhetoric was largely Trump-aligned, Youngkin focused on critical issues that resonate with average voters: returning kids to in-person schools, supporting conservative values and families, and shunning the seeming complacency of the party in power. Democrats offered no viable counterargument to the Republican fear-mongering, and the Democratic Party's overconfidence fueled their loss of power.

## Conclusion

Even if Harrison's bid was ultimately unsuccessful, the cost and competitiveness of the Graham-Harrison race represent marked shifts away from the traditionally conservative politics of South Carolina. Though Harrison may have unified some liberals, moderates, and Republicans disaffected with Trump, his efforts could not carry him to the plurality of votes needed to win. In what became a scathing and bitter race, the Harrison campaign defied a major tenet campaign finance theory: its historic stockpile of individual contributions was not enough to take down one of the giants of the South Carolina political establishment. Harrison's unprecedented fundraising combined with polling errors to generate misleading election predictions, which instilled false confidence in Democrats that a victory was within arms' reach. Future research on how individual contributions impact challengers' chances of success should not compare candidates' war chests in a vacuum—particularly in the callous, turbulent, and polarized political and economic climate we currently face.

Harrison's most significant contribution is best described in his own words. By creating a tenable challenge to a major figure of the Republican establishment, Harrison "proved that public office is not a lifetime job" (Harrison, 2020). He shattered a glass ceiling to rise to political stardom, and he built a fundraising and organizing base unlike any South Carolina Democrat in recent decades. Despite these successes, the race's implications are more consequential on the national stage. The historic cost of this Senate campaign indicates that both Democrats and Republicans across the nation attempted to unify their splintering and disarrayed political parties. Graham's lower margin of victory may pose troubling long-term consequences for future Republican Senate candidates in Southern states, and narrower, more expensive races may become the norm as Democratic candidates increase their competitiveness in South Carolina. Despite potentially promising signs of Democratic mobilization in the South due to demographic change, Republicans are likely to sweep elections while Democrats struggle to modernize their party platform and strategy.

Democratic and Republican voter coalitions are becoming more volatile as political polarization becomes even more prevalent in everyday American life. Future candidates in red states such as South Carolina should prepare for more competitive races to become the norm as the two major parties grow diametrically opposed in their values, demographics, and strategy.

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## IDENTIFYING THE FAILURES OF PUBLIC HOUSING PROGRAMS IN THE UNITED STATES AND ANALYZING SOLUTIONS FROM ABROAD

R. Jeremy Golden

### Abstract

*This article examines the negative impacts of poverty dense housing environments within the United States and suggests a potential solution that has seen success implemented in European countries. Many social welfare programs are born out of altruistic beliefs but fail to live up to their stated goals as they become the target of cynical political movements. Public housing programs in the United States have proven to be no exception. Cynical and often racist attacks against social welfare programs and their beneficiaries have generated reforms which have constricted their ability to function. The targeted underfunding of public housing departments and local authorities have paralyzed programs and trapped tenants who once relied on these social welfare programs to assist them to live a better life. This has resulted in widening divides in opportunity and socioeconomic status between those living in public housing and those who do not. Furthermore, literature examining the conditions of public housing points to a diminished quality of life among tenants with respect to expected income, educational attainment, and physical and mental health. Upon examining programs across Europe, particularly Austria and Denmark, and their impact on tenants and communities, this article recommends the shifting of U.S. public housing programs from operating as landlords to negotiating equitable and efficient public private partnerships.*

### Introduction

Research related to the long-term impacts of negative housing environments have shown that those who grow up in densely populated neighborhoods surrounded by poverty face significant setbacks in life such as lower educational outcomes, less expected lifetime earnings, and shorter life expectancy. After reviewing literature and research related to the negative impacts of the current U.S. public housing situation this article identifies prominent European social housing programs and their benefits. Overall, European social housing programs partner with private and nonprofit groups to offer wide varieties of affordable housing options and have succeeded in expanding to low poverty areas and have allowed for upward mobility among their tenants contrary to housing programs in the United States. U.S. public housing programs should transition from operating programs as landlords and focus on building partnerships through government contracts and direct public-private relationships with developers and housing authorities. At a time where there is a trend of growing income inequality and a regression towards segregationist housing patterns which have traditionally restricted opportunity and wealth for impoverished Americans, it is critical that any proposed policy to address economic justice include adequate and robust reforms to housing policy.

### Housing Program in the United States

A person's zip code is one of the most important factors in a person's long-term success. For those with limited financial means, public housing programs across the United States have billed themselves as a step up to financial independence. Unfortunately, those programs have resulted in no real change for tenants. This has caused a growing divide between economic classes ultimately making mobility harder than ever.

The public housing crisis is indisputably related to the decline in social mobility. The United States Census Bureau has shown that average mobility between classes has withered from 19.7% over the 1948-1980 period to 11.6% (Census Bureau, 2015). This information is supported by data showing that while wealth has increased for the upper class by almost 250%, wealth decreased by almost 9% for those in the lower class, in the same period. This chasm in wealth is likely to continue. Those in the lower class are not expected to amass wealth at the same rate as those in the upper class with the same education. Lower-class college graduates increase their wealth by 71% in contrast to upper-class college graduates who are expected to grow their wealth by 136% (Bartik & Hershbein, 2018). There is also a correlation between those living in high concentrations of poverty and low social mobility. Children raised in poverty in desegregated communities are more likely to move up the social and economic ladder than their peers who were raised in concentrated poverty with segregated housing units

(Leonhardt, 2013). Children who live in public housing units that are not segregated by race or class are more likely to increase their household wealth and educational attainment due, in part, to the diversity community around them. The aforementioned data are important to the discussion of the impact of public housing as public housing units often concentrate low-income communities in densely populated areas. A summary of the data would show a steady loss of actual wealth as well as share of national wealth by those in the lower class, smaller rewards for completing higher education, and dwindling chances of upward mobility.

These results are reinforced as tenants in public housing often have limited options to choose from when being placed in a unit or neighborhood. According to the U.S. Department of Housing and Urban Development, 42% of public housing units are built in areas with high levels of poverty (Office of Policy Research and Development, 1995) and almost 70% of public housing units are built in urban areas, which are usually characterized by high density living situations. A 2019 ProPublica study found that over 80% of housing units in the state of Connecticut—the wealthiest state in the United States according to the Chamber of Commerce (2021)—were built in struggling and poverty-stricken communities with high rates of criminal activity (Thomas, 2019).

The construction of the units in areas of high concentration of poverty has long term negative effects on the tenants. Most notably, negative impacts would include lower educational outcomes, poor health, and restricted social mobility. According to the Center for Housing Policy, children growing up in overcrowded living situations are likely to experience more behavioral problems and poor literacy. Public housing, especially public housing complexes, which are characterized by overcrowding and lack of accessibility are often linked to higher levels of stress and social anxiety among their tenants (Brennan et al., 2014). According to the Urban Institute, living in areas with high concentrations of poverty or criminal activity was associated with higher rates of psychological problems and daily stress (Perez, 2019). Research by the Rand Corporation (2011) expands on this assertion and ties these factors to a person's economic ability by showing that psychological problems in a person's childhood are likely to lead to significant losses in adult earnings which would indicate an even higher chance of remaining in poverty. These stressful situations also lead to poor health as those living in public housing and concentrated poverty have a life expectancy of almost three years shorter than the average person (Ojima et al., 2015).

The high concentrations of poverty seen are, in large part, due to the consistent cuts of federal funding for public housing projects as well as race and class-based boundaries that have been fortified since the Civil Rights Era. According to the Western Regional Advocacy Project, between 1996-2011, over 650,000 units of Section 8 and public housing were lost or approved for demolition (Women's Economic Agenda Project, 2013). In this same period, there has been no budget for the creation of new public housing units. This mismanagement of public housing programs has resulted in a failed system that is crumbling around the residents of public housing and has made it nearly impossible to renovate or relocate public housing.

These concentrations of poverty are not accidental and are often calculated. Historically, boundaries segregating the poor from the rich or minorities from white neighborhoods have been strictly enforced and hard to blend or expand. Even decades after the passage of the Civil Rights Act, the United States continues to face steep segregation as Black children are ten times more likely than white children to grow up in an impoverished neighborhood (Rothstein, 2014). According to the Economic Policy Institute, racist zoning laws and myths surrounding poverty and property values have kept Black Americans in poverty through the exclusion of suburban real estate and employment markets. They have become cemented in place due to the appreciation of housing values in comparison to stagnant wealth accumulation for minority communities.

The public housing crisis and concentration of poverty are a result of locked-in policies as racist zoning laws dating from the civil rights era and beyond have created large gaps in wealth. Policies such as red lining, as well as laws and business practices which have restricted access for the communities of color or those in poverty to obtain credit, have ensured a persistent and ever-growing opportunity and wealth gap. These institutional gaps have ensured that white and affluent communities have been able to prevent those with substantially less wealth from entering their communities as they have steadily appreciated their property values since the civil rights era. Data from the Center for American Progress show that housing appreciation has consistently favored those living in suburban and white areas regardless of income range. Alternatively, Black homeowners have seen their housing stock depreciate by rates between 6% and 2% at all income levels since the Great Recession whereas white homeowners' housing stock appreciated by rates between 1% and 5% in the same period (Zonta, 2016).

Data from the same study shows that in major metropolitan areas with thriving suburban populations, such as those in Chicago, the District of Columbia, Dallas, Baltimore, and Houston, Black homebuyers are significantly less likely to secure loans for areas in suburban communities with less densely situated populations.

The policies and practices that were exposed by the Kerner Report and outlawed by the Fair Housing Act have impacts that have persisted to this day. The removal of these policies from public code has not been enough to alter the outcomes. That result being substantial and nearly insurmountable income inequality which has effectively segregated many towns and communities.

### **European Alternatives: National and Local Government Partnerships**

To ameliorate the opportunity and wealth gaps that are impacted by location, quality, and equality of access to U.S. housing stock, U.S. policy makers must prioritize the de-concentration of public housing units. One of the most effective examples of this comes from Europe where national and local governments invest heavily in partnerships with developers and social housing organizations to reserve a portion of units in privately owned buildings for low-income citizens (Office of Policy Development and Research [PD&R], 2014). In many European countries, public housing options and laws are not just made available to provide support to those in the low-income bracket, but to middle income citizens, as well. In countries such as Austria and Denmark (Scanlon & Whitehead, 2008), upwards of 90% of the population is eligible for social housing opportunities. In these areas, any current stigma in the United States that is attached to public housing is erased as most people in these countries have enjoyed the benefit of living in social housing. In Denmark, most social housing units are considered to be well integrated with tenants from different class statuses. This situation creates a mixed-income community with a large amount of private and public involvement and investment. This solution has allowed nonprofits to offer public housing opportunities in areas with little to no concentration of poverty.

In cities like Vienna, local officials have used their leverage as regulators to ensure that renters in social housing units pay no more than 25% of their income in rental costs (PD&R, 2014). For comparison, over 70% of American renters who earn less than \$30,000 per year spend over 30% on rental costs. On average, roughly half of American renters spend more than 30% of their gross monthly income on housing (Fernald, 2015). In countries like Austria, social housing developments are allowed to recover their development and repair costs from their initial build which will inflate costs at the outset. Over time, the price will drop and level off as development costs are recovered. With this information and given these conditions it is impressive to see that Austria consistently meets its goal to provide affordable housing at a rate of 20% to 25% of household income. More importantly, the costs associated with social housing in European countries, especially Austria and Denmark, are not indicative of lower quality of housing.

### **Cross Examination/Analysis: United States and European Housing Policies**

When examining the conditions of social and public housing situations in Europe versus the United States, it is clear to see the benefits of the European system over the current U.S. model. With respect to quality of the housing options, in Europe 68% (Housing Europe, 2021) of public or social housing dwellings have a high rating related to renovation and repair, whereas the situation in the United States shows that the Capital Fund used to fund renovations and repairs has been underfunded for decades and has a backlog of \$70 billion in renovation costs (National Association of Housing and Redevelopment Officials, 2021). This backlog has led to the loss of over 10,000 public units per year due to inhabitability (National Low Income Housing Coalition, 2019).

Furthermore, the housing units in Europe are not concentrated in urban areas, but are equally spread throughout the country, as many EU nations have less than 60% (Scanlon & Whitehead, 2008) of their public housing units in urban areas, while the United States is at almost 80% (Organisation for Economic Co-operation and Development, n.d.). In Vienna, many of the social housing programs have significant mixing of units and classes with developments offering high rise apartments mixed with affordable housing options for low-income and middle-income residents (PD&R, 2014). These figures indicate a lower level of poverty density in Europe, rates that support statistics from the Global Social Mobility Report which state that when the U.S. receives a grade of 70/100 in terms of social mobility, almost all other EU countries which utilize social housing receives grades considerably higher, many over 80/100 (Jones, 2020). While these statistics certainly are influenced by more than just one program, it is important to note the stark differences between the two environments and their

outcomes. A program designed to match these mechanics could move the U.S. in the right direction on key social mobility markers.

When it comes to shortfalls of the system, they are mainly due to supply and supporting citizens in different markets. While there were certain financial benefits to social housing programs within Vienna, the regulations and systems in place create little variation in rent prices. The interquartile range for rent prices is 136% larger for privately held apartments rather than those in social housing programs (Bartik & Hershbein, 2018). This tends to lock out lower income tenants in areas where development costs are high at the outset. While this is true, it is also a fact that most of the high rent due to development cost is short lived and ends up being more accessible in the long run. It is also important to consider that while the interquartile range is smaller for social housing units, it is on the lower end of the cost spectrum. In other words, the wiggle room lost tends to be on the higher and more expensive side. When comparing the potential shortfalls with the long-term gains associated with social housing programs the benefits appear to outweigh the side effects.

The current methods used in the United States to administer public housing have proven to be ineffective and counterproductive. A system billed as providing an advantage, but designed in a haphazard and shortsighted fashion, will trap tenants in the very environment they are trying to escape. To respond to the poverty and housing crises in the United States, policy makers should adopt elements of policies—if not entire systems—deployed abroad in Europe that have been associated with affordable housing options, more efficient and equitable administration, and greater social mobility.

States like California are deploying models that move in this direction, with several housing institutions in California purchasing luxury buildings in areas that are considered high value and decreasing the rent significantly. Buildings bought by these authorities have seen their rental prices drop on average 10% with some properties seeing declines around 34% (Khouri, 2021). These programs are funded through joint power authorities which fund the purchase and subsidization of properties through the issuance of bonds to private investors.

While these programs are still publicly managed, they ameliorate much of the problems related to that through successfully enticing private investment which creates a consistent flow of revenue to support the vision of the program. Cost of administering this program through publicly managed housing authorities has a major benefit in that they are exempt from paying property taxes. While this helps support the vision and financial goals of these programs they have also been cited as reasons to oppose joining these joint power authorities as the San Jose City Council unanimously voted not to join these programs due to projected property tax loss (Khouri, 2021).

Limitations to implementing these programs wouldn't just require a change in funding patterns or housing policy but also a change of societal attitudes. Proposing the policies, we see in Europe or pursuing policies like those in California would require a significant change in the political landscape surrounding welfare and social programs in the United States. The history of European social welfare and US social welfare varies significantly, especially when adding the caveat of race. If U.S. policymakers want to implement these policies, they will have to reckon with rising racial tensions that have inspired opposition to more liberal programs in the past.

## **Conclusion and Recommendations**

Upon applying these methods in the United States, it would be wise to examine how public, private, and nonprofit partnerships create barriers and bridges to success and how governing bodies at every level could devise efficient mechanisms of administration to provide affordable social housing options in their community. As well as combating the stigma associated with poverty and social welfare programs that have not been a factor in the European countries identified for possible models. It is important to recognize the vastly different attitudes between U.S. and European populations as it relates to social safety nets. Upon assessment of the programs and developing an understanding of the necessary administrative and attitudinal changes needed to achieve successful social welfare reform, policy makers could ensure that opportunity and wealth gaps finally are addressed in a proper manner.

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## THE MISSED “GREEN NEW DEAL” OPPORTUNITY: CLIMATE SPENDING IN COVID-19 STIMULUS AMONG TOP EMITTERS

Lucas Gorak

### Abstract

*Many countries have developed economic relief policies in response to the economic fallout from the COVID-19 pandemic. These massive stimulus bills offer a significant opportunity for climate-related spending to stimulate economies and facilitate decarbonization. And yet, the four top emitters – China, the United States, India, and the European Union – made very few new investments, or heightened prioritization of climate spending, in their COVID-19 economic relief packages. Where new investment has occurred, it has been limited to countries and places that have already made significant financial commitments to climate spending. After outlining climate spending in COVID-19 stimulus among top emitters, I argue that this lack of prioritization can be explained by the distributive conflict model of climate change. Next, I emphasize that the absence of significant new climate change spending amounts to a missed opportunity for Green New Deal spending or spending that aims to decouple economic growth from increased carbon emissions.*

### Introduction

Nearly all parts of our lives and the global economy, including the climate, have felt the effects of the COVID-19 pandemic. Indeed, the initial COVID-19 outbreak in 2020 led to the single largest drop in emissions ever recorded due to reduced travel and slowed global trade (Liu et al., 2020). In response to the economic fallout from COVID-19 related disruption, many countries have developed economic relief policies. These massive stimulus bills offer a significant opportunity for climate-related spending, such as investments in renewable energy or to improve energy efficiency. Such spending would stimulate economies while jump-starting the transition to clean energy and decarbonization.

However, different countries have had varied approaches to climate spending in COVID-related stimulus packages. Generally, despite this massive opportunity and influx in government spending, much of the investment is likely to increase emissions long-term. Further, the most significant investments in climate change have been limited to the countries that have already made considerable climate expenditures. While some countries have been responsive to a growing climate-concerned left, the lack of climate spending in COVID-related stimulus highlights the continued entrenchment of fossil fuel interests in many countries. In other words, even after a pandemic that changed the lives of much of the world and disrupted the global economy, climate action looks much like it did before the pandemic.

This article considers the COVID-19 stimulus programs of China, India, the United States, and the European Union (EU), which together make up roughly 61% of world emissions and have each spent billions to trillions in COVID-related stimulus spending (Environmental Protection Agency, 2021). Vivid Economics, a business and policy consultancy firm, is one of the few research organizations that has attempted to document and characterize climate-relevant recovery spending across the G20 countries. In doing so, they developed a “Greenness of Stimulus Index” score to compare “green” (emissions-reducing) and “brown” (emissions-raising) spending across countries on a scale from -100 to 100 (Vivid Economics, 2021). Despite the three countries and the EU members all signing the 2015 Paris Agreement target of limiting the rise in global temperatures above pre-industrial levels to below 2 degrees Celsius (and preferably below 1.5 degrees Celsius), the economic recovery packages of China, India, and the United States all rate as net “brown,” and the EU’s stimulus is one of only a few globally that rate net “green” (Vivid Economics, 2021). The differences in climate spending in the stimulus packages can be explained by the distributive conflict model of climate change that argues that domestic politics play the most significant role in determining climate action.

As the world inches closer to missing the Paris Agreement target, economic relief packages were a significant opportunity for Green New Deal-like stimulus spending. My use of the term Green New Deal refers not to the specific resolution introduced by Representative Alexandria Ocasio-Cortez that has generated much debate, and controversy, in U.S. politics. Instead, I refer to the academic definition of the Green New Deal

discussed by Pollin (2019) and others that conceptualize the Green New Deal as large-scale investments in renewable energy and energy efficiency for the purpose of absolute decoupling of economic growth from emissions to allow for continued economic development without the “price” of increasing emissions (Pollin 2019). The economic relief packages following the COVID-19 pandemic amount to a missed opportunity for Green New Deal spending to combat climate change while decoupling economic growth from increased emissions.

## **China**

Academics hoped that China might invest in low-carbon stimulus following COVID-19 (Gosens & Jotzo, 2015). Unfortunately, most of the investments made by China were in high-emissions projects. Analysis of China’s 2020 Government Work Report, the executive government’s annual economic and social review, revealed that the overall recovery measures were on the whole more climate-friendly than the recovery measures following the 2008 global recession that focused on high-emissions projects (Gosens & Jotzo, 2015). However, China continued to invest heavily in fossil fuel industries while making only a few investments in renewable energy (Gosens & Jotzo, 2015). While China has made strides in reducing the growth of emissions over the past several years, investment in high-carbon long-term energy infrastructure continues. Of the countries discussed here, China rates the lowest on Vivid Economics’ Greenness of Stimulus index by a wide margin at approximately -50 (Vivid Economics, 2021). China accounts for roughly half of the world’s coal consumption, and as of August 2020, the total coal-fired capacity under construction totaled 98 GW, roughly the entire current coal-fired capacity of Japan and Germany combined (Gosens & Jotzo, 2015).

While China’s 14th Five Year Plan, covering the years 2021 to 2025, aims for the country to reach peak carbon emissions by 2030, it is unclear if the plan will do enough to allow China to reach its long-term decarbonization goals (Carbon Brief, 2021). In fact, COVID-19 economic stimulus spending nearly contributed to China missing its Copenhagen Accord carbon-intensity pledges in 2020, and China’s long-term Paris Agreement goals are in jeopardy (Grant et al., 2021). Similarly, Climate Action Tracker found that China’s October 2021 updated Nationally Determined Contributions (NDC) target, while attainable, is not sufficient to stay under the Paris Agreement’s 1.5 degrees Celsius climate target (Climate Action Tracker, 2021). Clearly, China prioritized economic stimulus and growth over climate goals and international agreements in their recovery spending.

It is difficult to evaluate the effects of industries and interest groups on Chinese policy, but it is clear some industries have political sway. An analysis of how Chinese provinces spent COVID-19 relief funds found that green projects were concentrated in a few jurisdictions (namely Tianjin, Shanghai, and Guizhou). Meanwhile, provinces reliant on coal mining and production, like Shanxi and Inner Mongolia, invested little in green projects (Rick, 2021). This could suggest that provinces with coal interests may have used their leverage in obstructing government investment in green projects.

However, there are signs that China recognizes the need for decarbonization. China has recently committed to stop building coal projects abroad, which it had been doing for several years under their Belt and Road Initiative (BRI), among financing other carbon-intensive infrastructure projects (Saha, 2020). However, no changes in China’s reliance on coal to meet its own energy needs were announced at the time (Brant, 2021). In recovering from the pandemic, China prioritized economic recovery and growth over climate goals. Much of China’s recovery plans focused on large projects, very few of which were green infrastructure. In terms of China’s domestic politics, this is no surprise – China’s sole ruling party, the Chinese Communist Party (CCP), measures much of its success in terms of economic growth, which the CCP views as vital to both preserving the government’s legitimacy and projecting Chinese power abroad (Harris, 2021).

## **The United States**

Early COVID-related stimulus spending in the United States was focused on economic recovery and not the climate. More recent recovery measures seek to change that fact, but much of President Joe Biden’s climate agenda hangs in the balance. The United States’ first round of coronavirus stimulus under the Biden administration, the America Rescue Plan (ARP), was signed into law in March 2021. The legislation contained only indirect climate spending, mostly in the form of assistance for mass transit (Curtis, 2021).

The next stimulus package, the Infrastructure Investment and Jobs Act (IIJA), passed in November 2021, is a \$1.2 trillion traditional infrastructure package that may further encourage fossil-fuel emitting travel. Climate-relevant parts of the law included: \$3.5 billion for carbon capture storage development, \$8 billion for zero-carbon hydrogen research, up to \$7.5 billion in grants for electric vehicles (EV) charging stations, \$30 billion for rail projects, and \$6 billion to support battery development (Meyer, 2021). In all, the IIJA amounts to only marginal spending on climate change, with the possibility of actually increasing emissions long term because of its investment in emissions-encouraging transportation infrastructure such as new roads and wider highways.

The rest of the Biden administration’s potential green investment is still to be determined. President Biden’s social spending and climate change bill, known as the “Build Back Better” framework (BBB), started as a proposed \$3.5 trillion package featuring significant spending on climate change action and social spending programs to facilitate a green economic recovery post-COVID-19. Over the last half of 2021, the BBB framework had been reduced in size to roughly \$1.7 trillion and has for now been taken off the legislative agenda altogether, mostly at the hands of Senator Joe Manchin of West Virginia (Cochrane & Edmondson, 2021). It is uncertain if the bill, or aspects of it, will pass Congress and in what form (Becker, 2021). Should the current version of the climate change provisions eventually become law, they will account for between \$500 and \$600 billion as a package of clean energy tax incentives, clean energy research, and environmental justice provisions (Sobczyk, 2021).

While Biden’s plans mark a stark shift from the “ostrich with its head in the sand approach” and the climate change denial and environmental deregulation of the Trump administration, the United States has still struggled to find political support for climate change spending in COVID-19 relief packages (Eisenstadt & MacAvoy, 2022). The Biden administration has taken several executive and regulatory actions on climate, but the United States has still made only limited investments in climate since the start of the pandemic (White House, 2021). Much of the proposed climate spending hangs in the balance, with coal-state Senator Manchin as the deciding vote – perhaps the greatest example of the continued power of fossil fuel special interests in the United States even in the midst of the COVID-19 pandemic (Cochrane & Edmondson, 2021).

Like China, the United States generally measures policy success in terms of economic measures (Harris, 2021). While the Vivid Economics Greenness of Stimulus Index rates the United States ahead of China at roughly -10, like China, much of the existing stimulus was formulated with solely economic motivations (Vivid Economics, 2021). The BBB framework hopes to change this by making significant investments in not just climate spending but health and welfare, all while stimulating the economy. How the political conflict over BBB plays out over the next several weeks to months will play a significant role in determining the overall extent of U.S. commitment to climate spending.

## India

COVID-19 recovery spending in India has developed into a mixed bag for decarbonization. India has made significant investments in both renewable and fossil fuel energy with an emphasis on increasing energy supply to meet its growing demands, regardless of the energy source. India’s stimulus contains more than \$120 billion USD for the energy sector, with renewable energy receiving almost twice as much funding as fossil fuel energy (Garg et al., 2021). However, policies supporting energy transmission and distribution likely promote fossil fuels on the whole (Garg et al., 2021).

Listing the actions that India’s government took as part of the economic recovery reveals a pattern of support for *both* decarbonization and emitting industries. For example, between 2020 and 2021, India’s government granted a loan for \$1.15 billion USD for a coal generation project in Bihar and funded a \$26.5 billion program in a biogas program to provide cleaner and cheaper fuels (Vivid Economics, 2021). Over the same time period, India’s government also spent \$780 million on afforestation projects and made \$1.5 billion investments into hydropower (Vivid Economics, 2021). In other words, India has prioritized any investments, whether it be renewables, natural gas, or coal, that it thinks will help meet the growing energy needs of its large population while expanding economic opportunities. However, at the same time India prepares to expand the growth of renewable energy, it is still unclear how India will continue to meet energy demands as India’s economy expands into energy-intensive sectors (Shih & Dennis, 2021).

Coal remains an important part of India's economy in many areas and an important source of jobs and income. Coal India Limited (CIL), which provides nearly all of India's coal mining and power, is owned mostly by the central government and provides an important source of income for coal-producing states that are among India's poorest (Gross, 2019). However, CIL's position has been weakened as it has struggled to meet growing demand, coal power's contribution to substantial pollution problems, and the increasing costs to keep outdated coal power plants usable (Shondhardt, 2021).

On the other hand, India still joined China and several other countries in changing the final text of the 2021 UN Climate Change Conference (COP 26) agreement from "phase out" to "phase down" coal. At the same time, also at COP 26, Prime Minister Narendra Modi committed India to being net-zero by 2070 – again highlighting the sometimes-contradictory nature of India's approach to climate in its economic recovery (Shondhardt, 2021). In doing so, India has acknowledged the coal industry's power and has recognized its importance in meeting energy needs in its COVID-19 relief package. At the same time, India has used the opportunity to expand its renewable energy capacity. The fact that India has not gone all-in on coal could be partially due to the weakening of coal interests over the past few years and the struggle of coal to stay cost-competitive with increasing demand.

In all, India has sought to balance renewable energy investment with growing fossil fuel energy sources to meet their growing electricity needs. The end result is a true "all-of-the-above" energy approach that, while growing the amount of renewable energy and investing in less carbon-intensive energy sources, focuses more on expanding affordable energy capacity than reducing emissions. India's approach to climate change stimulus is similar to China's in its economy and development focus, but India's government has proven more willing to invest in renewable technologies to meet energy needs. The significant investment into renewable energy is what drives India's Vivid Economics Greenness of Stimulus Index of about -18, which puts it among the middle of the pack among G20 countries, just behind the United States and well ahead of China (Vivid Economics, 2021).

### **The European Union**

Unlike China, the United States, and India, the EU has made significant commitments to climate spending in their economic stimulus packages. The EU agreed to a massive green stimulus package in July 2020, with almost a third of the funds from the stimulus package and the 2021-2027 budget, roughly 2.0 trillion euros, going to combat climate change (Clean Energy Wire, 2021). The stimulus package, called NextGenerationEU (NGEU), along with the EU's long-term budget, is the largest stimulus package ever financed in Europe. It seeks to support green projects through hundreds of billions of Euros worth of grants and loans among member countries (Gronewold, 2021).

The NGEU is also being presented as a climate policy. European Commission President Ursula von der Leyen noted that she views NextGenerationEU as a vehicle to steer Europe towards carbon neutrality by 2050 (Gronewold, 2021). In other words, unlike in the stimulus packages of the three countries described previously, which are relief plans containing climate measures, NGEU is being billed as a broad, long-term policy that seeks to both contribute to the economic recovery while combating climate change. The EU as a whole managed to put record sums of money towards climate action and made it a focus for years to come, driving a Vivid Economics Greenness of Stimulus Index of roughly 42, significantly higher than that of India, China, and the United States (Vivid Economics, 2021).

On the individual country-level all EU member countries that are a part of the G20 besides Norway and Italy have their stimulus plan rated net-green (Vivid Economics, 2021). The fact that individual members of the EU supported so many climate-friendly projects on their own means that the EU's political environment was conducive to climate-related spending. Whereas major climate spending marked a shift in policy for the three countries described above, significant climate spending in the EU serves mostly as a continuation of existing policy. The growth of the climate-focused left in many European countries (such as Green parties) has made a favorable environment for climate action, regardless of COVID-19 and COVID-related stimulus (McBride, 2021). In other words, the existing domestic politics of the EU made it conducive in particular to climate change spending stimulus, making it difficult to distinguish the impact of the COVID-19 pandemic on EU climate action.

### **Distributive Conflict and COVID-Related Government Spending**

The existing domestic politics of each country discussed seems to have played the most significant role in determining whether each country invested in climate-related measures in their recovery packages. The role of domestic politics over other factors, such as international agreements and commitments, can be explained by the “distributive conflict” model developed by Aklin and Mildemberger (2020).

The distributive conflict model rejects the “tragedy of the commons model” that describes climate change as a collective action problem and has been adopted by much of academia. Developed by Hardin (1968), the model imagines a common space or common resource that is used and managed by everyone. However, since individuals benefit by maximizing the use of the resource, and the negatives of overusing the resource are distributed among all parties equally, the resource is exhausted (Hardin, 1968). In his classic example, Hardin imagines a common pasture that all members of a village use to graze their sheep. However, some individuals begin overgrazing to maximize personal profit—and are driven by fear of overuse by others—until pasture becomes unusable (Hardin, 1968). In the context of climate change, the tragedy of the commons models individual actors as being incentivized to maximize profits (and by extension, emissions) while avoiding the costs of mitigating climate change and becoming “free-riders” in any solution. In the context of the tragedy of commons, the solution to climate change is figuring out how to make individual actors agree to a long-term goal that is potentially incompatible with their short-term goals.

On the other hand, Aklin and Mildemberger’s distributive conflict model imagines the problem of climate change as a power-driven model and focuses on individual action. The distributive conflict model argues that the tragedy of the commons does not adequately address power dynamics and interest groups and suggests that climate policymaking could be explained without invoking free-riding (Aklin & Mildemberger, 2020). Whether governments choose to implement policies addressing climate change has little to do with the actions of other countries or potential treaties. Instead, climate policies are much more dependent on the specific domestic politics of the country (Aklin & Mildemberger, 2020).

In the context of climate change spending in COVID-related stimulus, the distributive conflict model argues the policy is not developed as part of an international network of actors collectively deciding climate action, with some free-riders relying on the decarbonization of some. Instead, the distributive conflict model argues that climate policy is developed (or not developed) based on the results of individual power struggles taking place at the national level. In the end, despite climate change being a global problem requiring global solutions, countries develop climate policy individually from one another. India is investing in renewables as part of its domestic goals, while the United States is investing in EV infrastructure to satisfy a policy priority of the party currently in charge of most of the government.

Government spending is an ultimate example of “putting your money where your mouth is” – in deciding where and how governments spend their money reveals many of their policy priorities. However, among top emitters, only Europe has invested significantly in renewable energy. The EU’s investment in decarbonization is mostly not the result of commitments to the Paris Climate Agreement or other international treaties. Instead, countries that had already been investing significant resources into decarbonization with domestic support in the form of significant climate-focused left political wings are the countries that continued to invest in climate action.

Moreover, even in the midst of another, more immediate collective action problem of the COVID-19 pandemic itself, the politics surrounding climate change did not seem to shift. In all, one could have easily guessed which countries would have invested in climate change spending in their economic recovery based on what they had spent previously and been correct with considerable accuracy. On the whole, the COVID-19 pandemic did little to change domestic politics surrounding climate change. COP 26 came and went with very little substance to show for it. This all supports the rejection of the tragedy of the commons model in the case of COVID-recovery-related climate change spending. Instead, it provides further evidence that academics should emphasize domestic politics over collective action problems in climate change.

### **The Missed Green New Deal Opportunity**

The economic recovery measures of China, the United States, and India are a missed opportunity for Green New Deal-like stimulus spending. The academic definition of the Green New Deal discussed by Pollin (2019) conceptualizes the Green New Deal spending as large-scale investments in renewable energy and energy

efficiency for the purpose of absolute decoupling. In other words, investments to decouple growth from emissions so that countries may continue economic development without the “price” of increased emissions (Pollin, 2019).

On the surface, the COVID-19 pandemic illustrated a simple, effective path to reducing emissions: degrowth. That is, reducing economic activity and consumption as a means to reduce emissions. Degrowth as a climate change solution would force much of humanity to reevaluate how it structures society. Academics such as Shor and Jorgenson (2019) have suggested degrowth, through means such as reducing the number of working hours, as a legitimate solution to climate change.<sup>5</sup> There is evidence that degrowth would reduce emissions – after all, the initial COVID-19 outbreak in 2020 and the associated economic downturn led to the single largest drop in emissions ever recorded at a magnitude significantly larger than the emissions decreases associated with World War II or previous economic depressions (Liu et al., 2020). However, degrowth and lowered emissions under COVID-19 came at massive costs: namely, millions of deaths and significant economic disruption. The costs of degrowth are simply too high to be considered as a realistic solution to climate change, especially in developing countries.

Instead of degrowth, Green New Deal spending allows governments to continue encouraging economic growth but not growth in emissions. The COVID-19 pandemic prompted many countries to spend billions to trillions as part of their economic stimulus packages. And yet, the spending related to renewable energy and decarbonization was limited. Instead, in places like China, India, and likely the United States (pending legislation), economic growth will be just as carbon intensive as it had been pre-pandemic. In this way, the fact that only a limited amount of the massive amounts of spending in the economic stimulus is a wasted opportunity to provide the Green New Deal spending and strategizing that would avoid the eventual need for and costs of serious degrowth as a planet-saving strategy.

This missed opportunity begs the question: After a series of large investments to address the fallout of COVID-19, what appetite will there be in the near future for large-scale government spending needed for decarbonization?

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<sup>5</sup> It is worth noting that Shor and Jorgenson (2019) limit their proposal to the Global North where emissions have already peaked and avoid discussion of Global South.

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## **CLOSING THE RACIAL WEALTH AND DEBT GAPS: A MULTI-GENERATIONAL POLICY APPROACH**

Tashfia Hasan

### **Abstract**

*Wealth and debt disparities are core to the fabric of the United States. Particularly, people of color have experienced significantly worse financial outcomes as a result of manufactured racial wealth and debt gaps that persist to this day. This paper examines two policy proposals and the extent to which they might lessen these racial wealth and debt divides. Baby bonds are a policy idea that has gained familiarity and popularity since about 2019 and offers an opportunity to build wealth starting at birth. Community land trusts, a lesser-known policy solution, have been adopted on a wider scale, but its potential impacts on the racial wealth gap have been studied much less. This paper will analyze the potential for both of these policy ideas to narrow the racial wealth and debt gaps and the feasibility to implement these solutions in service of lessening said gaps.*

### **Introduction**

People of different races have had vastly different experiences with building wealth throughout the history of the United States. From the initial genocide and land theft imposed on Tribal Nations across what is now the United States, to the enslavement of African people, the theft of resources (such as land) that contributed to how wealth is built is deeply rooted in the way that much of the U.S. operates. Most financial and economic systems have been built with inherent barriers intended to keep people of color from achieving wealth at lower rates and with greater difficulty than their white peers. Most notably, redlining and the ways in which credit and financial services were developed created an environment in which Black, low-income, and other marginalized people have been significantly held back from homeownership, an important path to wealth-building, and financial stability (Wemimo, 2021). Though many are trying to unearth and repair the generations of harm forced on people of color, particularly Black and Indigenous people, by various exclusionary policies and acts of violence, the lasting impacts are still felt today and have contributed to worsening racial wealth and debt gaps. It is imperative that a multi-generational approach is applied to policy solutions to address the racial wealth and debt gaps. Consequently, this paper will be an analysis of two policy proposals to close racial wealth and debt gaps: baby bonds and community land trusts.

### **Definitions**

There are a number of terms that will be used throughout this analysis that are important to define. Firstly, the racial wealth gap refers to differences in the median net worth of households of various races. Comparisons of median levels of income tell only part of the story of disparity between racial groups. Income inequality often refers to the gaps in earned labor income (Cragg & Ghayad, 2015). The true net worth of a household accounts for both assets (financial and non-financial) and liabilities (such as loans and other debts) (Organisation for Economic Co-operation and Development [OECD], 2021).

According to the Federal Reserve Board's 2019 Survey of Consumer Finances, there are vast disparities in the median levels of wealth held by households of different races. White households had a net worth of about \$188,200 compared to only \$24,100 for Black and \$36,100 Latinx households (Federal Reserve System, 2021). The Survey of Consumer Finances only captures those racial categories and "Other," which includes people who are Asian, Indigenous, Alaskan Native, Native Hawaiian, Pacific Islanders, people who are multiracial, or of any other racial identity. Later in this paper, the limitations of this analysis will be described in greater detail including challenges with racially disaggregated data. Those in the "Other" category had a net worth higher than that of Black and Latinx respondents but lower than that of their white peers.

The racial debt gap is a term that refers to variation in the ways in which households of different races hold and experience debt. There is a significantly narrower body of literature related to variation in experiences with debt by race as compared to wealth by race. However, the Employee Benefit Research Institute (EBRI) analyzed the 2019 Survey of Consumer Finances to find that there is variation in the median debt-to-asset ratio,



rates of income going toward debt payments, and types of debts held by race (Employee Benefit Research Institute, 2021). EBRI's analysis highlights three key points: (1) households of color likely have a harder time borrowing from secure sources due to their higher debt-to-asset ratios, which severely limit their lending opportunities and overall financial well-being; (2) they have less cash available because a higher percentage of their income goes toward paying off debt (and any associated late penalties and interest fees); and (3) they have less wealth-building debt (such as mortgage debt, which is tied to an asset as opposed to wealth-stripping debts, such as medical debt, that detract from household finances without producing any assets).

Debt is often treated as an entirely separate or overlooked issue when it comes to wealth but realistically, healthy engagement with debt is integral to wealth-building. It is imperative that the racial debt gap is addressed alongside the racial wealth gap. Without closing the racial debt gap, people of color may engage with wealth-building opportunities and see little to no success due to their debts undermining any wealth they may be building. Much of this paper will focus on wealth-building but will refer to the racial debt gap as appropriate given the deeply intertwined nature of these issues.

### **Limitations of this Analysis**

There are a few considerations to identify before setting out to understand this analysis. There exists a variety of limitations with racial wealth and debt data. There is relatively strong data available that captures some of the financial health outputs and outcomes of Black, Latinx, and white households. However, data on Indigenous and Asian households is severely lacking, making a true comprehensive racial analysis nearly impossible. It is also important to acknowledge that there are limitations with the use of these racial categories. For example, "Asian" refers to a very wide range of ethnically diverse people with possibly different outcomes. However, due to the aggregated nature of race-based data, it is difficult to understand how economic outcomes differ within racial categories. This argument could be made for any race, as no racial group behaves as a monolith.

Another significant consideration is that other identities and factors can compound with race to result in worse outcomes for some groups than others, even within racial categories. For example, in 2013, single Latina women had a median net worth value of \$100 compared to \$950 for single Latino men. Even among single white people, the median wealth for white women was \$15,640 compared to \$28,900 for white men, according to the same study (Asante-Muhammad & Sim, 2021). Still, race is an important factor as compared to other identities that may affect financial outcomes. For example, Black women have staggeringly less wealth than white women regardless of other factors such as their educational attainment or marital status. For example, the median wealth of married Black women with a bachelor's degree was only \$45,000 in 2013 compared to \$260,000 for their white peers of the same gender, level of educational attainment, and marital status (Zaw et al., 2017). Though a more comprehensive study of the intersection of various identities and the wealth and debt gaps would be productive and significant, this analysis will solely focus on the relationship between race and wealth/debt and its influence on policy proposals to address aforementioned gaps.

A final prominent limitation is that this is an analysis of just two policy proposals and their abilities to potentially lessen the racial wealth and debt gaps. It is important to note that in order to sustainably close these gaps, a number of coordinated policy and programmatic interventions will be necessary. Even if executed quickly and perfectly, no one policy could close either gap on its own. There are a variety of existing and new policy proposals that could meaningfully address racial wealth and debt gaps for different generations. However, this analysis will only focus on the potential of baby bonds and community land trusts to close the racial wealth and debt gaps. Therefore, it will not be a comparison of the various policy proposals that could address these gaps at each generational level.

### **Introduction to Policy Proposals**

Studies have shown evidence that intergenerational transfers account for at least half of all wealth held by people (Adermon et al., 2018). While there is deviation in research findings on the behavior of people based on anticipated and real received inheritance and other wealth transfers, it is generally accepted that the wealth of the two generations prior can be an indicator for the current generation's level of wealth (Adermon et al., 2018). Consequently, it is important to address the racial wealth and debt gaps through policies that support the wealth-

building of multiple generations. Such policies will both enable new wealth creation for future generations and address wealth that current generations have been excluded from building. Thus, this paper will focus on two policy proposals intended to target different generations but that have ripple effects across generations: baby bonds and community land trusts.

Baby bonds, also known as Children's Development Accounts (CDA) or Children's Savings Accounts (CSA), refer to proposals that automatically establish endowed trusts for children at the time of their birth (Hamilton & Darity, 2010). The idea of baby bonds has gained momentum as an opportunity to provide a springboard for young adults to access higher education or homeownership, two historically championed avenues for wealth-building, without incurring new or additional debt (Cassidy et al., 2019). Though there are different proposals related to the establishment of baby bonds, one that has gained considerable traction in recent years is Senator Cory Booker's (D-NJ) American Opportunity Accounts policy proposal (colloquially known as "Baby Bonds"), which is based on the research of Dr. Darrick Hamilton and Dr. William A. Darity Jr. Another model of baby bonds is a hypothetical variation that was used in research by Dr. Naomi Zewde, which is similar to the model proposed by Senator Booker. The key difference is that Senator Booker's proposal would base annual contributions to the CSAs on household income whereas Dr. Zewde's model is based on household wealth (Cassidy et al., 2019; Zewde, 2018).

Senator Booker's proposal would start every child with an account ranging from \$1,000-\$3,000 based on the income of the child's family. The account would be managed by the U.S. Treasury and would grow by up to \$2,000 annually (also depending on family income). The account would only be accessible after the child turned 18 years old and would be restricted in use toward further education, homeownership, or retirement savings (Cassidy et al., 2019). Again, Dr. Zewde's model only varies by basing annual contribution to the American Opportunity Accounts (AOA) on household wealth, not income (Zewde, 2018).

Another policy proposal that could contribute toward closing the racial wealth gap is the establishment of community land trusts (CLT). Land trusts are nonprofit entities that purchase land as a means of protecting it (Brewer, 2003). CLTs are land trusts held by residents in which they own the land, make decisions regarding the development of housing, hold the housing in trust for the residents, and lease it to its residents for extended periods of time (Marcuse, 2020). Community Land Trusts are a means for providing greater decision-making power and ownership over land, providing greater flexibility and opportunity with housing, and to ensure that the community can lead its own development. CLTs have been presented as a way to mitigate gentrification and the racial and socioeconomic displacement of people from their communities (Marcuse, 2020). CLTs present a particularly important opportunity for low- and moderate-income people in offering affordable housing options while building home equity with limited liability (depending on the specific terms agreed upon by those that direct the particular CLT) (Marcuse, 2020). Thus, CLTs provide an accessible way for current generations to build wealth that they can hand down to future generations.

### **Potential for Narrowing the Racial Wealth and Debt Gaps**

Both baby bonds and community land trusts present opportunities for new wealth creation. But can these policies have any meaningful impact toward closing the racial wealth and debt gaps?

Studies of baby bonds offer a simple answer: yes. Dr. Zewde's study projected that the implementation of universal baby bonds would most notably lessen the gap between the median wealth of Black and white people. Dr. Zewde estimates that the current median wealth of all adults from ages 18-25 (in 2015 dollars) is \$29,000. That quantity breaks down to \$2,900 for Black young adults, and \$46,000 for white young adults (Zewde, 2018). If these same adults had access to a national universal baby bond program, the wealth of all young adults is projected to have grown to \$76,992. The race-specific impact is also stark with Black young adults having a median net worth of \$57,845 and white young adults' net worth growing to \$79,159 (Zewde, 2018). Per Dr. Zewde's projections, a universal baby bond program with contributions based on household wealth could reduce the racial wealth gap between Black and white young adults nearly in half from \$43,100 to \$21,314.

Unfortunately, there is little to no information available on how the implementation of Dr. Zewde's model of a universal baby bonds program could impact other racial wealth gaps. However, given that the Black-white wealth gap is so severe, Dr. Zewde's projections serve as strong evidence that this policy is worthwhile pursuing and enacting.

Additionally, it is worth noting that the projected outcomes of baby bonds could have promising and complicating impacts on the racial debt gap. One positive effect of baby bonds on the racial debt gap is that the funds accumulated in the CSAs could only be utilized toward wealth-generating activities like homeownership and further education without taking on new or additional debt, per Senator Booker's and Dr. Zewde's proposals. A complicating effect could be that the funds in these accounts could not be used to pay off any other debts that may undermine that person's ability to engage in the chosen wealth-building venture. For example, a person could have substantial medical debt due to chronic health issues. Those health issues and the sustained stress induced by the financial burden of their mounting medical debt could interfere in their ability to engage in further education or to purchase a home and manage the associated upkeep.

It is a little more difficult to assess the extent to which community land trusts could directly affect the racial wealth and debt gaps due to much less publicly available study on the impact of this type of program. Community land trusts are considered one of three primary models of shared equity homeownership. One report from the Lincoln Institute of Land Policy studied shared equity housing performance and found some promising results. The Lincoln Institute's study produced evidence that CLT homes were a notable driver of family wealth creation and serve higher numbers of households of color as they continue to be adopted across the country (Wang et al., 2019). According to the same Lincoln Institute report, the percentage of CLT homeowners of color grew from 13% in 2000 to 43% in 2018, showing steady increases in the participation of people of color (Wang et al., 2019). As the participation of people of color in CLTs increases, larger proportions of households of color are likely to enjoy the positive impacts on wealth creation that come with engagement with CLTs. For example, conventional households are 10 times more likely to face foreclosure than CLT homeowners (Thaden et al., 2013). CLTs offer affordable options for homeownership which significantly increases the net worth of households (Federal Reserve System, 2021). There is promising evidence to suggest that CLTs could be a powerful tool for closing the racial wealth gap, but further rigorous study on the relationship between CLTs and the racial wealth gap and the potential of CLTs to support households' engagement with healthy debt management is needed.

### **Feasibility of Policy Proposals**

Idealistically, it seems as though both baby bonds and community land trusts could result in smaller and less damaging racial wealth and debt gaps. Could these policy proposals be realistically implemented in the United States in the near future?

Per the Samuel Dubois Cook Center on Social Equity's analysis, Senator Booker's American Opportunity Accounts (AOA) program may have a viable future in the United States. The AOA is projected to cost the United States approximately \$82 billion annually (Cassidy et al., 2019). However, it is important to note that the AOA proposal assumes account contributions based on household income, not net worth. Accordingly, the AOA would yield accounts valued at about \$29,000 for Black young adults and about \$15,800 for white young adults (Cassidy et al., 2019). Additionally, as a result of this proposal, Latinx young adults are estimated to have just over \$27,000 in their AOA by the time they turn 18 years old (Matthews, 2019). A program with contributions based on household wealth as proposed by Dr. Zewde, which would more meaningfully address the racial wealth gap, could have a very different cost but stronger outcomes as mentioned previously. There is no cost estimate for implementing a program based on household wealth at the time of this publication.

Though an \$82 billion annual price tag may sound infeasible at first, it pales in comparison to the costs of other social service programs. This proposal of a baby bonds program would cost less than 10% of Social Security each year (Zewde, 2018) and just more than the Supplemental Nutrition Assistance Program (SNAP), also according to Dr. Zewde (Miller, 2021). Though there is no publicly available analysis with concrete estimates, an investment in the long-term wealth-building potential of U.S. residents presents the possibility of minimizing usage and costs of other social service programs which are funded by all levels of government. A program like baby bonds would increase short-term costs for federal and/or state (and possibly local) governments but comes with the possibility that it could lessen social service costs that could be redirected to this program or other government expenditures. Additionally, childhood poverty was estimated to cost the United States about \$1 trillion in 2015 (McLaughlin & Rank, 2018). Though addressing issues such as childhood poverty would pose

greater immediate costs, the US must implement measures (such as a baby bonds program) to alleviate social issues that lead to worse, more expensive outcomes in the future.

Though the cost may make this proposal seem infeasible, public support could change the viability of this type of policy solution. Interestingly, though a universal baby bond program is estimated to yield greater value for Black children and young adults than for their white peers, this proposal carries the broad appeal of being universal in design. Universal programs offer greater political feasibility because they offer at least some benefit to everyone regardless of race. However, the progressive nature of this proposal (that account contribution would run inverse to a family's income or wealth) would ensure that the intended race-specific outcomes would not be lost as is the case with many race-neutral policies (Cassidy et al., 2019; Zewde, 2018). Data for Progress also found growing public support for universal basic wealth (including baby bonds) at 27% approval among Americans under the age of 45 (Cassidy et al., 2019). Unfortunately, though public support for this type of measure is growing, there are challenges when it comes to reception among legislators. Republican legislators and other fiscal conservatives continue to disapprove of proposals such as baby bond programs due to their estimated costs, a challenge that is heightened in an increasingly partisan political environment given that this proposal has gained the most traction among Democratic legislators (Cassidy et al., 2019).

One promising development is that baby bonds programs are starting to be passed and implemented on a smaller scale. The Council of the District of Columbia approved the Child Wealth Building Act in October 2021, adopting a publicly funded trust that would add up to \$2,000 annually per child on top of an initial \$1,000 investment (Cruise, 2021). Other jurisdictions have considered baby bonds with little success, but similar programs may be feasible in the future pending the success of programs such as the one implemented in Washington, D.C.

Unlike baby bonds, there is no national proposal for adoption of community land trusts due to the grassroots nature of this type of policy. CLTs rely on the participation of local groups of residents, thus making a federal proposal unlikely. However, states and localities can avoid any bureaucracy and slower timelines that typically come with reliance on federal funding. In fact, there are already at least 225 community land trusts in operation in the United States today (Grounded Solutions Network, n.d.).

Some propose that land be considered as a form of reparations to living descendants of enslaved people (Scott, 2021). This argument is rooted in the historic unfulfilled promise of 40-acre land grants as restitution for slavery. Defaulting on this agreement for restitution resulted in a tremendous financial setback for Black people emerging out of the era of slavery and set them on a very different and worse financial foundation compared to their white peers (Assensoah & Alex-Assensoh, 2021).

Community Land Trusts are a flexible program that can be shaped to fit the needs of the local community. Consequently, there is no established cost to starting a CLT. This allows advocates of CLTs to work with local residents and legislators to build a CLT program that will fit their own needs. The nature of CLTs being malleable to the needs of a community opens up tremendous opportunities for more positive reception and likelihood of implementation. On the other hand, the lack of structure can present the challenge of too many opposing views resulting in difficulty establishing one program that works well for the community. However, the flexible nature generally makes CLTs more feasible to establish than more controversial proposals.

CLTs can be funded in a number of ways. Many have taken advantage of two federal grant programs: Community Development Block Grants (CDBG) and HOME, which is the largest federal block grant that is dedicated to creating affordable housing for low-income households (U.S. Department of Housing and Urban Development, 2021). CLTs have also leveraged federal tax credits such as the Low-Income Housing Tax Credit and Historic Preservation Tax Credit to boost their funding base for land and housing development (Davis, 2007). The flexibility for financing CLTs allows for creative solutions that could raise the necessary revenues to operate without jumping to many community members' first question: will this raise my taxes? Tax revenue is only one possible source of funding to establish and facilitate a CLT. However, communities can establish CLTs to be mostly or entirely dependent on other funding sources.

## **Conclusion**

Baby bonds are a policy proposal that have been widely studied over many years by a variety of scholars. This has produced an impressive body of research that suggests that baby bonds would meaningfully impact the

racial wealth and debt gaps, especially between Black and white individuals. There is room for greater study on the projected impact on people of other races. However, the research that has been done and is publicly available is ample and creates a strong case for its adoption. The primary barrier is political feasibility and the normal course of politics. Legislators serve as gatekeepers and fiscal conservatives will be able to keep passage of this type of policy at bay for as long as they maintain the stronghold they currently have. However, if our nation's legislators are serious about taking steps to close the racial wealth and debt gaps, baby bonds are a proposal to take seriously and implement as quickly as possible in order to begin the wealth-building process for generations to come.

Community land trusts are slightly more challenging to champion purely due to the lack of academic research on the relationship between community land trusts and the racial wealth gap. However, there is strong evidence showing that community land trusts create meaningful and long-lasting homeownership and, consequently, wealth-building opportunities for low- and moderate-income people and first-time homebuyers. Given that people of color disproportionately represent low- and moderate-income households and people who do not own homes, it is likely that community land trusts could have consequential effects for enabling wealth creation for people of color and closing the racial wealth gap. Additionally, the flexible, grassroots nature of community land trusts makes them malleable to a community's distinct needs and much more approachable to understand and implement.

Overall, baby bonds and community land trusts both present strong opportunities for wealth creation for existing and future generations. The costs of the racial wealth and debt gaps are too severe to continue ignoring. Implementation of these policy proposals, in conjunction with other intentionally coordinated policy and programmatic strategies, would set the United States on a promising path to closing the racial wealth and debt gaps, two issues from the past that have shaped this country but that do not belong in its future.

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## **MIGUEL THE CRIMINAL, MARIA THE REFUGEE: HOW AN IMMIGRANT'S GENDER AND REASONS FOR MIGRATING AFFECT PUBLIC OPINION ON IMMIGRATION**

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### **Abstract**

*Given immigration's continued salience in the political landscape, it is paramount that we understand how immigration is perceived and how its features and contexts change how people view politics and immigrants themselves. This study will investigate the effect current demographic changes may have on American public opinion by looking at how an immigrant's gender and reason for migrating affect how they are perceived, focusing specifically on economic and cultural threat. Regression analysis reveals that the gender and reason for migration of the immigrant does not have an effect on the level of threat expressed; however, political ideology, feminist identification, and education of the respondent all emerged as predictors of threat expression. This knowledge can be applied to policy campaign communications for the purpose of targeting specific groups of constituents and can give lawmakers a sense of how people feel and potential underlying causes for why they feel that way.*

### **Introduction**

Immigration has risen to prominence as a national political issue in the U.S. within the past 20 years. It held particular importance during the 2016 presidential election and the 2018 midterms. Given its continued salience, it is paramount that we understand how immigration is perceived by the American public and how its portrayal can change how people view politics and immigrants themselves.

Recent immigration trends in the U.S. show an increase in the number of women and children coming to the U.S.-Mexico Border, primarily from countries in Central America such as Honduras, El Salvador, and Guatemala (Gramlich & Scheller, 2019). These families tend to be migrating in order to flee gang violence, domestic violence, and state persecution and oppression in their home countries. This new trend represents a change from past periods of migration in which immigrants mostly came from Mexico and consisted primarily of men looking for better paying jobs and economic opportunity.

The changing demographics of immigration present new challenges to the field of political science in the realm of research as well as governance. This study will investigate the effect these demographic changes may have on American public opinion by looking at how an immigrant's gender and reason for migrating affect how they are perceived, focusing specifically on the perception of economic and cultural threat. I expect both gender and reasons for migrating to interact with one another and impact how immigrants are perceived by the American public due to stereotypes about labor and gender roles. Given these stereotypes, I predict that women migrating to flee violence will elicit the fewer feelings of threat from respondents and that men migrating in search of economic opportunity will elicit the greatest feelings of threat. More generally, I expect immigrants of both genders who are migrating to flee violence to be seen as less threatening compared to immigrants migrating for economic opportunity.

### **Literature Review**

#### *Ethnic and Racial Difference*

A review of the literature in this area of political science reveals a large gap in the fields of gender and immigration study. The study of ethnic and racial cues looms large in immigration studies and for good reason, as existing work clearly and consistently demonstrates strong connections between such cues and attitudes towards immigration. Brader, Valentino, and Suhay's (2008) found that stigmatized "out groups" (racial/ethnic minorities) elicited feelings of anxiety from respondents and those groups were also associated with an increase in negative emotions, especially when the costs of immigration were emphasized. Brader et al. used differentiated photographs and names within the context of news coverage to measure this bias towards "out groups". My experimental design is largely inspired by this study.

Since racial and ethnic cues are already established in the field as predictors of attitudes, my study kept this variable constant by maintaining the same ethnic frame across my entire experiment. I chose to make the fictitious immigrants in my study Central American because that is a key region for current immigration to the United States. A potential step forward in this research would be to conduct the same experiment but situate the immigrants in an East/South Asian or Middle Eastern context to see if that alters results.

### *Latino Threat Narrative*

It has already been demonstrated that race and ethnicity are documented predictors of attitudes towards immigration, but it is worth examining in greater depth the specific relationship between Latinos and conceptions of immigration in the American imagination, as my study situates immigrants within this context. Latinos are almost synonymous with the word “immigrant” in American discourse for a variety of reasons, including the United States’ geographic proximity to Mexico and Central America and the longstanding migration of labor between the two areas (Chavez, 2013). The Latino Threat Narrative was first defined by American anthropologist Leo Chavez, and he uses this term to describe the set of underlying beliefs and related political discourse of Latinos as illegal aliens and usurpers of the American way (Chavez, 2013). He argues that this narrative shapes how the United States views Latinos, by extension immigrants, and ties these opinions to ideas of invasion and foreignness. The Latino Threat Narrative primarily targets Mexicans, but it extends its prejudice to all Latin Americans. The following false premises form the foundation of the threat narrative: (1) the construction of illegal aliens as criminals which Latinos become associated with through racialization, (2) the idea that Latin Americans seek to “reconquer” the Southwestern United States through increasing Latino populations in these areas, (3) an inherent unwillingness to learn English and integrate into American culture, (4) “out of control” Latina fertility, and (5) threats to national security (Chavez, 2013). Chavez’s work provides a theoretical framework for thinking about and experimenting with American attitudes toward Latino immigrants, as it highlights the importance of the feeling of threat that Latino immigrants may elicit in many non-Latino Americans. These feelings of threat are operationalized as my dependent variables. I will revisit Chavez’s definition when discussing my results and their implications.

These ideas have tangible policy consequences. Gonzalez (2014) demonstrates that the idea of “immigrant as criminal” is still prevalent in American public opinion as of 2014 and that these beliefs influence policy opinions. Americans who believe that undocumented people are criminals are more likely to be in favor of deportation and felony charges. The 1994 Proposition 187 in California was crafted to curb unauthorized immigration by denying social services, chiefly prenatal care, to undocumented immigrants. Undergirding this proposition was the idea that Latina women, through their “out of control” fertility, were creating problems with the welfare system and were undeservingly taking more than their “fair share” (Chavez, 2013). In an attempt to measure this female specific bias, I included a survey item asking for respondent’s level of agreement with the following statement: “Immigrants receive social services that should go to Americans.”

### *Gender*

While much of the field is primarily occupied with ethnic cues and differences, a smaller subset of work has been done on how gender affects attitudes towards immigration. Ward (2019) found that immigrant groups which contained more young men were “considered less favorable and posed more cultural and social threats;” however, his work exclusively deals with the specific effects of the *presence of young men* and cannot provide any concrete information about how women are perceived. Ward’s research is also specific to the European context and deals only with refugees rather than immigrants who are migrating for purely economic purposes. My review of the literature has yielded no study to date that has explicitly looked at the differences of perception between male and *female* immigrants within the same study. As part of a larger study, Hainmuller and Hopkins (2015) included gender in their analysis of the desirability of certain immigrants and found that male immigrants received slightly less support than female immigrants, but this difference is never fully explored or analyzed in their results. My research builds off of these previous findings.

The following scholars have explored the effect of gender on other aspects of immigration attitudes and policy. Sarrasin et al. (2015) have shown that gender and racial cues intersect in the form of sexual threat cues. When primed to view male immigrants as a sexual threat, responses indicated a relationship between underlying



sexist beliefs about women and supporting the expulsion of immigrants. This potentially relevant relationship between sexism and anti-immigrant sentiment could impact my results. To account for this, I included a question in my research designed to measure sexism and used it as a control variable.

### *Reasons for Migration*

Similar to gender, a migrant's reason for migration has yet to be adequately and comprehensively explored by researchers as a predictor of sentiment towards immigrants. Observational studies done on populations in Belgium and Sweden demonstrated no difference in opinion between "immigrants" and "refugees;" the latter were defined as people who have left their own country for reasons related to violence, persecution, or general conflict (De Coninck et al., 2019). When comparing immigrants who were job-seeking compared to those fleeing persecution, Hainmuller and Hopkins (2015) found that those treatment conditions had a relatively small effect size compared to other measured attributes, yet those escaping violence were seen as slightly more desirable compared to those seeking a job. An aggregate of 2018 Pew Research Center survey data indicates that, globally, refugees are more accepted and supported as migrating individuals compared to "immigrants" (Rasmussen & Poushter, 2019). Pew's analysis indicates that the United States supported both types of migrants roughly equally. However, the definitions of both these groups remain hazy—the survey defined refugees as people clearly fleeing violence, while immigrants were defined simply as "people moving into the country." These definitions lack clear motivation and leave much room for interpretation. My research will firmly define and differentiate these terms in an attempt to reduce this type of error. Migrants will be defined as explicitly fleeing violence or they will be defined as migrating to seek economic benefits. Cargile et al. (2014) found that economic frames for immigration in particular revealed less support from the U.S. domestic population. This may be a reflection of the self-interest of natural born Americans who see immigrants as competition or question their economic contribution to society.

### *Economic vs. Cultural | National vs. Personal*

When studying how domestic individuals across the world feel about immigrants, the scholarship frequently seeks to divide threat and other feelings into two categories: economic and cultural (Hainmueller & Hopkins, 2014). Economic threat concepts are based around the ideas of labor market competition and fiscal burden. In the U.S., cultural threat is meant to measure if and how much people feel that the "American way of life" is being threatened. Much of the literature, as reviewed by Hainmuller and Hopkins (2014), operationalizes threat (both economic and cultural) as an independent variable, meaning that an individual's level of feeling threatened is correlated with or affecting their opinions on immigration policies. The work consolidated by Hainmueller and Hopkins looks at why people prefer certain immigration policies and searches for what feelings and world views contribute to those opinions. My research represents new contributions to the field because I look at the precursors to those policy opinions and ask what affects the *feelings and worldviews* themselves, which then influence policy preference. My study uses a threat-as-effect model rather than a threat-as-cause model when it comes to public opinion on immigration.

Feelings of both economic and cultural threat have personal and individual dimensions as well as national ones. Jeong's (2013) study of national sentiments in relation to immigration attitudes supports the idea that feelings related to "symbolic concerns toward the nation" are powerful predictors of attitude. High levels of nationalism, defined by Jeong as "feeling of superiority and contempt for foreigners" are correlated with anti-immigrant feelings whereas national pride, defined as a "sense of being or feeling American" is associated with pro-immigrant feelings (Jeong, 2013). In keeping with general practices within the field of immigration study, I included survey questions designed to measure feelings of economic and cultural threat at both the individual and national level.

Reviewing the literature in the field of perceptions of immigration reveals areas of strongly supported evidence (race/ethnicity) and areas for further exploration and study (gender and reasons for migration). By focusing on both gender and reasons for migration, my research contributes to filling this gap in the existing body of scholarship and contributes evidence to these less commonly studied questions.

## Methods

My hypotheses are informed by the above summary of the relevant literature. All corresponding null hypotheses are that the inverse of each hypothesis statement is true.

### *Gender Hypotheses*

**H1:** All female immigrants will be perceived as *less economically threatening* than male immigrants migrating for the same reasons.

**H2:** All female immigrants will be perceived as *less culturally threatening* than all male immigrants.

**H3:** However, respondents exposed to the female immigrant (regardless of migration reason) will be more likely to agree that immigrants are *taking up social services*.

**H4:** Women fleeing violence will be the least threatening group and the man seeking a job will be the most threatening group across all the questions.

### *Reasons for Migration Hypotheses*

**H5:** Respondents who are exposed to the immigrant fleeing violence (regardless of gender) will be less likely to feel *economically threatened* than those exposed to the immigrant seeking a job.

**H6:** There will be no significant difference in *cultural threat* between respondents exposed to the immigrant fleeing violence and respondents exposed to the immigrant seeking a job.

### *Profile Hypotheses*

**H7:** Respondents in lower income brackets will rate migrants of all treatment conditions less favorably on the economic threat scale than respondents of higher income brackets.

**H8:** Respondents who are unemployed will be more likely to express threat than respondents who identify as other employment statuses.

**H9:** Respondents with lower levels of education will be more likely to express economic threat compared to individuals with more education.

**H10:** Respondents who do not identify with the word “feminist” will rate both the male and female immigrants less favorably than respondents who do identify as feminists.

I included income, employment, and education in my Profile Hypotheses because Manevska & Achterberg (2013), Cargile et al.’s (2014), and Turper et al.’s (2015) work indicates that education and socioeconomic status could be predicting factors of sentiment towards immigrants. I included feminist identification because sexist beliefs could also be correlated with anti-immigrant sentiment (Sarrasin et al., 2015).

I tested my research hypotheses using a standard two-by-two experimental design common in the field of political science. A two-by-two experimental design produces four different treatment groups by combining two different outcomes from two different and binary variables. Respondents were randomly assigned to one of the four treatment groups through Qualtrics, so that each respondent had an equal chance of getting put in each group. Each group was statistically equivalent by the gender, race, age, education level, and ideology of the respondents. In addition, the experiment/survey distribution service I used, Dynata, balances their sample pools using U.S. Census data. Each treatment group read a version of a fake news article that featured a particular immigrant’s story, and then answered a series of survey questions. In the four versions of the story, the only differences were the immigrant’s gender and reason for migration. Stories also contained other general facts about immigration, which remained consistent across the stories. My two-by-two experimental design, paired with random assignment, allows me to measure how the treatment conditions of gender and reasons for migration (independent variables) affect people’s feelings of threat by comparing the answers to questions about economic and cultural threat across the four different treatment groups.

In Treatment Group 1, the immigrant featured in the fake news story had a male Hispanic first name (Miguel) and mentioned that he was migrating for economic reasons (looking for a job). Treatment Group 2’s featured immigrant had the same male Hispanic name but indicated that he was migrating in order to flee violence. Treatment Group 3’s immigrant had a female Hispanic first name (Maria) and indicated that she was migrating for the same economic reasons as the first male immigrant. The immigrant in Treatment Group 4 had

the same Hispanic female first name, but she was migrating for reasons related to fleeing violence, the same as the second male immigrant story. The stories were mocked up to look as if they came from a real news website. No names or logos of real news sources were used, and the mockup was generic so as not to trigger media source bias among subjects. Excluding the individual immigrant stories, the other elements of the story were immigration facts from Pew Research Center, the Center for American Progress, and peer reviewed articles. After completing or exiting the survey, subjects were debriefed and notified that the story they were shown was not a real news story and was created for the purposes of the experiment.

Once the respondent read the story, they were asked to answer a brief survey about their opinions. They were asked questions about the level of economic and cultural threat (national and personal) that they felt immigrants pose. They were also asked about whether immigrants use social services that should go to Americans. Respondents then answered a few questions designed to check their comprehension of the news article. These comprehension questions asked respondents to indicate the gender of the immigrant in the article and the reason for their migration. If a respondent did not get both of these questions correct, I excluded their response from my study as their lack of comprehension prevented them from serving as a test of the treatment's effect on feelings of threat from immigration. Respondents were also asked to provide some demographic information. The demographic composition of the treatment group remained statistically equivalent on measures of gender, race, age, education level, and political ideology after the dropping of respondents who failed the comprehension check.

I measured two dependent variables: economic threat and cultural threat. I defined economic threat as the respondent feeling negatively towards immigrants through the lens of the economy (i.e., labor market, personal financial stability, government services/funding). Respondents were asked to strongly agree, agree, disagree, or strongly disagree with the following statements: "When immigrants join the American workforce, it becomes harder for American workers to find jobs;" "When immigrants join the American workforce, it becomes harder for my family and friends to find jobs;" "Immigrants receive social services that should go to Americans."

I defined cultural threat as the respondent feeling negatively towards immigrants through the lens of American culture and norms. Respondents were asked to strongly agree, agree, disagree, or strongly disagree with the following statements: "Immigration changes the American way of life for the worse;" "Immigration changes the way of life in my community for the worse."

My control variables included the standard demographic questions asked in most political science research: race, gender, age, political ideology, and education level. I also asked respondents to include their employment status and income as well as how well they identified with the word "feminist" ("How well does the word "feminist" describe you?"). Manevska and Achterberg (2013) as well as Esse et al.'s (1999) work demonstrates that an individual's socioeconomic position may have an influence on how they feel about immigration, so it was necessary to include these controls in my study in order to check for heterogeneous treatment effects. A heterogeneous treatment effect is when a factor, other than the one being manipulated, affects the outcome of the results. Sarrasin et al.'s (2015) work suggests a correlation between underlying sexist beliefs and anti-immigrant attitudes, so I also needed to gauge my subjects' attitudes towards sexism in order to see if that factor influenced my results. Following the collection of my data, I used the statistical software Stata to analyze my findings.

## **Results and Analysis**

My data collection through Dynata resulted in 1,755 respondents, but 777 of them were dropped because the respondent failed to pass the comprehension check of the news article. Thus 978 valid responses remained, with between 222 and 258 responses in each treatment group. The modified sample size could reduce the generalizability of my results to the broader U.S population, though as mentioned above, the demographic make-up remained statistically equivalent after removal.

### *Difference in Means Analysis*

For the purposes of this paper, I compared the mean responses of each treatment group across the dependent variable (DV) questions to analyze the average treatment effects of each treatment condition on the dependent variables. Analysis using a difference of means is often used in political science, including in Brader et

al. (2008), which this study is largely inspired by. Since all the questions were framed as negative statements about immigrants, the stronger the respondent agreed with the statement, the more threatened the respondent felt by immigrants. Thus, when interpreting these graphs, the higher the mean, the greater the level of threat felt by respondents. I also performed a series of Student's t-tests and Mann Whitney tests on different combinations of means to determine if any differences were in fact statistically significant.

My question measuring national economic threat yielded relatively high levels of perceived threat compared to the other questions, as well as the largest differences between the treatment groups, indicating that my independent variables of gender and reason for migration had some effect on the outcome (Figure 1). The levels of threat elicited by this question ranged from a mean of 2.62 in the economic reason/woman treatment group to 2.32 in the violence reason/man treatment group on a scale of 1 to 4. Despite these statistically different variances in mean economic threat among the treatment groups, I did not find any statistical significance for these differences *between* genders (women compared to men); however, the difference of the means between the women who migrated for a job (2.62) versus the woman who migrated because of violence (2.34) were statistically significant ( $p=0.0017$ ). For women only, the reason for their migration, either for a job or to flee violence, affected the level of threat that respondents felt towards them.

My measurement of personal economic threat yielded less overall perceived threat across all treatment conditions than the national economic threat question. The differences across all the treatment groups were smaller in size than national threat with the economic reason/woman treatment group eliciting the most threat again with a mean of 2.36 and the violence reason/woman treatment demonstrating the least amount of threat (2.12) (Figure 2). Similar to the national economic threat measurement, I did not find any statistical significance for these differences *across* gender; however, the difference of the means between the women who migrated for a job (2.36) versus the woman who migrated because of violence (2.12) was statistically significant ( $p=0.0090$ ). My results indicate that when respondents are asked about economic threat, the reasons for migration have a significant effect on the level of threat felt, but only for female immigrants.

Figure 1. National economic threat

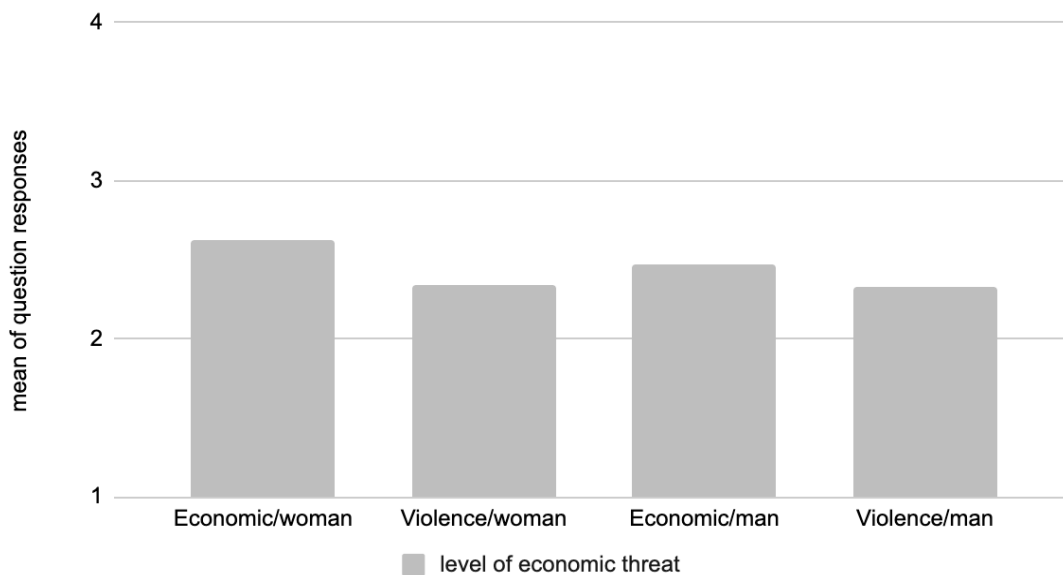
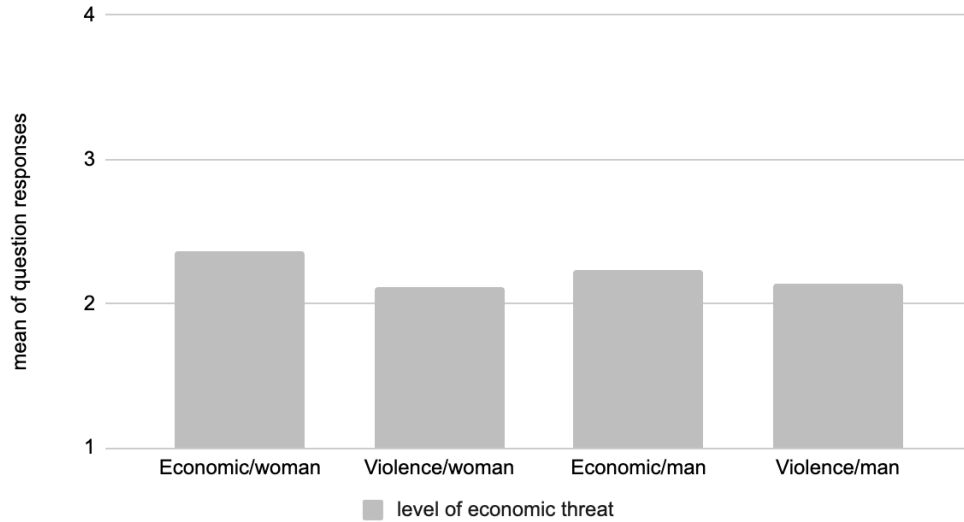
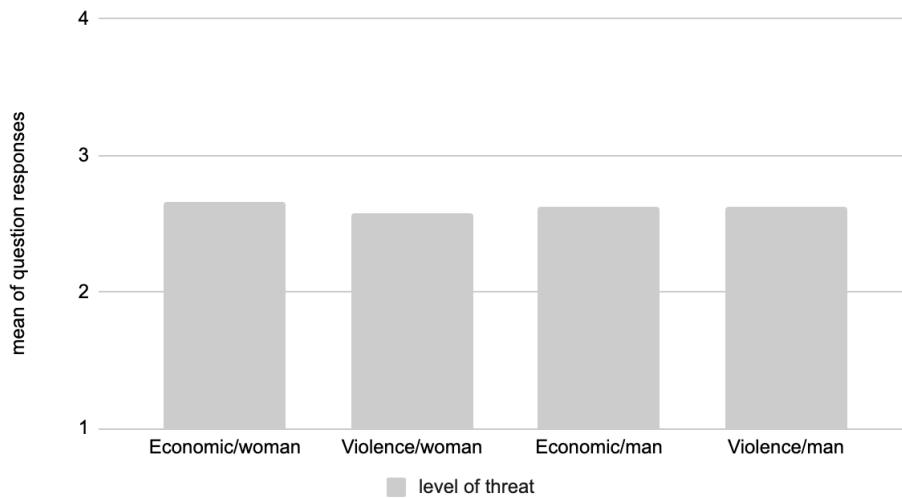


Figure 2. Personal economic threat



The question measuring respondents’ agreement with the statement “Immigrants receive social services that should go to Americans” yielded the highest amount of threat out of all of the DV questions. The differences between each treatment group were negligible; the highest amount of threat and the lowest means were separated by only .09 relative to the 1-4 scale, economic reason/woman and violence reason/woman, respectively (Figure 3). Nor did I find any statistically significant difference between the groups. Despite this lack of variance, it is worth noting that that threat specific to social services struck a nerve with many respondents as it represents the highest amount of threat felt towards immigrants in my study.

Figure 3. Social services threat



On the question measuring national cultural threat, there was very little difference between the treatment groups, indicating that gender and reasons for migration did not have a significant effect on how respondents felt about immigrants in a cultural context (Figure 4). All of the treatment group means were between 2.11 and 1.96. The statement about immigrants threatening the culture of the respondent's own community yielded a similar result (Figure 5). The various treatment condition means for this question were all clustered between 2.10 and 1.98. Neither my national nor personal cultural threat variables demonstrate any statistically significant differences between treatment groups.

Figure 4. National cultural threat

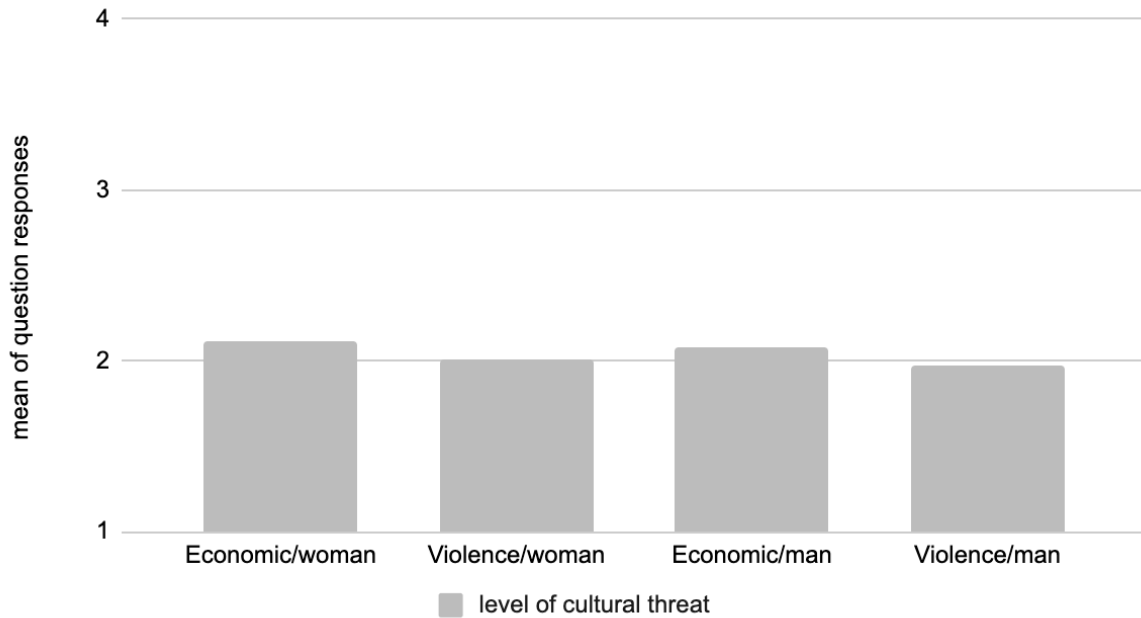
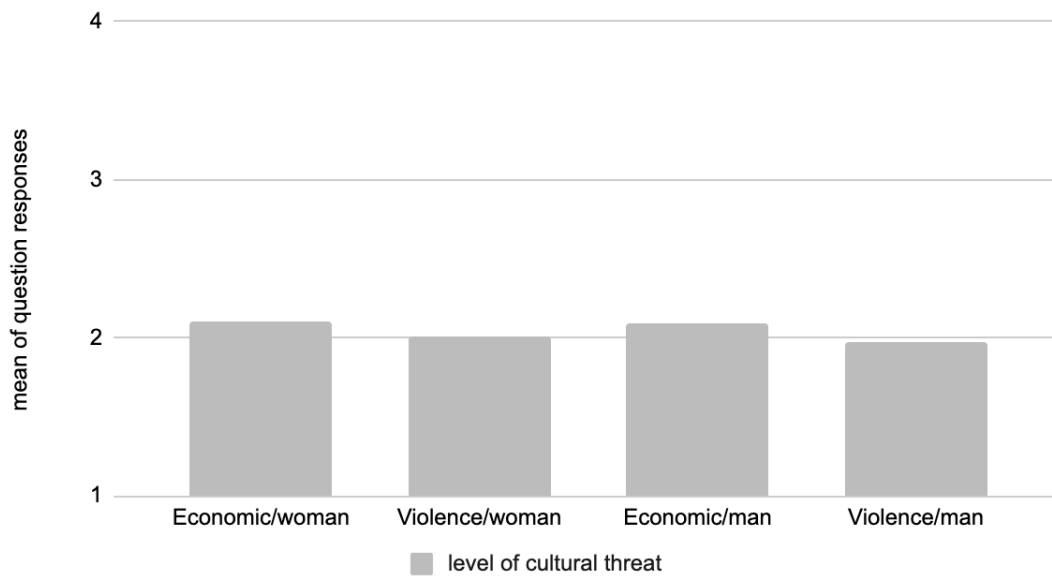


Figure 5. Personal cultural threat



Even though neither of the cultural threat results demonstrate statistically significant differences between the groups, they continue to represent a trend present across all of my DV variables: that economic reason for migration, regardless of gender, always elicited higher levels of threat than migration for reasons related to violence. Overall, the difference of means (level of threat) between women migrating for economic reasons and women migrating for reasons related to violence was greater than the difference between men migrating for jobs and men migrating in order to flee violence. Across all dependent variables, the treatment group representing women migrating in search of jobs evoked the highest amount of threat out of all the other groups.

*Regression Analysis*

I also conducted factorial and multinomial logistic regressions to check my difference in mean results against a more rigorous analytical method and to check for heterogeneous treatment effects by including demographic and ideological control variables to understand how they interacted with one another and my dependent variables. For these regressions, I consolidated the response outcomes from my survey from strongly disagree, disagree, agree, and strongly agree to a binary agree/disagree measure. I did this for each of my dependent variables. I used this dummy agree/disagree measure—operationalized to indicate low threat/high threat—as opposed to the full range because it targets the base level of difference I wanted to measure with more accuracy and was a better fit for this type of statistical analysis. Likert scales, like the one used in my DV questions, are also particularly susceptible to social desirability bias (respondents answer according to what they believe is the socially acceptable response, rather than their own opinion). Respondents are more likely to gravitate towards the center rather than pick a response option on one end of the extremes (Kreitchmann et al., 2019). Collapsing responses down into a high/low measure helps to control for both of these factors; however, given the highly political nature of my topic, completely eliminating social desirability bias is not possible. In future studies, I recommend testing more varied and subtle wordings of the questions to help prevent such bias.

My model is as follows:

$$y_i = \beta_0 + \beta_1 \text{Treatment}_i + \beta_2 X_i + u_i$$

where Treatment is an indicator of treatment group, and X is a vector of relevant covariates, including age category, feminist identification, employment status, income, political ideology, and education level.

When analyzed using the factorial and multinomial logistic regressions with the modified low/high threat dependent variables, none of the treatment conditions proved to be significant predictors of my dependent variables; however, this analysis provided interesting insight to the effects that my control variables had on the outcomes. Each regression that I ran included the following variables: treatment condition, the respondent's race, gender, age, employment status, education, income, ideology, and how much they identified with the term "feminist." The respondent's age, employment status, political ideology, education, and how much they identify with the term "feminist" were the only significant factors that consistently predicted whether the respondent would indicate high levels of threat.

For national economic threat, respondents 57-69 years of age were less likely to express high levels of threat compared to those 18-30 years of age (p-value = 0.050). Respondents who identified less with the word "feminist" were more likely they were to express high levels of threat (p-value = 0.003). Self-identified unemployed respondents were more likely than those employed to express threat (p-value = 0.037). Subjects who earned a 2-year degree were less likely to express threat compared to those who did not complete high school (p-value = 0.039). Respondents who identified as "middle of road" (p-value = 0.001), "somewhat conservative" (p-value = 0.000), "conservative" (p-value = 0.000), "very conservative" (p-value = 0.000), and "not sure" (p-value = 0.041) in their political ideology were all more likely to express threat compared to self-identified "very liberal" respondents. Not identifying as feminist and identifying as ideologically conservative were the greatest predictors for high levels of national economic threat.

Personal economic threat yielded nearly identical results, with the exception of increased predictability for education (see Table 1 in Appendix). Subjects who earned a 2-year (p-value = 0.023), 4 year (p-value = 0.039), or postgraduate degree (p-value = 0.012) were less likely to express personal economic threat compared to their counterparts who did not complete high school. Again, not identifying as feminist (p-value = 0.016) and identifying as conservative (p-value = 0.004, p-value = 0.000, p-value = 0.000) were the greatest predictors for high levels of threat with a personal economic lens.

When responding to the statement about immigrants using social services, people aged 31-43 (p-value = 0.026) and 44-56 (p-value = 0.008) were more likely to express threat compared to people aged 18-30. Like with both economic DVs, the subjects who did not identify with the word "feminist" were more likely to express social services threat (p-value = 0.004) and respondents who earned a 2-year (p-value = 0.010), 4 year (p-value = 0.040), or postgraduate degree (p-value = 0.040) were also less likely to express threat related to social services. Ideology also proved to be a very influential factor: Respondents who identified as "somewhat liberal" (p-value = 0.028), "middle of the road" (p-value = 0.000), "somewhat conservative" (p-value = 0.000), "conservative" (p-value =

0.000), “very conservative” (p-value = 0.000) and “not sure” (p-value = 0.028) were all more likely to express threat compared to those who identified as “very liberal.” Similar to the previous two regressions, not identifying with feminism, being ideologically moderate or conservative, and being unsure of one’s ideological preference were the greatest predictors for high levels of social services related threat.

For national cultural threat, only lack of feminist identification (p-value = 0.025) and political ideology remained salient factors. “Somewhat conservative” (p-value = 0.007), “conservative” (p-value = 0.001), and “very conservative” (p-value = 0.000) respondents were more likely to express feelings of threat compared to “very liberal” subjects. Personal cultural threat was only predicted by political ideology—respondents who identified as conservative expressed more threat (see Table 1 in Appendix).

I also created two aggregated regression-specific scales, one for economic threat and one for cultural threat (social service questions were included within economic threat) and conducted two multinomial regressions. These analyses revealed similar results to that of the individual threat type regressions. Conservative ideology was a predicting factor in both regressions, but lack of feminist identity and education were relevant factors on the economic scale only. For respondents who expressed higher levels of economic threat, lack of feminist identity and conservative ideology had strong predictive power. Education was a significant predictor only for those who expressed the highest amount of threat on the economic threat scale (see Table 2 in Appendix).

**Table 3: Hypothesis evaluation by type of analysis**

		<b>Difference of means</b>	<b>Factorial/multinomial logistic regression</b>
<b>Gender Hypotheses</b>	<b>H1.</b> All female immigrants will be perceived as <i>less economically threatening</i> than male immigrants migrating for the same reasons.	Cannot reject the null hypothesis, Women migrating for jobs viewed as more threatening, no significance	Cannot reject the null hypothesis, no significance
	<b>H2.</b> All female immigrants will be perceived as <i>less culturally threatening</i> than all male immigrants.	Cannot reject the null hypothesis	Cannot reject the null hypothesis, no significance
	<b>H3.</b> However, respondents exposed to the female immigrant (regardless of migration reason) will be more likely to agree that immigrants are <i>taking up social services</i> .	Cannot reject the null hypothesis	Cannot reject the null hypothesis, no significance
	<b>H4:</b> Women fleeing violence will be the least threatening group and the man seeking a job will be the most threatening group across all the questions.	Partially supported; women fleeing violence generally least threatening; women seeking a job were seen as most threatening	Cannot reject the null hypothesis, no significance
	<b>H5:</b> Respondents who are exposed to the immigrant fleeing violence (regardless of gender)	Partially supported; women fleeing violence were seen as less threatening than	Cannot reject the null hypothesis, no significance



<b>Reasons for Migration Hypotheses</b>	will be less likely to feel <i>economically threatened</i> than those exposed to the immigrant seeking a job.	women looking for jobs (statistically significance), no significance for men	
	<b>H6:</b> There will be no significant difference in <i>cultural threat</i> between respondents exposed to the immigrant fleeing violence and respondents exposed to the immigrant seeking a job.	Can reject the null hypothesis	Can reject the null hypothesis
<b>Profile Hypotheses</b>	<b>H7:</b> Respondents in lower income brackets will rate migrants of all treatment conditions less favorably on the economic threat scale than respondents of higher income brackets.	n/a	Cannot reject the null hypothesis, no significance
	<b>H8:</b> Respondents who are unemployed will be more likely to express threat than respondents who identify as other employment statuses.	n/a	Can reject the null hypothesis; statistically significant
	<b>H9:</b> Respondents with lower levels of education will be more likely to express economic threat compared to individuals with more education.	n/a	Can reject the null hypothesis; statistically significant
	<b>H10:</b> Respondents who do not identify with the word “feminist” will rate both the male and female immigrants less favorably than respondents who do identify as feminists.	n/a	Can reject the null hypothesis; statistically significant

**Discussion**

The analysis reveals that many of my predictions were not supported by my data, either because the data indicated an alternate conclusion, or the regression analysis demonstrated that when controlling for other factors my independent variables did not have a significant effect on the outcome. A specific evaluation of my hypotheses can be seen in Table 3.

Even though the results for H1 and H2 had no statistical significance, their suggestive directions were surprising in that they were the opposite of what I predicted: For H1, female immigrants migrating for economic reasons elicited greater feelings of economic threat than male immigrants, while for H2, women seeking jobs elicited slightly more feelings of threat than men.

H3 was not supported because there were no significant differences between the treatment groups in feelings of social service threat. The absence of increased expressed social services threat in the female treatment

groups was unexpected, given Chavez's (2013) inclusion of "out of control" Latina fertility as a component of his Latino Threat Narrative. It is possible that fears about Latina fertility were subsumed into the larger context of Latino Threat, potentially explaining the lack of difference among the treatment groups and the strong expression of social services threat across all groups; however, this prediction requires further research and exploration.

Women fleeing violence were generally associated with lower levels of reported threat across all of the dependent variable questions, which partially supports H4. One possible explanation of this could be narratives of victimization surrounding female refugees or a general absence of ill will towards a perceived vulnerable population. However, the group that elicited the most threat was women seeking jobs, rather than men seeking jobs as I had predicted. When control variables were included, these results were not significant.

In the difference of means test, female immigrants fleeing violence were associated with lower feelings of threat than female immigrants seeking jobs; however, this did not hold true for men, which showed no statistical difference. Additionally, a full regression analysis indicated that the differences seen between female treatments were insignificant when controlling for other variables such as respondent political ideology and education. The lack of significant difference between the men seeking jobs and the men fleeing violence is consistent with Hainmueller and Hopkins's (2015) work.

My difference of means results, rather than revealing a difference in how genders are perceived, demonstrates that there are potentially differences in the perception of certain women in comparison to other women. These results illustrate the importance of using an economic lens when looking at attitudes towards immigrants, as well as the need for political scientists to include gender as a category of analysis. Despite the lack of statistically significant results in the regression analysis, the difference in mean results suggest that underlying ideas of gender roles and possible sexism are present in current perceptions of immigrants. Additional research is needed to investigate this.

There were no significant differences related to reported cultural threat between treatment groups responding to immigrants migrating for jobs versus those migrating to flee violence, supporting H6. This conclusion was supported by both analytical methods. The lack of significant responses to cultural threat reinforces the importance of the economic lens when it comes to public opinion on immigration (Cargile et al., 2014). While the absence of a difference between treatment groups was expected, the low levels of both national and personal cultural threat expressed overall was unexpected. The following factors may be at play: (1) anti-immigrant sentiment is primarily motivated by economic concerns, (2) anti-immigrant sentiment is a combination of both cultural and economic factors, or (3) people feel more comfortable with expressing anti-immigrant sentiment through the lens of the economy but are hesitant to do so when cultural frames are in place.

H7 was not supported by my regression analysis; respondents in lower income brackets did not express greater feelings of threat towards immigrants compared to respondents in higher income brackets. H8, however, was supported by the regression analysis: Employment status did predict the level of threat expressed. For the national and personal economic threat questions, unemployed respondents were more likely to express threat than those who were employed, but the prediction power of employment remained relatively low in relation to political ideology and feminist identification (discussed below).

Education level also proved to be a predictor of the level of threat expressed, supporting H9. For both the national and economic threat measures, any amount of college education reduced the likelihood that the subject would express feelings of threat compared to individuals who did not complete high school. The social services threat measure also yielded the same result. Education was not a predicting factor for cultural threat. The predictive power of both employment and education lends some credence to Manevska and Achterberg (2013) and Esses et al.'s (1999) suggestions that socioeconomic status may influence attitudes towards immigrants.

Finally, individuals who did not identify as "feminist" consistently expressed more feelings of threat towards immigrants across all treatment groups, supporting H10. All dependent variable regressions except for personal cultural threat indicated that feminist identification was a strong predictor of the level of threat expressed. The strength of feminist identification as a predicting factor affirms Sarrasin et al.'s (2015) idea that sexist beliefs are correlated with anti-immigrant sentiment. These results also suggest that sexual violence cues, such as presenting male immigrants as rapists, do not need to be present to elicit such attitudes—sexist beliefs may be latently intertwined with attitudes towards immigration. The reasons behind the above results are outside the scope of this study and present an area for future research.

Political ideology was the only factor that was a significant predictor of threat across all threat measures, with respondents who identified as conservative expressing higher levels of feelings of threat towards all types of immigrants. These findings fall in line with current political discourse and are reflective of the resurgence of anti-immigrant sentiment within the Republican party, led and exacerbated by former President Donald Trump's frequent xenophobic remarks (Scott, 2019).

Age proved to be a sporadic predictor of threat and only applied to economic threat, including social services threat. Surprisingly, individuals ages 57-66 were less likely to express feelings of economic threat compared to young people (ages 18-30), but middle-aged people (between 31-43 and 44-56) were more likely to express social services threat compared to young people. It is possible that middle-aged respondents expressed more social services threat than young people because middle-aged individuals may be more likely to have children and use more social services—the majority of means-tested government assistance goes to families with children (Foster & Rojas, 2018). Age and political ideology, coupled with the salience of education and feminist identification, represent the strongest predicting factors for feelings of threat towards immigrants in my study, while my independent variables, gender of the immigrant and reason for migration, did not have any significant effect. Who the respondent was mattered much more than the immigrant they were reading about.

Based on my results, the negative feelings expressed towards immigration are most likely a reflection of a set of respondent characteristics rather than characteristics of the immigrants themselves, at least in terms of an immigrant's gender and reasons for migration. Since the link between negative attitudes towards immigrants and anti-immigrant policy preferences is already established, my study intervenes on the front end (threat-as-effect) and seeks to illuminate some of the origins of those negative attitudes, whether they be characteristics of immigrants or characteristics of the American public. My study identifies key sectors of the American public who express more feelings of threat towards immigrants. As Hainmuller and Hopkins's (2014) review of the field has demonstrated, such feelings of threat can lead to support for anti-immigrant policies. This knowledge can be applied to coalition building efforts and policy campaign communications for the purpose of targeting specific constituent groups and can give lawmakers a sense of how people feel about immigration and some potential underlying causes for why they feel that way. My findings also suggest that policy coalitions built across ideological spectrums on the basis of restricting immigration to certain groups will likely struggle, because the binding factor in views of immigrants is not which types of immigrants are being considered, but the viewpoints and identities of the coalition members themselves.

## Conclusion

Through this research, I sought to understand how the changing demographics of migrants coming to the U.S.-Mexico border affects how Americans perceive immigration at large. By using gender and reasons for migration as my independent variables, I explored a new area of immigration studies for which I was unable to find precedent. Ultimately, my findings suggest that the demographic characteristics of the American public, rather than the immigrants themselves, are important predictors of public opinion on immigration. More research must be done using gender and reasons for migration as a category of analysis in order to push the field forward and to further understand the subtle intersectionality of the politics of immigration.

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**Appendix**

*Addressing my DV question order:*

When creating my survey, I did not randomize the appearance order of my dependent variable questions, meaning that they appeared in the same order (national economic threat, personal economic threat, social services threat, national cultural threat, and personal cultural threat) for every respondent. It is important to note that this appearance order may have had an effect on the outcomes because it may have primed respondents to answer a certain way down the line of questions. An exploratory analysis indicates that respondents were largely consistent across the questions, with their answers to questions about economic and cultural threat (national and person) being largely similar for the same respondent. However, the social services threat question elicited the most threat from respondents across all treatment groups, and if someone were to deviate from expressing low levels of threat to high levels of threat, it most often occurred on this question, which was the third question out of five on the survey.

**Table 1. Control variables that predict the outcome of threat variables (DV)**

	Age	Feminist identification	Employment	Ideology	Education
National economic threat				<b>“Middle of the road”</b> Coefficient = .9853075 <b>p-value = 0.001</b>	
				<b>“Somewhat conservative”</b> Coefficient = 1.689343 <b>p-value = 0.000</b>	
		<b>Less identification with “feminist”</b> Coefficient = .2021556 <b>p-value = 0.003</b>	<b>“Unemployed”</b> Coefficient = .65585 <b>p-value = 0.037</b>	<b>“Conservative”</b> Coefficient = 2.1291 <b>p-value = 0.000</b>	<b>“2-year degree”</b> Coefficient = -1.308948 <b>p-value = 0.039</b>
		<b>Ages 57-69</b> Coefficient = -.6184491 <b>p-value = 0.050</b>		<b>“Very conservative”</b> Coefficient = 1.730169 <b>p-value = 0.000</b>	
				<b>“Not sure”</b> Coefficient = 1.104963 <b>p-value = 0.041</b>	
Personal economic threat				<b>“Middle of the road”</b> Coefficient = .6157286 <b>p-value = 0.025</b>	<b>“2-year degree”</b> Coefficient = -1.428341 <b>p-value = 0.023</b>
		<b>Less identification with “feminist”</b> Coefficient = .1882228 <b>p-value = 0.016</b>		<b>“Somewhat conservative”</b> Coefficient = .9796723 <b>p-value = 0.004</b>	<b>“4-year degree”</b> Coefficient = -1.219246 <b>p-value = 0.039</b>
		<b>Ages 57-69</b> Coefficient = -.7043639 <b>p-value = 0.043</b>		<b>“Conservative”</b> Coefficient = 1.371845 <b>p-value = 0.000</b>	<b>“Post grad degree”</b> Coefficient = -1.526684 <b>p-value = 0.012</b>
				<b>“Very conservative”</b> Coefficient = 1.277678 <b>p-value = 0.000</b>	
Social services threat	<b>Ages 31-43</b> Coefficient = .6274961	<b>Less identification with “feminist”</b>		<b>“Somewhat liberal”</b> Coefficient = .6904785 <b>p-value = 0.028</b>	<b>“2-year degree”</b> Coefficient = -1.715223 <b>p-value = 0.010</b>

	<p><b>p-value = 0.026</b></p> <p><b>Ages 44-56</b> Coefficient = .7160469 <b>p-value = 0.008</b></p>	<p>Coefficient = .196554 <b>p-value = 0.004</b></p>	<p><b>“Middle of the road”</b> Coefficient = 1.238342 <b>p-value = 0.000</b></p> <p><b>“Somewhat conservative”</b> Coefficient = 2.114555 <b>p-value = 0.000</b></p> <p><b>“Conservative”</b> Coefficient = 2.45695 <b>p-value = 0.000</b></p> <p><b>“Very conservative”</b> Coefficient = 2.477527 <b>p-value = 0.000</b></p> <p><b>“Not sure”</b> Coefficient = 1.25459 <b>p-value = 0.028</b></p>	<p><b>“4-year degree”</b> Coefficient = -1.296906 <b>p-value = 0.040</b></p> <p><b>“Post grad degree”</b> Coefficient = -1.321758 <b>p-value = 0.040</b></p>
National cultural threat		<p><b>Less identification with “feminist”</b></p> <p>Coefficient = .1876126 <b>p-value = 0.025</b></p>	<p><b>“Somewhat conservative”</b> Coefficient = .9978673 <b>p-value = 0.007</b></p> <p><b>“Conservative”</b> Coefficient = 1.271762 <b>p-value = 0.001</b></p> <p><b>“Very conservative”</b> Coefficient = 1.544122 <b>p-value = 0.000</b></p>	
Personal cultural threat			<p><b>“Somewhat conservative”</b> Coefficient = 1.072168 <b>p-value = 0.003</b></p> <p><b>“Conservative”</b> Coefficient = 1.036513 <b>p-value = 0.006</b></p> <p><b>“Very conservative”</b> Coefficient = 1.593922 <b>p-value = 0.000</b></p>	

**Table 2: Control variables that predict the outcome of aggregate threat variables (scales)**

		Economic threat scale			Cultural threat scale	
Respondent's scale position	1	2	3	1	2	
Feminist identification	<b>Less identification with "feminist"</b> Coefficient = .1903798 <b>p-value = 0.045</b>	<b>Less identification with "feminist"</b> Coefficient = .2783441 <b>p-value = 0.008</b>	<b>Less identification with "feminist"</b> Coefficient = .2639154 <b>p-value = 0.002</b>			
Ideology	<b>"Somewhat liberal"</b> Coefficient = 2.085264 <b>p-value = 0.000</b>	<b>"Middle of the road"</b> Coefficient = 1.163826 <b>p-value = 0.017</b>	<b>"Middle of the road"</b> Coefficient = 1.157034 <b>p-value = 0.000</b>	<b>"Middle of the road"</b> Coefficient = 1.157034 <b>p-value = 0.027</b>	<b>"Somewhat conservative"</b> Coefficient = .9803123 <b>p-value = 0.009</b>	
	<b>"Middle of the road"</b> Coefficient = 1.839315 <b>p-value = 0.000</b>	<b>"Somewhat conservative"</b> Coefficient = 2.553555 <b>p-value = 0.000</b>	<b>"Somewhat conservative"</b> Coefficient = 2.370208 <b>p-value = 0.000</b>	<b>"Somewhat conservative"</b> Coefficient = 2.701196 <b>p-value = 0.013</b>	<b>"Conservative"</b> Coefficient = 1.118675 <b>p-value = 0.004</b>	
	<b>"Somewhat conservative"</b> Coefficient = 3.088585 <b>p-value = 0.000</b>	<b>"Conservative"</b> Coefficient = 2.938276 <b>p-value = 0.000</b>	<b>"Conservative"</b> Coefficient = 2.785636 <b>p-value = 0.000</b>	<b>"Conservative"</b> Coefficient = 2.387702 <b>p-value = 0.035</b>	<b>"Very conservative"</b> Coefficient = 1.556027 <b>p-value = 0.000</b>	
	<b>"Conservative"</b> Coefficient = 2.856992 <b>p-value = 0.000</b>	<b>"Very conservative"</b> Coefficient = 2.057364 <b>p-value = 0.001</b>	<b>"Very conservative"</b> Coefficient = 2.406315 <b>p-value = 0.000</b>	<b>"Very conservative"</b> Coefficient = 2.975638 <b>p-value = 0.007</b>		
Education			<b>"2-year degree"</b> Coefficient = -2.316301 <b>p-value = 0.003</b>			
			<b>"4-year degree"</b> Coefficient = -1.801107 <b>p-value = 0.015</b>			
			<b>"Post grad degree"</b> Coefficient = -2.028081 <b>p-value = 0.007</b>			

## ERADICATING THE USE OF SAFE CELLS

Oluseyi Koya, Elizabeth Layfield, Veronica Morales, Olivia Randi

### Abstract

*This memo is addressed to the D.C. Justice Lab. Solitary confinement, defined as isolation from human contact for 22-24 hours per day, can lead to various negative physical and psychological effects (Solitary Confinement, 2018). It is the District of Columbia Department of Corrections' (DOC) policy to place people in custody who are at high risk of suicide in a "safe cell", which is a form of solitary confinement. The D.C. DOC should end this policy because it does not meet best practices; the conditions of solitary confinement in safe cells are inhumane and exacerbate peoples' mental health needs. This report recommends that the DOC transfer people who are at high risk of suicide to external medical or mental health facilities.*

### Background

#### *Solitary Confinement:*

Solitary confinement is defined as isolation from human contact for 22-24 hours a day (Solitary Confinement, 2018). Quaker leaders like Benjamin Franklin were the first to institute solitary confinement in the late 18th century at the Walnut Street Jail in Philadelphia. Their rationale was that isolation and silence would result in penitence. The Southeastern Pennsylvania Penitentiary, built in 1829, was composed of only solitary cells (National Religious Campaign Against Torture, n.d.). Forms of solitary confinement include disciplinary isolation, punitive segregation, administrative segregation and restrictive housing, involuntary protective custody, and safe cells. The definition or application of these practices depend upon the jurisdiction but are similar in definition and/or practice (Solitary Confinement, 2018).

According to Solitary Watch, a national nonprofit that studies solitary confinement in the United States, "disciplinary" or "punitive segregation" refers to solitary confinement assigned for violating any prison rules. This isolation can last from days to years in some jails and prisons. Isolation for the cause of promoting safety of correctional officers or other prison inmates is "administrative segregation," which differs from "involuntary protective confinement" in that the latter is specifically for vulnerable populations such as children held in adult prisons and LGBTQ+ individuals. People who are imprisoned can be placed in this type of solitary confinement for months to years in some facilities. "Involuntary protective confinement". This type of solitary confinement was formed with the intent for their own safety (Solitary Confinement, 2018). The use of "safe cells" is a form of solitary confinement to protect inmates with mental health needs or who are at risk of self-harm (Ryals, 2021).

Solitary confinement has several unintended consequences, ranging from negative physical and psychological effects to increased administrative and operational costs. Solitary confinement is associated with higher mortality rates after release. Being in solitary confinement is a social determinant of poor health outcomes for the incarcerated individual upon release. Lastly, there are increased costs for medical/mental health for someone held in solitary (Solitary Confinement - a Public Health Crisis, 2021). For these reasons solitary confinement is ineffective and counterproductive.

Safe cells are intended to protect an inmate who is experiencing a mental health crisis. However, this practice is inhumane and has the potential to exacerbate a mental health crisis. There are various alternatives to this approach that better supports people with mental health needs who are at risk of self-harm.

#### *D.C. Correctional Facilities:*

There are two correctional facilities operated by the D.C. Department of Corrections that use safe cells, including the Central Detention Facility (CDF), also known as the D.C. Jail, which has the capacity to hold 2,164 people in custody and only houses men. The second is the Correctional Treatment Facility (CTF), which has the capacity to hold 1,400 people in custody and houses both men and women (District of Columbia Corrections Information Council [CIC], 2019). The CDF includes six safe cells within the Acute Care Mental Health Unit, which is designed for people who are at risk of self-harm and in the medical unit (District of Columbia Department of Corrections [DOC], 2017; CIC, 2019). In CTF, there are two safe cells in the women's mental



health unit, which houses women with mental health needs, and three in the Medical 82 unit, which houses people with acute medical needs (CIC, 2019).

In 2021, the average daily population in CDF was 1,000 and 413 in CTF, for a total average of 1,413 (DOC, 2021). This includes 1,360 men across CDF and CTF, and 53 women housed in CTF (DOC, 2021). As of June 2021, the average length of stay (ALOS) was 363.8 days for men and 217.6 days for women (DOC, 2021). However, the average length of stay metric has been skewed largely due to policies during the COVID-19 pandemic, as the ALOS is typically much shorter (for example, 44 days for women and 79 days for men in fiscal year 2018) (CIC, 2019). The recidivism rate in D.C. correctional facilities in 2020, defined as more than one booking within the calendar year, was 15.7% (DOC, 2021).

Inmates held in custody in D.C. are disproportionately Black, representing 82.8% of the population in correctional facilities but only 46% of the local population (DOC, 2021). People who are white and Hispanic represent 9.4% and 6.3% of the population in custody in D.C., respectively (DOC, 2021). The median age of people held in custody is 32.2 years old. 69.4% of men and 62.5% of women are between the ages of 21 and 40 (DOC, 2021). The majority (53.1% of women and 64.5% of men) reside in DC and Maryland (20.3% of women and 18.0% of men), and 8.6% indicate that they are homeless (DOC, 2021).

#### *Mental Health Needs of People in D.C. DOC Custody:*

In fiscal year (FY) 2020 and 2021, an estimated 40.6% of people housed in the jail per month had an active, confirmed mental health diagnosis (Council of the District of Columbia, 2021). The rate of people at intake into D.C. DOC custody with a diagnosed mental illness more than quadrupled from FY 2018 to FY 2020, growing from 12.9% to 52.6% (Government of the District of Columbia, 2021; DOC, 2021). This population is more likely to be held in custody longer, as the ALOS for people with serious mental illness (SMI) in CDF or CTF is estimated to be three times longer than that of the population without a diagnosis (District Task Force on Jails & Justice, 2019). People with mental health needs – and especially those with SMI – are more likely to experience a mental health crisis (Substance Abuse and Mental Health Services Administration, 2009).

While the mentally ill population in D.C. DOC custody has increased, the availability of mental health services has increased at the same rate. The Mental Health Step Down Unit provides mental health services for people who experienced a crisis but did not require acute services. From FY 2018 to FY 2020, the number of people housed in, decreased by 16.9% (Government of the District of Columbia, 2021). Similarly, the number of people housed in the Acute Mental Health Unit decreased by 26.8% from FY 2018 to 2020 (Government of the District of Columbia, 2021). Additionally, while the D.C. DOC provides the majority of health services through a contract with Unity Health Care (UHC), D.C. DOC direct spending on health services was 29.2% lower in FY 2020 than in FY 2016 (Government of the District of Columbia, 2021; Government of the District of Columbia, 2018).

#### **Rationale For Eradicating Safe Cells in D.C.**

The D.C. DOC defines a safe cell as one that: “provides visibility of inmates and is designed to be suicide resistant by being free of physical structure that could be used in a suicide attempt (e.g. electrical switches or outlets, bunks with open bottoms, towel racks on desks and sinks, radiator vents, or any other fixtures which could be used as anchoring devices for hanging or areas used to jump off of)” (DOC, 2017, pp. 5).

According to D.C. DOC’s Suicide Prevention and Intervention policy, 6080.2G, at intake and upon staff referral, medical or mental health professionals from UHC, the contracted health provider, administer a mental health screening and assessment to people housed in CDF or CTF (DOC, 2017). Based on the results, the providers can assign inmates to the general population with or without referral to mental health care, a mental health unit, a safe cell for those on suicide precautions or suicide watch, or referring them to emergency treatment (DOC, 2017). For those in safe cells, mental health staff develop treatment plans and conduct daily evaluation checks to update the plans (CIC, 2019).

There are three primary reasons that the D.C. DOC should eradicate the use of safe cells:

1. The current D.C. DOC policy does not meet best practices.
2. Conditions in safe cells are inhumane; and
3. Safe cells exacerbate mental health needs.

*Current D.C. DOC Policy Does Not Meet Best Practices:*

The use of safe cells in correctional facilities is contradictory to the D.C. DOC's own standard operating procedures, which asserts that people held in solitary confinement are at increased risk of suicide (DOC, 2017). The policy also states that mental health services that are provided must align with the National Commission on Correctional Health Care (NCCHC) Standards (DOC, 2017). The NCCHC's *Standards for Mental Health Services in Correctional Facilities* (2015) declares, "facilities that provide for patients who require psychiatric hospitalization levels of care are expected to mirror treatment provided in community inpatient settings" (NCCHC, 2010). If a correctional facility is inadequately staffed with mental health professionals to provide such services, the agency should have a formal arrangement with community-based behavioral health providers who can provide emergency mental health care (Mental Health America, 2020). These standards are not being adhered to through the utilization and operation of safe cells. Additionally, secluding people with mental health needs in safe cells challenges the Eighth Amendment, the Americans with Disabilities Act, and *Olmstead v. L.C.* (Takshi, 2020).

Through its contract, UHC is paid a fixed rate per person per day by D.C. DOC to provide health and behavioral health services to people held in custody (Office of Contracting and Procurement, 2019). Given this fixed rate and the range of medical and behavioral health needs across the population in custody, UHC lacks the incentive to provide the level of treatment and services required to adequately meet the high level of need of people in safe cells. Reports suggest that mental health staff do not conduct evaluations daily as required, these evaluations are not a formalized mental health assessment, and they typically last less than one minute (CIC, 2019; Smith, 2020). Initial treatment plans are developed by UHC doctors but executed by DOC staff; this creates tension and results in the repeated loss of privileges for occupants (Smith, 2020). Additionally, staff may be less likely to transport people experiencing an acute mental health crisis to an external psychiatric setting that would better meet their needs because UHC is financially responsible for all ambulance costs, non-hospital transportation, and in-patient hospitalizations (Office of Contracting and Procurement, 2019).

Other jurisdictions have passed comprehensive bills restricting the use of solitary confinement, particularly for vulnerable populations such as people with mental illnesses and creating alternative rehabilitative and therapeutic confinement options. Dozens of states have introduced legislation to ban or restrict solitary confinement (Fettig, 2019). The HALT Act in New York (NY State Senate Bill S2836), the Isolated Confinement Restriction Act in New Jersey (A314/S3261), and the Legislative Bill 686 in Nebraska are among the more prominent pieces of legislation that have passed.

*Conditions in Safe Cells are Inhumane:*

Given the range of negative impacts of solitary confinement, the use and conditions of safe cells in D.C. have been criticized for nearly a decade. Notably, a 2013 report from the National Institute of Corrections and a 2015 report from the Washington Lawyers' Committee described D.C. DOC's suicide prevention practices and provided recommendations for improvement, including avoiding isolation, as well as the removal of clothing and cancellation of privileges, such as phone calls, visitation, and recreation, except as a last resort (Hayes, 2013; Washington Lawyers' Committee, 2015; Ryals, 2021). While D.C. DOC reported that it had implemented these recommendations as of 2015, evidence from a 2016 court case documented the continuing inhumane conditions inside safe cells (DOC, 2015; Ryals, 2021). Occupants described conditions of forced nudity with only a velcroed smock, freezing temperatures, sleeping on a hard plastic box with no mattress or blanket, a toilet and sink but no running water (and therefore no ability to flush the toilet or wash one's hands), fluorescent lighting left on 24 hours a day, the smell of feces, and no access to showers, visitation, phone calls, personal conversations with other jail residents or officers, or food other than "finger foods" (Ryals, 2021).

In response, the D.C. DOC updated its suicide prevention and intervention policy in 2017 to include several protections for people held in safe cells. According to D.C. DOC policy, when placed in a safe cell, people are strip-searched and:

- Must be provided with “safety clothing,” a “safety mattress,” a “safety blanket,” and safe eating utensils.
- Must be allowed outside of their cells for 30 minutes per day;
- Must have access to running water and dimmed lights, but restrictions are allowed;
- May have access to a shower, socks and shoes, personal property (DOC, 2017).

While these policy revisions were implemented in 2017, there is evidence that staff continue to violate these guidelines. A March 2020 report from University Legal Services notes that based on 34 random checks of safe cells, staff did not allow safe cell occupants time outside of their cell. Treatment plans developed and documented by UHC take into account any restrictions placed upon safe cell occupants including access to showers, running water, and mattresses. These plans are often applied inconsistently, whereby staff may use these plans as a mechanism for retaliation (Smith, 2020; CIC, 2019). Testimony from *Edward Banks, v. Quincy Booth*, an open case filed in March 2020 against the D.C. DOC for their practices during COVID-19, states that at least one individual was held in custody in a safe cell for over a month without any time out of the cell, with lights on at full brightness, and without running water (Banks, 2020).

#### *Safe Cells Exacerbate Mental Health Needs:*

Information on the rate of occupancy and impact of safe cells in D.C. is limited, and a Freedom of Information Act request for data has been unsuccessful thus far. Given this limitation, it is unclear how many people have been secluded in safe cells in D.C. However, in 2018, an estimated 1,781 people were held in solitary confinement in D.C. At 36%, the prevalence of active mental illness among this population was more than double that of the general population, and 297 alerts for suicide-related behavior were called for this group (DOC, 2020).

Solitary confinement is particularly detrimental for people with mental health needs, who frequently further decompensate due to extreme stress and social isolation (Metzner & Fellner, 2010). These negative mental health impacts are long-term, with studies indicating effects may persist for at least one year after solitary confinement (Reiter et al, 2020). As in other facilities, people held in D.C. DOC custody likely cycle between solitary confinement and safe cells rather than receiving appropriate mental health treatment and services (Kupers, 2008).

#### **Recommendations**

The D.C. DOC can no longer afford to maintain the substandard and inhumane status quo of its safe cells policy as the administrative solution or healthcare approach for the treatment of residents suffering from an acute mental health crisis in the D.C. jail. Individuals who suffer from mental illness are most often the most marginalized and mistreated members of society. They are deprived of support systems, legal counsel, specialized care, and most importantly, human dignity that should be afforded to any and all citizens, free or incarcerated. Within the D.C. jail, inmates cannot afford the D.C. DOC maintains the status quo of safety for those suffering a mental health crisis. To combat this policy failure, we recommend the following solutions for the short, medium, and long term. These recommendations are not only specific to the D.C. Jail. They address public health shortfalls in mental and behavioral health service provisions, which often lead affected persons to incarceration.

#### *Short- & Medium-Term Policy Recommendations:*

Incarcerated individuals experiencing a mental health crisis, regardless of the severity, should be transported to external medical facilities for inpatient treatment. There, they should receive appropriate treatment as diagnosed by board certified psychiatrists. This step would mitigate issues present in data that within the prison population detained individuals are subject to stigma, discrimination, and inadequate mental health services. The prison environment elicits detrimental effects on mental health due to overcrowding, violence, enforced solitude, lack of privacy, lack of meaningful activity, and isolation. Prisons do not provide the necessary therapeutic environment for those suffering from mental illness (World Health Organization, 2005).

**Implementation of an Internal PRISM Evaluation within the DC Jail (Performance Related Information for Staff and Managers).** We recommend implementing the evaluation method already in practice at Saint Elizabeth’s Hospital, operated by the District of Columbia Department of Behavioral Health (DBH). This will provide critical data, useful to ascertain census and demographic data on hours spent restrained or secluded, admissions, length of stay, discharges, transfers, readmission, and unusual incidents (aggressive behavior, assault, psychiatric emergency, etc.). This metric could be helpful for mental health patients, as well as performance metrics for staff such as reported adverse drug reactions and percentage of missing documentation (Department of Behavioral Health, 2021).

**Mandatory Off-site Care.** All inmates who enter the facility undergo a mental health evaluation as part of the Department of Corrections intake process. The results of such an evaluation may require referral to a mental health clinician for more rigorous assessment to determine an appropriate treatment plan (Department of Corrections, 2021). Such evaluation eliminates the possibility for inmates to engage in malingering, which is the “falsification or profound exaggeration of illness (physical or mental) to gain external benefits” (Alozai & McPherson, 2021).

External facility use should be extended to include the transport of incarcerated persons experiencing an acute mental health crisis at the D.C. Jail In instances where an individual is a physical threat to themselves, others, or staff, they should be relocated to the primary facility, Saint Elizabeth’s Hospital in Southeast D.C. for treatment. St. Elizabeth’s has been the primary facility for behavioral health services in line with the contract for the Department of Corrections (DOC) Inmate Comprehensive Medical Services being fulfilled by Unity Health Care.

*Long-Term Policy Recommendations:*

Long-lasting solutions for mental and behavioral needs require new, bold legislation and health care improvements throughout the District of Columbia.

**Mandatory Mental Health Training for Correctional Officers.** All correctional officers must complete the 40-hour training program from the D.C. Health Matters Collaborative to increase understanding of mental health needs in the community and provide de-escalation techniques.

**Mental Health Crisis Response System.** A crisis response system should include, “mobile crisis response and stabilization, residential crisis services, . . . hand-offs to home- and community-based services, and ongoing care coordination” (National Association of State Mental Health Program Directors, 2020). The National Alliance on Mental Illness (NAMI) notes an effective crisis response system is available 24 hours a day (NAMI, 2021); these services must be available to anyone, anywhere and anytime, regardless of the payer (DC Health Matters Collaborative, 2021).

A behavioral health crisis system refers to the “organized set of structures, processes and services that are in place to meet all the urgent and emergent behavioral health crisis needs of a defined population in a community, as soon as possible and for as long as necessary” (Group for the Advancement of Psychiatry, 2021). Our recommendation for a D.C. crisis system for behavioral health utilizes existing mental health facilities at D.C. area hospital, along with data-sharing and suggested policy reforms.

**Geographic Access.** As an urban area, the average commute to a crisis care facility is 30 minutes. The commute to the jail and wait time after medical team arrival is 15 minutes or less (Group for the Advancement of Psychiatry, 2021). Because of the congested streets of D.C., we recommend a drive time of no more than one hour to receive crisis response, as well as one hour travel time to the jail and a wait time of 15 minutes or less upon arrival. This ensures all potential treatment hospital facilities fall within the one-hour time frame recommendation

**Network Adequacy.** While there is no evaluation standard to determine the need for crisis services in a given area, the National Action Alliance for Suicide Prevention (NAASP) suggests an estimation of 200 persons suffering a behavioral health crisis per 100,000 persons each month. According to census data from 2019, the District of Columbia has a population of about 706,000, which based on the NAASP guideline would necessitate mental health accommodations for just over 1400 persons (United States Census Bureau, 2021). The recommended ratio of population to mental health accommodation is far above what is currently available in D.C. We recommend increased capacity in mental health accommodations at public and private behavioral healthcare

facilities. These facilities should be equipped to care for crisis situations, routine evaluation, and continued treatment. This will require the utilization of St. Elizabeth's and incorporation of the following hospitals to provide inpatient services for individuals suffering from a mental health crisis: MedStar Washington Hospital Center, Howard University Hospital, George Washington Hospital, Psychiatric Institute of Washington, MedStar Georgetown University Hospital, and Sibley Memorial Hospital.

**Cost Efficiency.** Balancing a budget is a crucial function of an administration, and the D.C. government and the administrators of the DC Jail have an exceptional amount of oversight. Within the contract awarded to Unity Health Care Inc. as the contractor for inmate comprehensive medical services for DOC inmates (Office of Contracting & Procurement, 2019), UHC are required to contact and utilize the services of D.C. Fire & Emergency Medical Service (FEMS) in the event of the necessity of emergency transport services. Basic life support (BLS) level care and ambulance transport provides basic treatment, which would all be sufficient in a situation whereby an individual is suffering an acute mental health crisis and requires medical transport to an area hospital (Fire and EMS Department, 2021). As of October 1, 2021, BLS transport costs patients \$750 plus \$11.25 per loaded mile, measured from pickup location to receiving healthcare facility. From January 1, 2022, this rate increased to \$1,000 plus \$15 per loaded mile. (Fire and EMS Department, 2021). Comparatively, certified providers such as All American Ambulance (\$500+\$6 per mile) and Butler Medical Transport (\$350+\$11.50 per mile) provide cheaper options. D.C. recognizes 13 EMS response service organizations, all of whom have a lower average base cost and cost per mile than FEMS We recommend a modification to the contract that enables the DOC to subcontract emergency medical transport to any of the available certified service providers in the District. In turn, it would lower ambulatory transport costs, which can be reallocated to other budgetary items within the overall contract or utilized to implement other recommendations.

**Data Sharing.** The District of Columbia should create policy to ensure effective and accurate data collection and dissemination that allows for service evaluation in relation to desired outcomes (i.e., reduced inappropriate arrests, inappropriate ER admission/readmission, adequate access to care). We also recommend implementing a mental health data network between all area hospitals within the D.C. jurisdiction. This will allow for the smooth conveyance of medical history, diagnoses, treatment plans, medications, primary care doctor, psychiatrist/therapist information, and next of kin for each individual who has received services at an area hospital. This ensures individuals receive similar services regardless of treatment location.

*Other general recommendations include:*

- Two member teams (an employee skilled in counseling and de-escalation techniques and a medically trained employee), who work together to promptly address crises, serve as alternative/auxiliary to police/EMS, and thereby prevent unnecessary incarceration of individuals who pose no threat of violence or whose crimes are a result of mental illness
- Legislation to include aspects of S.1902 Behavioral Health Crisis Services Expansion Act sponsored by Sen. Catherine Cortez Masto (D-NV) for addressing mental health crises and providing crisis service, such as eliminating the requirement for insurance provider authorization or referral and making all individuals eligible for services regardless of ability to pay.
- The District of Columbia's Office of the Deputy Mayor for Planning and Economic Development must develop an amendment to the St. Elizabeth's East Campus Redevelopment plan that requires a fixed amount of commercial property be dedicated to the provision of mental health care services to members of the community and the District at large.

We recognize potential impediments in implementing these recommendations, such as the potential need to revise D.C.'s penal code, or the feasibility of administrative, legislative, and financial change.

## **Conclusion**

Safe cells are intended to safeguard the health and physical wellbeing of an incarcerated individual experiencing a mental health crisis; however, their utilization is demonstrably inhumane and further exacerbates that crisis. Solitary confinement is particularly detrimental for people with mental health needs who frequently face decompensation, due to extreme stress and social isolation (Metzner & Fellner, 2010). The use of safe cells

also leads to adverse physical effects. These negative mental health impacts are long-term, with studies indicating effects may persist for at least one year after solitary confinement (Reiter et al, 2020). The use of safe cells in correctional facilities is contradictory to the D.C. DOC's own policy, which states that people held in solitary confinement are at increased risk of suicide (DOC, 2017). The policy also states that mental health services that are provided must align with the National Commission on Correctional Health Care (NCCHC) Standards (DOC, 2017).

There are alternatives to the use of safe cells, most of which can better support people with mental health needs and at risk of self-harm. Safe cells are an inhumane way to prevent self-harm, especially for those who are experiencing a mental health crisis. Eradicating safe cells is the only option to ensure better mental healthcare for incarcerated individuals. Those who suffer from mental illness are often the most marginalized and mistreated members of society. It is incumbent upon the D.C. DOC to provide incarcerated individuals with humane conditions and adequate mental healthcare.

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**Appendix**

**Appendix 1. Outcomes Matrix**

<b>Goals</b>	<b>Criteria</b>	<b>Status Quo</b>	<b>Option 1: Implementation of an Internal PRISM Evaluation</b>	<b>Option 2: Mandatory External Treatment</b>	<b>Option 3: Mandatory Training for Correctional Officers</b>	<b>Option 4: Mental Health Crisis Response System</b>
<b>Effectiveness</b>	Humane conditions (+), improvement in mental outcomes (+), number of incarcerated people who self-harm (-)	LOW Safe cells are inhumane and lead to adverse physical and mental effects	HIGH Evaluation would provide much needed data that would improve mental health outcomes	HIGH Incarcerated individuals would no longer be forced into inhumane safe cells and would receive adequate mental health treatment from healthcare professionals	MED Trained CO staff would result in improved mental health outcomes and reduce inmates who self-harm, although this depends on individual staff	HIGH Crisis response system would vastly improve mental health outcomes and quickly address incidents of self-harm
<b>Cost</b>	Cost to DC government per year (USD)	HIGH Healthcare contract and upkeep of safe cells	LOW Survey costs, staff salaries	HIGH Would be similar to status quo in terms of cost	MED Training facility costs, trainer fees, meals, transportation	MED Well coordinated response system should increase cost efficiency
<b>Equity</b>	Adequate healthcare for people with mental health needs	LOW Safe cells create adverse health effects for people with mental health needs	HIGH Evaluation would provide much needed data that would improve healthcare for people with mental health needs	HIGH Incarcerated individuals would receive adequate healthcare by professional mental health staff	MED Training would increase CO knowledge of the needs of inmates with mental illness, but they may not all comply	HIGH People with mental health needs and people at risk of self-harm would be properly cared for in a timely manner
<b>Administrative Feasibility</b>	Administrative barriers to implementation	N/A	Potential pushback from DOC staff	Complexity around contracting and involuntary commitment at external facilities	Potential pushback from DOC staff	Many services to coordinate and many stakeholders could present administrative issues



## THE CURRENT STATE OF TANF

Daniel Lee

### Abstract

*This policy memo is addressed to the US Department of Health & Human Services (HHS) and details the issues surrounding the current state of TANF. Its legislative history is discussed in-depth with its problem-symptoms, focusing on TANF's ineffectiveness in aiding families, and consequences that are borne by its recipients. The causes, which include factors of government failure and ineffectual policies, are analyzed with data and historical evaluation. To resolve these problems, five policy alternatives are proposed with consideration of their benefits and tradeoffs. All presented policy solutions meet the HHS' mission and goals, and a final recommendation is made supported with evidence.*

### Introduction

TANF (“Temporary Assistance for Needy Families”) is a need-based welfare program that provides cash assistance to families, single parents, and nonparent relatives to financially support children under the age of 18. TANF was implemented in 1997 to accomplish four main goals: provide aid to household families, end the dependency on government assistance by promoting work participation, prevent and reduce out-of-wedlock pregnancies, and encourage the formation and maintenance of two-parent families (OFA, 2021).

Since its implementation, TANF has not fully achieved its goals. The main problem- symptoms include ineffective aid to TANF recipients, ineffective work requirements, and insufficient distribution of TANF benefits to families. In addition, some impacts of TANF's inadequacy consist of children and families experiencing housing instability, facing “benefit limbo”, and suffering from health problems. These issues stem from government failure and various economic factors, producing outdated policies and restrictive state regulations, which can be remedied by government intervention through new distributive and regulatory policy changes. To rectify these causes, some sensible solutions are available which include, improving eligibility criteria to expand the TANF caseload, reconstructing the current TANF funding structure, and implementing state accountability measures. The objective of these solutions is to get TANF to return to its inceptive principles, as its current form has diverged from its four main goals.

To achieve HHS' mission of enhancing the health and well-being of Americans, the department must take into consideration these problems with TANF, along with its consequences, causes, and policy solutions to provide effective health and human services to the needy public.

### Background

In 1996, the Personal Responsibility and Work Opportunity Act (“PRWORA”) was signed by Bill Clinton into law, fulfilling his presidential campaign promise to “end welfare as we know it” (Falk, 2021a), and as a culmination of public demand for welfare reform. The PRWORA was championed by Congressional Republicans, who thought that Aid to Families with Dependent Children (“AFDC”), the comprehensive welfare program at the time, disincentivized employment for welfare recipients. Subsequently, House and Senate Republicans passed welfare reform through PRWORA repealing AFDC and replacing it with TANF. With an emphasis on their four goals, the creation of TANF sought out a “work first” driven approach to welfare instead of an “education first” approach. (Wu, 2009). TANF's most substantial difference from AFDC was that it was a fixed block grant of \$16.5 billion disseminated to every state, instead of being a continuous reimbursement (Falk, 2016). The new program would also have income restrictions and work requirements, but states had the flexibility on how to spend these funds and determine recipient eligibility. For example, in Maryland, TANF is also called Temporary Cash Assistance (MDHS, 2021), and has a mandatory requirement of child support compliance. Whereas in California, TANF is called CalWORKS (CDSS, 2021), and there is no child support requirement.

### **Problem Symptoms**

Federally, TANF has remained largely unchanged since its enactment in 1997, and it has yet to accomplish the program-desired four goals. One problem-symptom has been TANF's ineffectiveness in aiding its recipients. Since 1997, TANF's block grant amount has remained at \$16.5 billion with no adjustments for inflation or changes in the poverty level. As a result, the real value of TANF has declined and in every state, benefits are at or below 60% of the poverty line and fail to help families escape deep poverty (Safawi & Floyd, 2020). Meanwhile, AFDC lifted a family of three 70% above the poverty line (ASPE, 2021). For instance, a TANF recipient in Maryland can no longer receive cash assistance if their net income is above the benefit amount. So, for a household of two, the income earner cannot make more than \$559/month (People's Law, 2021). The full benefit schedule shows that state benefits have not been adjusted for inflation, and impoverished recipients remain in poverty, unable to attain jobs with wages that are slightly above the income limits (See Appendix A). With benefit amounts being low and eligibility criteria that relegate recipients not to receive a living wage, it is difficult to believe cash assistance is effective in helping the poor break out of the cycle of poverty. "The design features of the cash assistance program help keep poor people poor, beginning with low benefits which is a little more than the annual household income in Nigeria" (Campbell, 2014). Even with the addition of the Supplemental Food and Nutrition Program (SNAP), which provides recipients with affordable food, families are still unable to meet a satisfactory standard of living comparable to those of third-world countries.

Furthermore, the ineffectiveness of the mandatory work requirement for TANF has been considered as a problem-symptom, with mixed results. TANF statute requires 50% of their TANF recipients to be employed or participating in the work activity created by the state for a minimum number of hours (Falk, 2021b). However, the standards are usually lower for many states due to credits, in the form of percentage points, being given for states that reduce their caseload, and the OFA also releases this data. The data points of work participation for "All Families" and "Two- Parent Families" were graphed through Excel (See Appendix B). Work participation rates have risen positively from 2011-2017 but have seen a massive decrease since. One explanation has been the ability for TANF recipients to find low-wage jobs, with national unemployment rates at a historical low right before the pandemic. However, in terms of TANF effectiveness, recipients are only finding low-quality, unstable jobs and are not prepared enough to be skilled workers with the current work requirements.

Another problem-symptom of TANF can also be noted by its decreasing scope in the number of TANF recipients served or "caseload" in relation to increasing poverty. During the 2008 economic crisis, TANF failed to reach needy families, and TANF caseloads were unchanged or fell during the recession. Comparing AFDC, where 68 out of every 100 families in poverty received benefits in 1996, and TANF, where only 23 out of every 100 families received benefits in 2019, TANF has neglected to serve impoverished families in great economic emergencies (Meyer & Floyd, 2020). The difference can be better visualized through the graph produced by the Center on Budget and Policy Priorities, which shows cash assistance caseloads declining significantly from 1979 to 2019, even during periods of national economic hardship (See Appendix C).

### **Consequences**

The consequence of TANF's ineffectiveness and its heavy-restrictive policies leaves the recipients in "benefit limbo" (Campbell, 2014). Benefit limbo is described as remaining in the "cycle of poverty" due to TANF's rules that force families to be dependent on government assistance. The recipients must follow the program's guidelines or risk a loss of benefits. For instance, Georgia has asset limits in addition to the income limit. Georgian families must have countable assets of less than \$1,000 (GDHS, 2021). Countable assets are usually cash, funds in checking and savings accounts, and—some states—include 401K's and IRA's. Criteria limitations prevent recipients from saving for future or emergency funds. The poor stay impoverished because of these repressive policies and are forced to remain on government assistance. Thus, they are stuck in "benefit limbo"; otherwise, they must survive on their own.

The impacts of TANF's problem symptoms, such as its ineffectiveness and inequitable outcomes, cause TANF to fall short of its first goal of "helping families care for their children in their own home". Particularly, housing issues arise because of stagnated TANF benefits. Housing costs such as rent and

mortgages continue to exponentially increase, while states only give TANF benefits a minimal increase, and the deficit between cash benefits and housing costs continue to widen (See Appendix D). Per the Center on Budget and Policy Priorities, the median fair market rent rose from \$543 to \$1015, while TANF benefits only rose from \$377 to \$492. This minimal benefits increase has impacted families to housing instability, such as evictions, foreclosures, and homelessness. The Department of Housing and Urban Development helps TANF recipients through housing vouchers and Section 8 housing, but only 17% of TANF recipients receive this housing assistance (Safawi & Floyd, 2020). Because of the discrepancy between TANF benefits and housing costs, housing assistance from states is insufficient to help in-need families. Examining equity criteria, inner-city neighborhoods are predominantly affected by low TANF benefits and high housing costs. For instance, in Milwaukee, around 1 in 14 renter-occupied houses are evicted annually (Desmond, 2012). This leads to in-need tenants asking for housing assistance, but the caseload size burdens municipalities, resulting in denied applications. TANF's current benefit amount cannot cover housing costs, and the government's housing programs are overwhelmed, which exacerbates inequity against impoverished people.

Due to financial poverty, recipients are more likely to develop physical and mental health problems. Excessive stress and adversity in the forms of limited food and shelter can negatively affect the overall health of TANF applicants. Depression, diabetes, and heart disease are the most common diseases associated with economic hardship and adversity (Shonkoff et al., 2020). To escape from poverty, TANF recipients find employment, but sacrifice adequate childcare. These factors further the negative inequity for impoverished communities.

### Causes

The causes of TANF's ineffectiveness can be categorized into two parts: financial problems and government failure. Inflation has reduced TANF's effectiveness. First, as stated in TANF's problem symptoms, TANF's nominal value has remained at \$16.5 billion due to its status as a fixed block grant. This was purposefully implemented to reduce the continuous reimbursements done as was the case during AFDC. However, the 2008 Recession and continuous inflation have reduced the real value of TANF's grant amount. Accommodating for inflation, a dollar today is now only worth 57% of a dollar in 1996, which means \$16.5 billion today is only worth \$9.4 Billion in 1996.

Most of TANF's financial issues have been caused by government failure on both federal and state levels. Due to direct democracy and representative government failure, disagreements between political parties resulted in the TANF funding to remain at its 1996 value. Even when TANF was first introduced, the bill was vetoed twice before a compromise was made by the 104<sup>th</sup> US Congress, with a Republican majority and Democratic president. The first version of the bill made cuts to Medicare, Medicaid, and child nutrition programs, while the second version cut childcare programs (Falk, 2021a). However, the Republican majority was still able to set the agenda with public and political pressure, keeping most of their policies in the bill, which Bill Clinton eventually signed through compromise.

Post-1996 TANF legislation has also been impaired by similar factors. Several attempts were made to reauthorize PWRORA to restructure the bill and adjust funding. In 2002, the Bush Administration attempted to reauthorize the bill by including funds to promote healthy marriages and provisions on state caseloads. However, the 107<sup>th</sup> US Congress was composed of a diametrically opposed Republican-majority House and Democrat-majority Senate. As a result, reauthorization failed and the TANF program with funding authority was merely extended 13 times from 2002 to 2006 (Falk, 2021a). Republicans and Democrats have had opposing agendas on TANF, with Republicans' refusal to maximize social welfare for all Americans, so reauthorization has been difficult – since 2010, only short-term extensions have been enacted 24 times since (Weidinger, 2018). Congress' stalemate on welfare reauthorization has led to TANF's decrease in value and continuation of its restrictive policies.

Another cause has been the prevalence of "child-only" families. "Child-only" families are households where only the child receives cash assistance, and the adult is ineligible. Three factors can make an adult ineligible: the parent is receiving disability SSI ("Supplemental Security Income"), the parent is an undocumented immigrant, or the adult is a caretaker relative (e.g., grandmother, uncle, cousin). In Fiscal Year 2013, 38.1% of TANF recipients were "child-only" households, compared to Fiscal Year 1988 with only 9.8%

of AFDC recipients (Falk, 2016). TANF was initially created to help impoverished single mothers join the workforce, and the presence of “child-only” households were hardly considered. These households only receive a fraction of the amount of TANF benefits intended to sustain a household of two. In many cases, the ineligible adult does not have enough income for themselves and the child, and a poor standard of living persists, ultimately harming the child. The Office of Family Assistance (“OFA”) releases numerous reports that quantify the number of “child-only” households in the US. Specifically, *Characteristics and Financial Circumstances of TANF Recipients* records the number of “Families by Number of Adult Recipients”, with zero adults representing a non-eligible/nonparent caretaker, one representing single-parent households, and two representing a two-parent household. The number of families with zero adults has steadily risen throughout the years, and an Excel graph was generated with the data points from 2010 through 2019 (See Appendix E). With the addition of a line of best fit, it can be assumed that “child-only” households will continue to rise which contribute to TANF’s ineffectiveness in helping recipients.

TANF’s inadequacy can in part be attributed to decentralization. TANF legislation gave states incredible flexibility in using federal funds to supplement their cash assistance programs such as work support, childcare, and tax credits. However, Kevin Brady (US Representative for the 8<sup>th</sup> congressional district of Texas) has described states having “excessive” flexibility and that TANF funds were being used as a “slush fund” (Skidmore, 2016). States are not using TANF funds at its optimal cost-benefit ratio, with cash being forgone to in-need families. Without federal regulation of TANF funds, states can use their funds on non-cash assistance programs. The Center on Budget and Policy Priorities created a pie-graph that shows the allocation of state funds, with only an average of 26% of funds going toward cash assistance (See Appendix F). Decreasing caseloads and the prevalence of “child-only” families have been caused by states’ flexibility in TANF eligibility criteria. States have the discretion to control asset limits, time limits, whether to add drug tests, child support requirements, and any other requirements. In some states, the federally mandated work requirement disproportionately affects Black and Latino mothers, who are typically placed in low-paying jobs in the foodservice and childcare sectors, and they cannot lift themselves out of poverty (Floyd et al., 2021). Child support requirements lead to the breakup of families and Black parent absenteeism. Furthermore, Black and Latino families are significantly more likely to be sanctioned for not meeting requirements (Pavetti, 2018). The decentralization of TANF has ultimately led to more TANF ineffectiveness and inequity.

### **Policy Alternatives**

The first policy alternative to remedy these policy problems is to maximize the number of eligible TANF recipients by reforming eligibility criteria, considering income thresholds and asset limits. Removing the eligibility criteria addresses one root cause of TANF’s ineffectiveness in aiding recipients. TANF applicants are quite often barred from cash assistance due to barriers of access and harsh sanctions that cut benefits off in its entirety. For example, a study conducted by a Tennessee TANF agency found that nearly 30% of sanctions in the state were imposed in error (Pavetti, 2018). Furthermore, removing specific eligibility criteria widens the pool of eligible applicants, thereby helping families stay together and reducing the prevalence of “child-only” households.

The second alternative is to redesign TANF’s funding structure to maximize its efficacy in lifting recipients out of poverty. This policy solution addresses TANF’s ineffectiveness due to government failure. Particularly, TANF’s block grant structure has made federal funds stagnant with no adjustment for inflation. “The block grant has lost about 40% of its value since 1996” (Safawi & Schott, 2021), meaning states have fewer funds to provide in cash assistance despite the high demand from recipients. Additional federal funding should also be provided during times of economic hardship and allocated only to help needy families. Instead of a block grant, a categorical or “conditional” grant is issued to be spent for specific purposes like cash assistance.

The third policy alternative is to implement state accountability measures to reduce wasteful state spending in the form of a quantity regulation. This policy alternative is justified by the fact that it directly addresses decentralization. States are not using their funds effectively and spend only a fraction of TANF funds to help recipients. “States spend a little more than one-fifth of their federal and state TANF funds on basic cash assistance” (Safawi & Schott, 2021), and they have taken advantage of the block grant’s flexibility, but an

accountability mechanism discourages states from using TANF dollars as a “slush fund” (Skidmore, 2016). In some cases, states use TANF funds to “replace existing state funds and use the remaining funds for purposes unrelated to providing a safety net or work opportunities for low-income families” (Schott et al., 2015). A state accountability system ensures that there are enough resources to achieve TANF’s goals.

The fourth policy alternative is to enact or reform human service legislation outside of PRWORA, including the Child Care and Development Block Grant Act (“CCDBG”) and the Emergency Rental Assistance Program (“ERAP”). States often use federal TANF funds for programs and services outside of TANF’s intended investment areas. Besides essential cash assistance, states would spend around 69% of TANF funds on extraneous programs and services, such as childcare, refundable tax credits, Pre-K/Head Start, rental assistance, and child welfare (Schott et al., 2015). Enacting legislation that targets these service areas would disincentivize states using TANF funds to support their state programs, including the childcare subsidy program. The federal government provides the states’ childcare funds through the CCDBG that authorizes the Child Care Development Fund (OFC, 2021). The states receive over \$5 Billion in childcare funding, but the Government Accountability Office (GAO) found that only 14% of all federally eligible children received the subsidy in 2020 (GAO, 2020). In addition, the ERAP has strict eligibility criteria similar to TANF’s policies. For example, the Emergency Assistance for Families and Children (“EAFCC”) program in Maryland requires families to have an eviction notice before receiving aid with their rent. The families must also disclose all their income and expenses with proof to be considered for rental assistance. It is then up to the discretion of a Human Services supervisor for approval or denial of rental assistance based on the pool of federal funds provided at the beginning of the fiscal year. Therefore, improving federal childcare and the emergency rental assistance program would disincentivize states diverting TANF funds into those respective service areas.

The final policy alternative to consider is continuation with the status quo and persist with another short-term extension of the existing bill. This would mean the overarching problem symptoms, consequences, and government failure would remain to affect TANF recipients.

### **Comparative Analysis**

An outcome matrix (See Appendix G) was generated comparing all policy alternatives in terms of three criterion: effectiveness (in terms reaching TANF’s intended goals), cost- effectiveness (in terms of benefit given the amount of federal dollars spent), and administrative feasibility (in terms of implementability). All policy alternatives were graded as “low”, “medium”, or “high” in terms of their criteria. A further analysis of the three criteria for policy alternatives is as follows.

#### *Program Effectiveness*

The policy alternatives were first assessed on their level of effectiveness, particularly its ability to accomplish TANF’s intended outcomes. The first policy alternative, reforming eligibility criteria, is highly effective in lifting families out of poverty as eliminating income thresholds broadens eligibility and removes barriers of entry to those families. Adults who were once ineligible can join their children in the TANF household, reducing the number of “child-only” families and receiving the full intended cash benefit. As a tradeoff, the eligibility criteria cannot be too lax, as free riders, those who benefit from resources are ineligible for or did not pay into may take advantage by purposefully withholding financial information. For example, without an asset limit, applicants without earned income may withhold lottery winnings or inherited assets to reap TANF benefits.

The second policy alternative, redesigning TANF’s financial structure, assessed relative to effectiveness, is highly effective in lifting recipients out of poverty. Adjusting TANF’s real value indexed to inflation provides more funds for states to disburse to recipients and granting an emergency fund ensures funds would not run out in times of economic hardship. However, as a tradeoff, when the block grant amount is adjusted for inflation, states still have flexibility in spending these increased funds and have no accountability on usage of those funds. It is unlikely that states would increase their cash assistance expenditure and would instead fund their external programs.

The third policy solution of implementing a state accountability system addresses concerns of spending misuse. The accountability system effectively controls states’ expenditures and reduces spending on programs

that do not directly benefit the TANF applicant. Implementing an accountability system synergizes very well with redesigning TANF's financial structure to ensure the increased funds reach the recipient.

The fourth policy alternative of enacting legislation related to human services outside of PRWORA has a "medium" effectiveness in reaching TANF's original goals. However, due to the legislation targeting services that may affect some TANF recipients, it is difficult to state that this legislation can directly benefit all recipients holistically. Finally, in terms of effectiveness, the fifth alternative, or the status quo, continues to be ineffective in supporting needy families with all the known problem symptoms and consequences.

#### *Cost-Effectiveness*

The policy alternatives were also assessed on the criteria of cost-effectiveness. The first policy alternative, reforming eligibility criteria, in the form of introducing new legislation, is determined to be highly cost-effective and can benefit TANF recipients more in relation to the cost of reforming the current law. And the tradeoff is considered once the bill is passed and when the policies are enforced. It is difficult to measure the actual cost of introducing, passing, and establishing the "soft law", but the benefits granted to the recipients by means of an increased recipient caseload outweigh the hypothetical cost. On the other hand, HHS can internally change its eligibility criteria without the need for new legislation. The agency can change policy in the form of "action transmittals" because federal guidelines were left very broad. According to federal guidelines, applicants only needed to have a child 18 years of age or younger and have a low income (ECFR, 2021), but work requirements and other eligibility determinations were left up to the states. Thus, HHS can make changes to current policy in a highly cost-effective manner.

The second policy alternative is assessed as being "medium" on a cost-effective criterion. Redesigning the TANF funding structure requires implementation through new legislation. To increase the TANF block grant, the true cost can be determined using the current grant amount of \$16.5 billion. Using an inflation calculator, the TANF block grant amount should be at least \$28.4 billion today. The federal government needs to divert substantial funds to TANF recipients, and benefits may not be realized until much later resulting in average cost-effectiveness assessment.

The third policy alternative is also evaluated as being "moderately" cost-effective. Implementation of state accountability measures needs to come in the form of new legislation, but enforcement costs must also be considered. Accountability systems require an audit system and an authorized agency such as the U.S. Government Accountability Office ("GAO"). The GAO is responsible for assisting Congress in its oversight of the federal government including agencies' stewardship of public funds (GAO, 2009). The second policy alternative calls for an accountability system to be implemented to keep states accountable for their use of TANF funds. Creating this agency, hiring employees, and making new rules and regulations would cost an incredible amount; however, the benefit can outweigh the costs in the long run. Accountability mechanisms guarantee TANF funds are not used as a "slush fund" (Skidmore, 2016) and that funds directly reach the recipient. Thus, the cost-effectiveness of the state accountability system is rated as "medium" on a cost-effective scale.

The fourth policy alternative is considered as "low" on a cost-effectiveness scale. Reforming legislation outside of TANF in areas such as childcare and rental assistance can benefit some TANF recipients but does not affect all recipients. For example, some recipients do not need childcare or rental assistance, as seen in "child-only" households where these recipients do not pay rent and are children themselves.

Finally, keeping the fifth policy alternative of PRWORA is "low" on a cost-ineffectiveness criterion due to its known yearly cost of \$16.5 Billion (CBPP, 2021) outweighing the benefit of helping needy families.

#### *Administrative Feasibility*

In terms of administrative feasibility, all policy alternatives, except the first policy alternative and the status quo, have low feasibility. The implementation of these policy solutions is only possible through a reauthorization bill. A reauthorization bill is a type of legislation used to reconsider expiring legislation and renew its legal power. TANF policy alternatives can be negotiated upon during reauthorization. In the past, TANF has not been reauthorized since 2010 and has gone through 24 extensions since then. Therefore, the

administrative feasibility of implementing these policy alternatives is low based on the poor prospect of reauthorization and further depends on the willingness of Congress to agree on these policy alternatives.

The first alternative is determined to have a “medium” administrative feasibility because in the case where a reauthorization bill is not possible, HHS can intercede and make policy changes. The changes need to be approved by the agency’s directors, but the eligibility criteria reform can be made with an evidence-based proposal.

## Recommendations

The preceding policy solutions all have their own advantages and disadvantages. With these factors in mind, it is highly recommended that the Department of Health and Human Services consider a hybrid of these policy options and start by reforming current TANF eligibility criteria, but also consider the possible formation of a state accountability system and reformed TANF funding structure. The first policy alternative would be highly effective in accomplishing TANF’s intended outcomes with medium feasibility, but HHS must also consider the fact that this policy option would work well in conjunction with increased funds along with insurance that funds do not go to waste by state expenditure. As a result of improved eligibility criteria, there will be an increase in eligible recipients, and a call for more funds which the other policy alternatives can only achieve. Furthermore, even though the formation of a state accountability system and a new TANF funding structure might have low feasibility, there is a chance that public opinion could affect legislators, as was the case when TANF was first introduced.

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**Appendix****Appendix A: Temporary Cash Assistance (TCA) Benefits Schedule, Allotment Amount.**

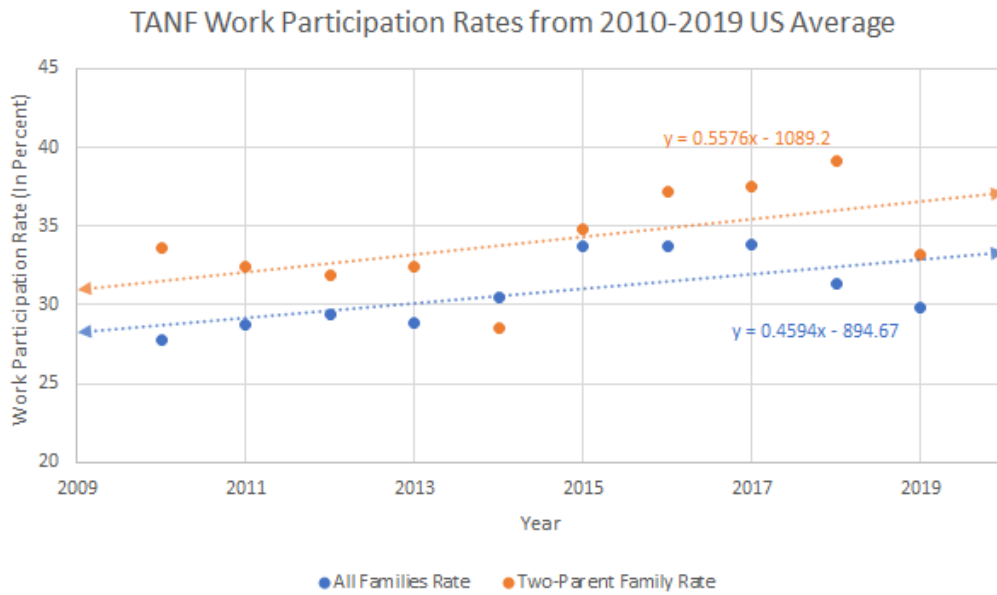
Monthly Allowable Amounts to be Paid Effective October 1, 2008

Monthly Allowable Amounts to be Paid Effective November 1, 2013.

Column B is based on household having zero income.

A. Number of Individuals in the Assistance Unit	B. Allowable Amount to be Paid	C. Allowable Amount for Determining Stepparent Eligibility (50 percent of Poverty Level)
1	\$ 282	\$ 478
2	559	646
3	624	813
4	755	981
5	875	1,148
6	962	1,316
7	1,081	1,483
8	1,191	1,651
9	1,285	1,818
10	1,389	1,986
11	1,516	2,153
12	1586	2,321
13	1,683	2,488
14	1,782	2,656
15	1,884	2,823
16	2,006	2,991
Each individual over 16	Add \$118	Add \$167

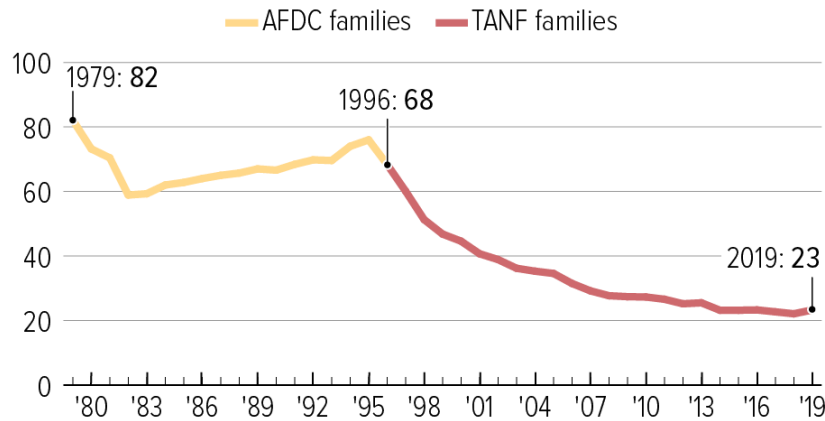
**Appendix B:** Graphical Representation of TANF Work Participation Rates 2010-2019 US Average (Source: Office of Family Assistance Work Participation Rate Dataset, Fiscal Year 2010-2019)



**Appendix C:** Graphical Representation of Total AFDC/TANF caseload

### TANF's Reach Declined Significantly Over Time

Number of families receiving AFDC/TANF benefits for every 100 families with children in poverty

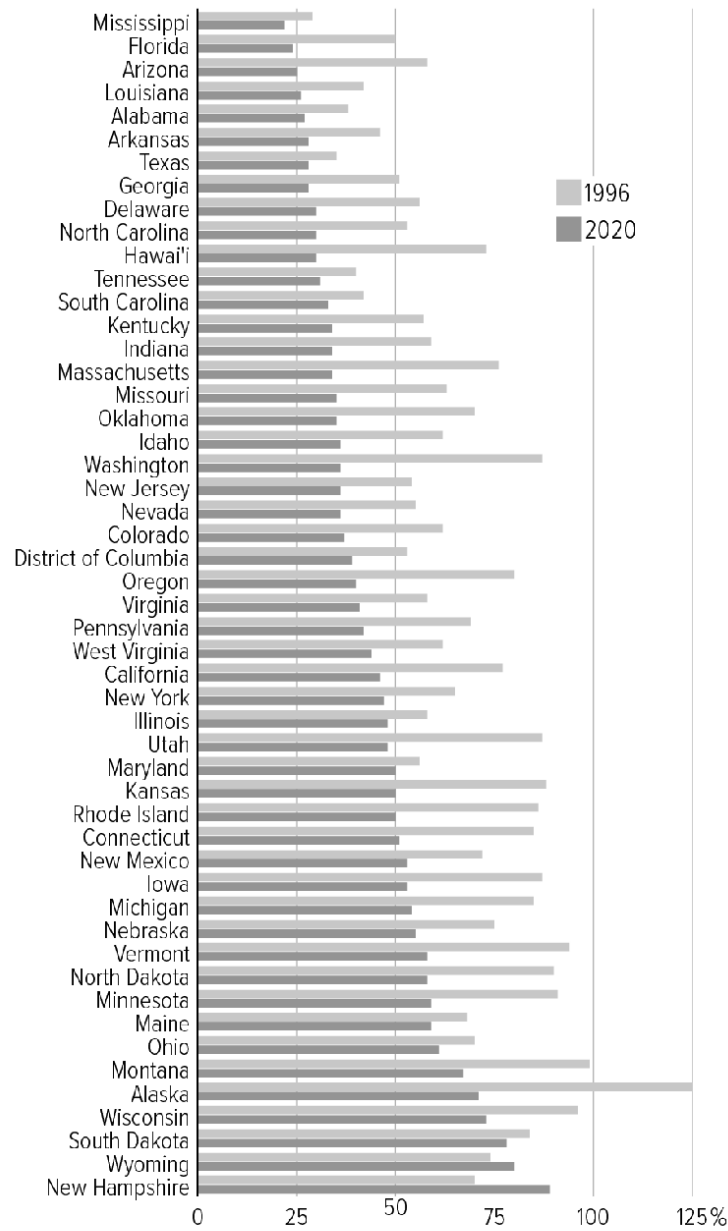


Note: TANF = Temporary Assistance for Needy Families, AFDC = Aid to Families with Dependent Children  
 Source: CBPP analysis of poverty data from the Census' Current Population Survey and AFDC/TANF caseload data from Department of Health and Human Services and (since September 2006) caseload data collected by CBPP from state agencies.

**Appendix D: TANF Benefit Amount in Relation to Rising Housing Costs**

**TANF Benefits Falling Further Behind Housing Costs**

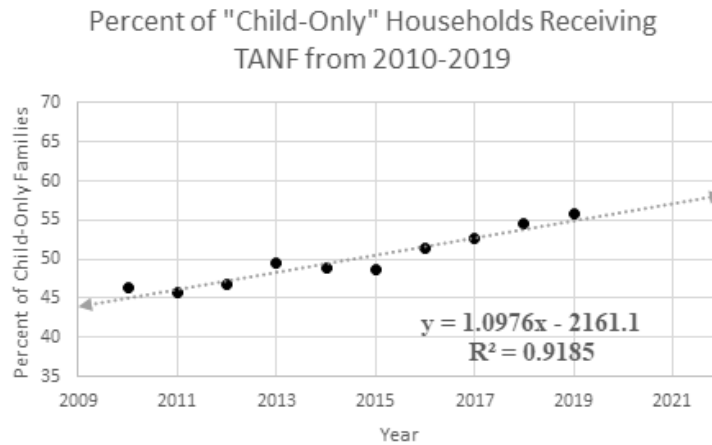
Percent of HUD Fair Market Rent covered by cash assistance



Note: TANF = Temporary Assistance for Needy Families; HUD = Department of Housing and Urban Development. The National Low Income Housing Coalition creates weighted statewide average Fair Market Rents based on HUD Fair Market Rents for various sub-regions in the state. Numbers here are for a two-bedroom apartment.

Source: National Low Income Housing Coalition's Out of Reach report. TANF 2020 benefit levels for single-parent families of three were compiled by CBPP from various state sources and are current as of July 1, 2020

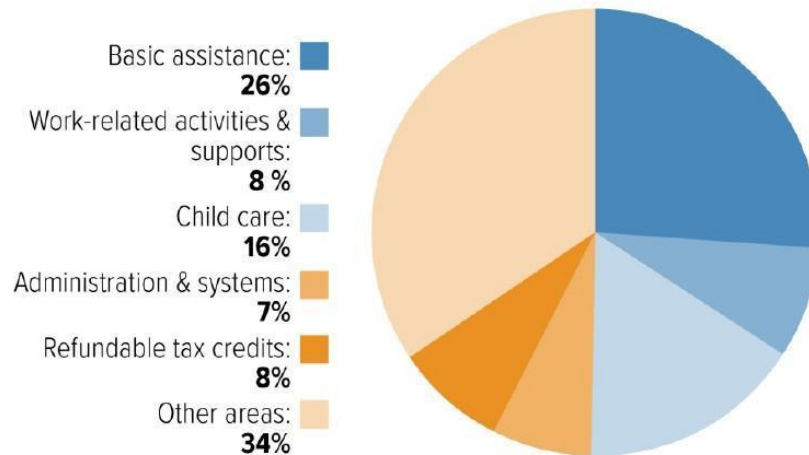
**Appendix E:** Graphical Representation of “Child-Only” Households Receiving TANF benefits from 2010-2019 (Source: Office of Family Assistance TANF Caseload Dataset 2010-2019)



**Appendix F:** The Distribution of State Expenditure on Programs

FIGURE 1

**How States Spent Federal and State TANF Funds in 2014**



Note: Total does not add to 100% due to rounding. TANF = Temporary Assistance for Needy Families.

Source: CBPP analysis of HHS 2014 TANF financial data

**Appendix G:** Outcome Matrix of Five Proposed Policy Alternatives

	<b>Effectiveness</b>	<b>Cost-Effectiveness</b>	<b>Feasibility</b>
Alternative 1: Reform Eligibility Criteria	High	High	Medium
Alternative 2: Redesign TANF funding structure	High	Medium	Low
Alternative 3: Implement State Accountability Measures	High	Medium	Low
Alternative 4: Reform legislation outside of PRWORA (TANF)	Medium	Low	Low
Alternative 5: Status Quo (Extension)	Low	Low	High

## **REDESIGNING VACCINE DEVELOPMENT PROCESS FROM A PPP PERSPECTIVE: OPERATION WARP SPEED**

I-Lin Lin

### **Abstract**

*Announced on May 15, 2020, Operation Warp Speed (OWS) was a major public-private partnership (PPP) that effectively shepherded the development of two safe and effective COVID-19 vaccines in less than a year. The initiative sought to coordinate an array of government bodies to support private companies in producing COVID-19 medical countermeasures, meaning therapeutics, diagnostics, and vaccines, which were crucial for mitigating the public health and economic distress caused by the virus (Slaoui & Hepburn, 2020). To meet the unique and pressing circumstances, OWS leveraged both public and private capacity to follow traditional vaccine development processes on an accelerated timeline and with a diverse stakeholder group. The initiative met many challenges, including issues with intellectual property rights and the rule of law. It is salient to understand OWS's operational framework and how future projects can mirror its success and learn from its challenges. This paper seeks to clarify the roles of the public and private sectors in shaping the initiative, examine the effective strategies adopted, and describe the challenges.*

### **Introduction**

In a race considered to be a marathon, Operation Warp Speed (OWS) sprints. Announced on May 15, 2020, the initiative effectively shepherded the development of two safe and effective COVID-19 vaccines in less than a year (Shulkin, 2021). The development of a COVID-19 vaccine was crucial to mitigate the public health and economic distress caused by the virus. OWS was a public-private partnership (PPP) that sought to coordinate an array of government bodies to support private companies in producing COVID-19 medical countermeasures, meaning therapeutics, diagnostics, and vaccines (Slaoui & Hepburn, 2020). With most of the funding allocated to vaccine development, manufacturing, and distribution, the primary goal was to deliver 300 million effective, FDA-authorized COVID-19 vaccines by January 2021 (Siddalingaiah, 2021).

It is salient to understand OWS's operational framework and explore how future projects can mirror its success. While there are three core aspects of OWS—the development, manufacturing, and distribution of vaccines—this paper focuses on the earlier stages of the initiative: the initial contracting and vaccine development. This paper seeks to clarify the roles of the public and private sectors in shaping the initiative, examine the effective strategies adopted, and describe the challenges. For example, how was the standard vaccine development process adapted to meet OWS's timeline? Given that OWS was implemented in recent years, this paper will utilize relevant agency documents, journal papers, research reports, and credible news.

### **Literature Review**

PPPs are generally defined as “working arrangements based on a mutual commitment (over and above that implied in any contract) between a public sector organization with any organization outside of the public sector” (Bovaird, 2004). PPPs have been adopted to address health care delivery, public health, and global health, often involving public agencies, multinational companies, and research institutions (Thadani, 2014). Initially, they were a tool for the government to close the financial gaps with private funds, in what Bovaird (2004) calls “marriages for money.” Increasingly, state government contracts with the private sector to facilitate health interventions by leveraging the industry's resources and expertise in communication, logistics, and marketing.

Derived from strategic management research, Bovaird (2004) summarizes three distinct competitive advantages that partnerships can contribute. First, a partnership can provide “economies of scale” and critical mass in service delivery. Second, they provide “economies of scope,” which refers to the ability to exploit partner organizations' complementary capability and competency. Lastly, partnerships create “opportunities for mutual learning between partners” that can foster an environment for long-term dynamic interchange. The following illustrates a couple of PPP examples from the healthcare sector within this framework.

To drive higher COVID-19 vaccination rates, the Centers for Disease Control and Prevention (CDC) collaborated with Walmart to improve vaccine access in low-income communities (Greene et al., 2021). CDC provided Walmart with allocations of vaccines, while Walmart pinpointed vulnerable communities by analyzing demographics, local health needs, and gaps in critical access to medical services. Vaccination sites were set up at Walmart parking lots and in-store locations across 18 states. The public sector took full advantage of the private company's commercial location and workforce for mass vaccination while leveraging the industry's knowledge in logistics and outreach to scale up vaccination efforts. In this partnership, Walmart provided economic scale and scope in health service delivery.

Cancer Moonshot, an effort to accelerate progress in the scientific discovery of cancer launched in 2016, is an example of facilitating mutual learning between partners. The initiative fosters broader collaboration between researchers through creating a network of research communities that encourage communication and the complete sharing of primary data (Sharpless and Singer, 2021). As Sherkow (2018) put it, understanding cancer is understanding cancer information. Recognizing the value of sharing information, the Cancer Moonshot Public Access and Data Sharing (PADS) Policy calls for "releasing publications and sharing the underlying primary data" in an attempt to accelerate cancer research (National Institute of Health, 2021). However, this approach did not go without considerations, raising intellectual property and information policy issues in the structure of a PPP (Sherkow, 2018).

Network management is essential in organizing complex governance processes such as PPP. It emphasizes managing both the individual partners in a partnership and the network within which the partnership is embedded. The literature identifies two effective strategies for network management. Warsen (2000) describes the *exploring strategy*, which seeks to create new solutions, collect joint information, organize research, and combine conflicting opinions, as well as the *connecting strategy*, which focuses on activating actors and resources, linking actors, nurturing inter-organizational relations, and addressing conflicts. The author concluded that network management is associated with perceived performance. In particular, the constant nurturing of partnership, activation of cooperation, and the ability to deal with uncertainty are crucial to making PPPs work. These insights hold in the context of dealing with the COVID-19 pandemic and managing OWS.

## **Operation Warp Speed**

### *I. Overview*

Operation Warp Speed was officially announced on May 15, 2020, by President Trump (Shulkin, 2021). OWS is a PPP that maximizes the government and private sectors' respective capabilities to achieve shared goals. The initiative involved multi-level government agencies, the military, pharmaceutical, manufacturing, delivery, and more. The ultimate goal was to deliver 300 million doses of safe vaccines to the American people by January 2021 (Slaoui and Hepburn, 2020). Despite successfully presenting viable vaccines under a near-impossible time frame, the initiative faced constant criticism regarding slow vaccine rollout and raised questions about patent rights. In February 2021, the Biden Administration renamed and restructured the initiative, transferring the responsibilities of OWS to the White House COVID-19 Response (Siddalingaiah, 2021).

The leadership of OWS reflects the primary objectives of the initiative. The United States Department of Health and Human Services (HHS) and the United States Department of Defense (DOD) were the co-chairs. Moncef Slaoui, former Chairman of the Global Research and Development and Global Vaccines divisions at pharmaceutical company GlaxoSmithKline, was appointed chief advisor. General Gustave F. Perna, an expert in global supply chain and material readiness from his time as a commanding general in the U.S. Army Materiel Command, was the chief operating officer. The expansive team also included stakeholders from other federal agencies, including the Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA), the National Institutes of Health (NIH), the Biomedical Advanced Research and Development Authority (BARDA), Department of Agriculture, the Department of Energy, and the Department of Veterans Affairs. It built on existing initiatives by HHS-wide activities, such as the NIH's Accelerating COVID-19 Therapeutic Interventions and Vaccines (ACTIV) partnership, NIH's Rapid Acceleration of Diagnostics (RADx) initiative, and work by BARDA (Slaoui and Hepburn, 2020; Shulkin, 2021).

Further, OWS awarded contracts and other transaction (OT) agreements with a variety of private competitors in vaccine development and the production of ancillary vaccination supplies. OWS selected vaccine

manufacturer candidates such as Moderna, Janssen Pharmaceuticals, Sanofi/GSK for federal financial support during vaccine development (GAO, 2021). Though Pfizer-BioNTech did not accept funding from the US government for vaccine development—claiming to maintain its scientific independence and keep its production out of politics, the Trump administration reached a deal with Pfizer to manufacture and deliver 100 million doses of vaccine (DOD, 2020).

## 2. *Strategies and Implications*

How did the White House defy the timelines that have governed vaccine development for decades? The fastest record of vaccine development before the COVID-19 vaccine was the mumps vaccine, which took four years to go on the market (Cohen, 2020). It can take up to a decade to complete all development and regulatory processes in typical vaccine development timelines (Shulkin, 2021). Advances in vaccine platform technology (like mRNA), have improved understanding of safe and efficacious vaccine design, and similarities between the SARS virus and COVID-19 set some of the groundwork for developing the COVID-19 vaccine (Corbett et al., 2020). However, several measures boosted the OWS initiative's speed and effectiveness. The following sections illustrate strategies identified in the contracting and vaccine development phases, including strengths and weaknesses.

**Contracting.** OWS expedited the development process from the start of the partnership by using other transaction (OT) agreements instead of traditional procurement contracts (GAO, 2021). Often used by DOD, OT agreements enable speed and flexibility and are generally exempt from federal procurement laws and regulations. By December 2020, about \$8.8 billion of \$13 billion in funding dedicated to vaccine development and manufacturing was obligated via OT agreements.

However, OT agreements can be controversial in that they are less transparent and are exempt from regulations designed to protect taxpayers. For example, they can bypass the Bayh-Dole Act, which gave the public access to intellectual property rights from federal government-funded research (Schwartz & Peters, 2019). Further discussion of IP rights will be presented in the next section.

**Diverse Project Portfolio.** OWS announced support for six candidates on three predetermined vaccine platforms (GAO, 2021). It created a diverse project portfolio by awarding contracts to candidates pursuing different scientific methods to develop a vaccine. This diversification narrowed the risk of pouring significant resources into one method when the outcome involved great uncertainty. It maximized the possibility that the objective would be achieved if one or all approaches proved successful.

**Horizontal and Vertical Coordination.** Drawing from Warsen (2000), exploring and connecting network management strategies are especially applicable to OWS. The initiative not only facilitated the working relationship between government and private entities but also among public organizations and within the private sector. It used federal authority to guide and resolve deadlocks while not interfering with the research autonomy of private companies.

First, the government utilized the private sector's economies of scale and scope, maximizing private companies' intellectual efficiencies and commercial-scale manufacturing capabilities to the advantage of the government without threatening the autonomy and integrity of science. Second, OWS merged the administrative and budgetary forces of HHS and DOD to achieve its objective. Removing conventional barriers by providing generous funding upfront and clearing the red tape among government agencies, OWS aimed to leverage the total capacity of the government to ensure that no technical, logistic, or financial hurdles obscured vaccine development or deployment. Third, OWS also helped enable, accelerate, harmonize, and advise the private companies involved. For example, HHS's Biomedical Advanced Research and Development Authority helped identify additional manufacturing partners to increase production (GAO, 2021). Additionally, the U.S. Army Corps of Engineers oversaw construction projects to expand capacity at vaccine manufacturing facilities (GAO, 2021).

**Results Orientation and Goal Alignment.** According to Savas (2000), a project is well-suited for government contracting when a project's goal can be specified in advance, performance can be easily measured and evaluated, there is competition among providers, the demand for service increases over time, and the private sector has more significant economies of scale in producing the services. OWS is a mission-critical project with a clear objective and firm deadline. The articulated goal was to produce and deliver 300 million safe and effective



vaccine doses by January 2021. Under the pressure of the pandemic, the need for a viable vaccine increased by the day; therefore, the interests among different groups of stakeholders were easily aligned and the market was competitive. Moreover, the executive branch gave clear instructions to cooperate and achieve a common objective.

**Parallel Vaccine Development and Manufacturing.** The OWS vaccine development process followed traditional practices but with few adaptations. According to GAO (2021), the biggest difference was the compressed timeline. To facilitate the rapid development of vaccines, the FDA allowed companies to rely on established knowledge from similar products manufactured with the same platform technology, to the extent legally and scientifically permissible. Moreover, OWS vaccine companies conducted concurrent clinical trials to quickly determine vaccine efficacy. Such approaches were successfully used during the Ebola epidemic in the mid-2010s (GAO, 2021). The COVID-19 process was further sped up by reducing the time it took to review Phase 2 data. Typically, it would take the company six months to review data before moving on to Phase 3; however, it only took three weeks for the companies in OWS to initiate Phase 3 (GAO, 2021). Moreover, the FDA granted Moderna a Fast Track designation to begin Phase 1 and the expanded Phase 3 trial (HHS, 2020). In order to quickly provide drugs to patients, FDA grants Fast Track to drug companies to facilitate the development and accelerate the review of drugs to address unmet medical needs (FDA, 2018). While Phase 3 normally involves several hundred to thousands of volunteers, OWS conducted large-scale clinical trials of 30,000 individuals, enabling the rapid collection of demographically represented efficacy data (GAO, 2021; HHS, 2020).

To expedite the availability of the completed vaccine, the manufacturing and the logistical planning for distribution were happening parallel with vaccine research and development (Slaoui and Hepburn, 2020). The government was willing to undertake substantial financial risk, supporting the companies financially and technically to commence development and scale-up manufacturing while companies were still in preclinical stages. The companies also began commercial-scale manufacturing while still collecting data in clinical trials. The HHS–DOD partnership began the groundwork for vaccine distribution and logistical planning as development and manufacturing proceeded. In addition, the government purchased millions of Pfizer and Moderna vaccines while they were still undergoing clinical trials (Weiland et al. 2020).

Such a compressed timetable and PPP model enabled fast and large-scale distribution of vaccines. However, it also may have contributed to creating a group of vaccine-hesitant people in the American general public. The narrative of OWS, a White House effort “racing” to deliver a vaccine, politicized the initiative and reinforced the public’s distrust in the government, and subsequent hesitancy in vaccines (Torrelee, 2020; Coustasse et al. 2021). People were skeptical about the safety and effectiveness of COVID-19 shots, which highlights the importance of public conception campaigns, government information dissemination, and public education about initiatives like OWS.

### 3. *Challenges*

The Moderna vaccine was a testament to the power of partnership, having emerged directly from a collaboration between Moderna and a laboratory at the National Institute of Health (NIH) led by Dr. Barney Graham (Ledford, 2021). Sixty-six days after the genome of COVID-19 was first published, the first Moderna vaccine was injected into a human during a Phase 1 study in May 2020. Fast forward to November 2021, Moderna and NIH found themselves in a boiling patent dispute when Moderna filed several patent applications but excluded NIH in some of them (Ledford, 2021; Stolberg and Robbins, 2021).

Critics and Congressmembers had expressed concerns that the intellectual property rights of OWS-financed COVID-19 vaccines could restrict vaccine production. IP rights are an essential incentive for manufacturers to invest in research and development because they grant companies a temporary monopoly in the market for any new technology. Since it is a deciding factor for the affordability and accessibility of a vaccine or drug, if the government assumes a more assertive stance on intellectual property, it will have greater control over the prices of pharmaceuticals.

According to the Patent Act, a vaccine developer can secure patents on the manufacturing of vaccines and enjoy a temporary monopoly of the invention (Hickey et al., 2020). However, when a private party receives federal financial support, its allocation and scope of patent rights are affected. Typically, the patent rights will be owned by either the U.S. government or the federal contractor, depending on the form of government support and

the contract. Through purchasing or funding contracts with vaccine manufacturers, the government has upfront guarantees on pricing and distribution (Hickey et al., 2020). Furthermore, in certain reasonable circumstances, funding agencies can enable other producers to manufacture the vaccine with march-in rights for vaccines protected by the Bayh-Dole Act. March-in rights refer to the government's authority to "march in and grant compulsory licenses to third parties in some circumstances" (Hickey et al., 2020). For U.S. patents, the federal government has the authority to exercise the eminent domain power under 28 U.S.C. § 1498 to make and use the invention without a license (Hickey et al., 2020).

In a move considered unprecedented, the U.S. government voiced "support for the waiver of the protection for COVID-19 vaccines" in May 2021, because the extraordinary circumstances of the pandemic called for extraordinary measures (Maxmen, 2021). Some considered the move to be fair and just because it promoted the equitable distribution of vaccines in the U.S. and abroad, while opponents claimed it would undermine "global response to the pandemic and compromise safety" (Maxmen 2021). Such policies have more profound implications for future PPP research and development projects. For example, companies might be more hesitant to partner with the government in a project where the government could potentially curtail profit-making potential.

The accessibility and availability of vaccines do not guarantee a stop to the COVID-19 outbreak unless vaccination rates reach a level high enough to achieve herd immunity. To that end, the government has exercised the authority to impose vaccine mandates, raising challenges to the rule of law. The issue mentioned above brought up the struggle to balance governmental power and individual freedom, which deserves further discussion and close attention (Kettl, 2009). It magnified the socioeconomic disparity in healthcare accessibility. For example, some households, especially in vulnerable communities, simply do not have the time or ability to book appointments (Coustasse et al. 2020). Such circumstances opened new opportunities for PPPs and for the private sector to step in, for instance, the Biden Administration partnered with ride-share companies Uber and Lyft to provide free rides to vaccination sites (The White House, 2021).

## **Conclusions**

Can the vaccine development of OWS be replicated? Scientists have indicated that it depends on the nature of the pathogen and social context (Ball, 2000). One of the advantages of developing the COVID-19 vaccine was its similarity with SARS. Years of research and advances in vaccine platform technology paved the way for fast results. On the other hand, the sense of social and political urgency enabled the government to take the financial risk to initiate large-scale manufacturing before the completion of clinical trials.

However, the lessons from OWS drive further discussions of how the normal process might be reformed. First, OWS is considered a successful case of public-private partnerships as it effectively achieved its overarching objective: delivering 300 doses of safe vaccines to the public. It coordinated a network of public and private actors to pool efforts in developing and delivering vaccines in time. The initiative exploited the respective advantages of the government and the industry. With direct federal support and constant governmental oversight, the initiative managed to enable accelerated processes without micromanaging and interfering with the autonomy of science. Integrating the support of different government agencies, OWS streamlined and accelerated the development process.

Second, vaccine hesitancy and the lower-than-expected vaccination rate highlighted the need for effective communication strategies to deliver transparent information, promote scientific facts, and improve accessibility. The private sector could be a valuable asset to address the challenges of distributing vaccines in the United States and abroad.

Last, OWS's accelerated vaccine development model could have greater implications for future vaccine development, such as the installation of reduced data review periods and relaxed regulations. While in this case, the need for speed was understandable, it does beg the question of whether anything was lost by not going through the typical formal process.

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## **TEXTILE POLLUTION IN THE UNITED STATES: AN ANALYSIS OF THE ENVIRONMENTAL IMPACTS OF TEXTILE WASTE AND POTENTIAL SOLUTIONS**

Allison Lundy

### **Abstract**

*In recent years, there has been a considerable increase in clothing manufacturing, purchasing, and disposal. Textile overconsumption contributes to pollution of natural resources and increased emissions of greenhouse gases, leading to climate change. The problem of textile-related environmental pollution can be categorized as a market failure including externalities and information asymmetry. Recent technological advancements have led to the rise of cheaply made clothing—that does not easily degrade and pollutes the environment—as well as a culture of excess, which further contributes to damaging effects. Public acknowledgement of the dangers of global warming has increased, but little has been done on the company level to reduce these impacts. Therefore, responsibility is mainly placed on relatively uninformed consumers. Proposed solutions to this issue, including government research subsidies, federal certification standards, and extended producer responsibility programs, seek to minimize textile waste and chemical pollution while maintaining political feasibility and relatively low government cost.*

### **Introduction**

From the beginning stages of production to its disposal, a singular garment has an environmental impact. Manufacturers produce clothing with non-biodegradable materials, use chemicals to alter garments and to clean equipment, and waste excess fabric. Companies use cheap textiles to produce large volumes of inexpensive clothing that is designed to be short-lived. On the consumer end, brands incentivize purchasing more garments at a cheaper cost and disposing of what consumers already have. Furthermore, there is a lack of public knowledge about the harm caused by the textile industry and consumers are often misled about how ethical, or “green”, their purchases are.

Current solutions to this problem are consumer-focused, which inherently ignores a large part of the product cycle and does not address the root of the issue. This research aims to look at the entire life cycle of textiles to determine where in the cycle problems arise and determine if policy intervention is needed to reduce harmful environmental impacts. While overconsumption and manufacturing pollution from the textile industry is a worldwide issue, this report will focus on manufacturing and disposal methods specifically in the United States.

### **Background**

In 2018, the Environmental Protection Agency (EPA, 2020a) reported that about 146.1 million tons of municipal solid wastes (MSW) were landfilled. Of that total, 7.7% was textiles, amounting to about 11.3 million tons (EPA, 2021c). *Figure 1* (EPA, 2021c) shows that between 2000 and 2018, the total amount of textile waste generated and landfilled both increased by approximately 80%.

Although data is not available on the composition of textile waste in landfills by material, a vast majority of textile fibers produced today are made from polyester, which is produced using fracked gas, or other synthetic materials (Changing Markets Foundation, 2021).

Landfilled waste is a contributor to methane emissions, and we have seen a steady rise in atmospheric methane since at least 1984. According to data from the National Oceanic & Atmospheric Administration (NOAA), between 1984 and 2020 methane emissions increased by approximately 14% (National Oceanic and Atmospheric Administration [NOAA], 2021). This trend is likely to continue with the absence of any policy intervention to reduce methane emissions from landfill waste.

**Figure 1:** (EPA, 2021c)

**1960-2018 Data on Textiles in MSW by Weight (in thousands of U.S. tons)**

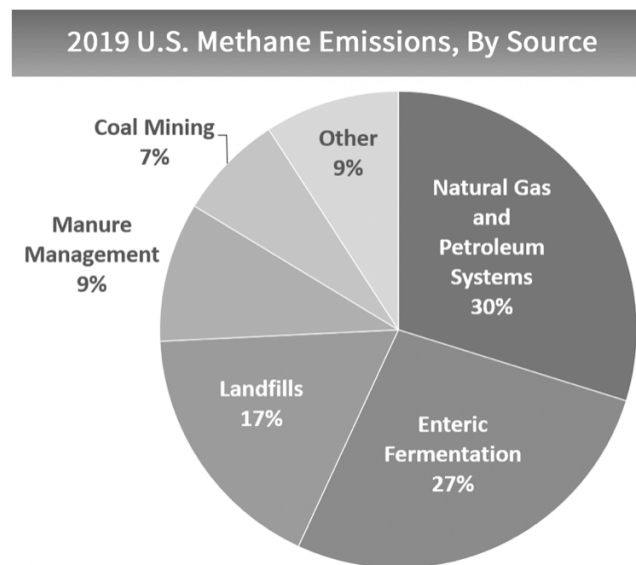
Management Pathway	1960	1970	1980	1990	2000	2005	2010	2015	2017	2018
<b>Generation</b>	1,760	2,040	2,530	5,810	9,480	11,510	13,220	16,060	16,890	17,030
<b>Recycled</b>	50	60	160	660	1,320	1,830	2,050	2,460	2,570	2,510
<b>Composted</b>	-	-	-	-	-	-	-	-	-	-
<b>Combustion with Energy Recovery</b>	-	10	50	880	1,880	2,110	2,270	3,060	3,170	3,220
<b>Landfilled</b>	1,710	1,970	2,320	4,270	6,280	7,570	8,900	10,540	11,150	11,300

Sources: American Apparel and Footwear Association, International Trade Commission, the U.S. Department of Commerce's Office of Textiles and Apparel, and the Council for Textile Recycling.

A dash in the table means that data is not available.

When biodegradable materials are placed in a landfill, over time they decompose and release methane gas into the air. Methane is one of the key greenhouse gases that contribute to global warming. In 2019, methane amounted to 10% of all greenhouse gases emitted. While carbon dioxide is released at a much higher rate, methane traps radiation in the atmosphere at a higher rate than carbon dioxide. Figure 2 demonstrates that MSW in landfills contributes to 17% of methane emissions (EPA, 2021b).

**Figure 2:** (EPA, 2021b)



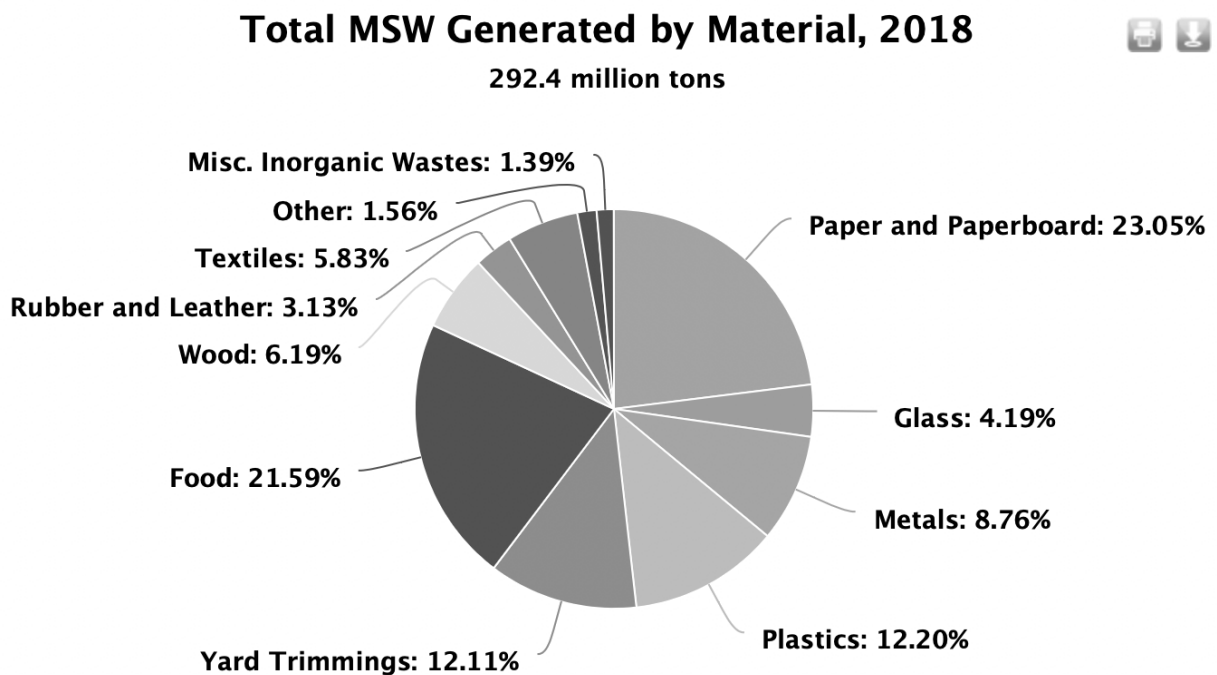
Note: All emission estimates from the *Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2019* (excludes land sector).

Many clothes are treated with chemicals during the manufacturing stage, which also has an impact on the environment. There are about 2,500 chemicals that can be used during manufacturing to dye and prepare fabrics

to be sold (Lacasse & Baumann, 2004). These chemicals are often toxic—such as dyeing colorants, which are carcinogenic. Chemical treatment makes it harder for clothing items to be recycled into new products, making them more likely to be put into landfills, where the chemicals can contaminate water and other resources. Manufacturers also use toxic solvents, like toluene and xylene, to clean their manufacturing equipment, which are drained into water and pollute water sources (Dhir, 2021).

There has been movement toward increased recycling and sustainability initiatives at the local level, but textiles have largely been left out of these initiatives. Many local governments fund recycling programs to divert certain wastes away from landfills, but there are few instances of municipalities collecting used textiles for waste diversion (Macbride, 2012). Since textiles are a major environmental polluter, their exclusion from these programs is notable. Figure 3 shows the total MSW generated in 2018 by material. Textiles accounted for 5.83% of all MSW, but glass, which accounted for only 4.19% of all MSW, is recycled at a much higher rate. Of the approximately 12.2 million tons of glass generated in 2018, about 3 million tons, or 25%, were recycled. Meanwhile, approximately 17 million tons of textiles were generated and only 2.5 million tons, or 14%, were recycled (EPA, 2021a).

Figure 3: (EPA, 2021a)



## Causes

### Fast Fashion

According to a study by the Changing Markets Foundation, consumers today buy 60% more items of clothing than 15 years ago but dispose of them at a much faster rate (Changing Markets Foundation, 2021). The rise of brands selling cheap clothing quickly manufactured without regard for safety or environmental factors has contributed to this change in buying habits. As more brands follow this model, known as fast fashion, consumers will continue this pattern of buying, leading to a cycle of overproduction and overconsumption.

Prior to the 2000s, clothing was produced on a much slower schedule than it is today. Companies had to predict what consumers might be interested in purchasing far ahead of time due to long gaps between production and arrival of products on the retail floor. Delays could last up to 18 months. If companies did not predict correctly, they could end up losing money. As technology progressed in the 1990s and 2000s, there was a shift to

more rapid production and overturn of products. Companies no longer had to predict the trends of the next season and could quickly turn out products that consumers were interested in buying now. To keep up with demand, companies produced clothes faster at the expense of quality and longevity (Becker-Leifhold & Heuer, 2018). By using synthetic fibers and other cheap materials, clothing manufacturers could save money on the front end and charge consumers cheaper, more competitive prices. Then, as clothes inevitably deteriorated or were thrown out, companies could keep bringing customers back to buy more.

Externalities result from the textile industry's focus on cost-benefit rather than social and environmental impact. When clothes are disposed of, more than likely they will end up in a landfill. The faster clothing companies manufacture and sell new clothes, the more clothes people will purchase and end up throwing away. Considering that the clothing industry accounts for 2% of the world's GDP, and that 17 million tons of textiles were produced in 2018 (EPA, 2021c), this is an issue on a massive scale (Shirvanimoghaddam et al., 2020).

### *Chemical*

This industry's use of chemicals produces harmful effects on humans and animals. During the textile manufacturing process, wastewater contaminated with chemicals is frequently released into waterways without treatment, causing damage to aquatic animals and humans who drink that water. The textile processing industry accounts for about 17-20% of total industrial water pollution in the world (Dhir, 2021). Further, chemicals introduced to garments at the manufacturing stage follow them through their life cycle and end up in landfills where they can seep into groundwater or further impact local ecology.

Textile composition is a factor in the amount of pollution generated. Synthetic fibers, which are much cheaper than natural fibers, are far more energy-intensive to produce and require more water use during the production process. Since synthetics are not biodegradable, their pollution continues down the life cycle causing intertemporal externalities such the release of harmful microplastics from the garments—either during washing or as the garments sit in a landfill (He et al., 2019; Almroth et al., 2018).

Natural fibers are not necessarily a safer alternative. Cotton is a widely used natural fiber, but its cultivation requires a large amount of water, and, often, the use of fertilizers and pesticides. Other natural fibers, like linen, don't require as much water and chemical use during production (Dhir, 2021). However, biodegradable materials that end up in landfills emit greenhouse gases as they decompose. Therefore, there are drawbacks with the use of natural fibers as well, suggesting that the problem and solution may lie more with the amount of clothing being produced rather than the type of clothing being produced.

### *Government Inaction*

On the local level, many municipalities have recycling programs that do not include textiles. When the recycling movement first arose in the early 1970s, it excluded textiles because textile pollution was less visible to the public. Environmentalists at this time were not concerned with clothing waste because thrift shops were available as a place to donate old clothes. In reality, only 15% of the textile waste generated was being diverted to the secondhand clothing market (Macbride, 2012).

On the federal level, the government has put regulations in place to manage industry-generated solid waste. In 1976, Congress enacted the Resource Conservation and Recovery Act (RCRA) to track and control hazardous waste production in the U.S. (Kraft, 2011). RCRA tasked the EPA with designating wastes as hazardous and granted the EPA the authority to collect and publicly disseminate information about hazardous waste generation and disposal. Non-hazardous wastes, on the other hand, are regulated and studied far less under RCRA. The EPA does not currently collect data on industrial generation of materials that don't meet the criteria for hazardous waste, such as textile scrap wastes that accumulate during the manufacturing process (Macbride, 2012).

When RCRA was up for reauthorization in 1988, several changes to the rule were proposed including efforts to improve landfill operations, provide support for recycling programs, and increase data collection on manufacturer-generated waste. Manufacturers opposed such changes, advocating instead for incentives to encourage voluntary changes on the corporate level and consumer education (Macbride, 2012). Such soft law incentives have thus far not been effective. Lobbying from manufacturers may reduce Congress' willingness to

implement further policy to reduce wastes, showing a failure on Congress' part to represent their constituency rather than large corporations.

### *Emphasis on Consumer Responsibility*

Lack of government intervention may be due to the perception that consumers hold a personal responsibility for their environmental footprint. In theory, as consumers become more aware of their environmental impact, they will demand companies to implement sustainable practices. However, this has not been the case. Despite the public being generally more educated in recent years on the environmental impacts of the fashion industry, consumers are still mainly motivated by cost and style factors when purchasing clothing (McNeill et al., 2020). If more affordable options were available to consumers that were less destructive to the environment, it is possible environmental considerations would take precedence in their buying decisions.

There is increased public concern about climate change, and, although consumers are still buying fast fashion products, some companies have made attempts to market "green" practices towards consumers (Chen, 2020). One way to do this is through take-back programs in which consumers can donate their used items to brands to recycle and resell. Another way brands are addressing sustainability is by introducing sustainable lines. International clothing brand H&M has used both methods; releasing a "Conscious Collection" which requires items to contain at least 50% sustainable materials and instituting a take-back recycling program (Changing Markets Foundation, 2021; Clary, 2020).

Studies have shown that sustainable collections have a positive impact on corporate legitimacy and brand trust (Miotto & Youn, 2020). But it is possible for brands to use manipulative marketing tactics to seem environmentally conscious, also known as "greenwashing", to improve their public perception without making any substantial changes to their environmental impacts. Greenwashing involves highlighting positive changes companies are making while ignoring more prevalent negative impacts, or even misleading consumers to believe they are buying a more sustainable product than they really are (Kraft, 2011).

H&M, for example, is vague about what constitutes a sustainable material in their Conscious Collection line. Studies have shown that the products in this collection actually contain more synthetics than their normal collections. Synthetic fibers are produced from oil and gas, major climate change contributors, and are cheap to purchase, further enabling the fast fashion concept (Changing Markets Foundation, 2021). Lack of public education on this topic further contributes to the information asymmetry that prevents consumers from making informed choices about when and where to buy and dispose of clothes.

### **Potential Solutions and Analysis**

Potential solutions to this problem include (1) subsidizing research into technology that can help brands reuse textiles to create new products, (2) creating federal government standards or certification for businesses to claim their products as sustainable, and (3) implementing an extended producer responsibility program in which retailers would be responsible for the collection and disposal of end-of-life garments. Criteria considered to evaluate solutions included: effectiveness in reducing the total amount of textile waste in landfills, effectiveness in minimizing the amount of chemical pollution coming from the textile industry, political feasibility, and cost. An analysis of these criteria for each proposed solution is represented in Figure 4 below.

#### *Solution 1: Subsidize research into technology that will allow brands to make new products using recycled textiles.*

Textile fibers can be recycled and reused to manufacture new garments, but current technology has some limitations. Fibers can only be reused a finite number of times before they begin to deteriorate, and only certain types of fibers can be recycled in this way. More research and investment in these technologies is needed to make them widely available (Chen, 2021). The government could subsidize research into new technologies that would allow textiles to be recycled more easily and at a lower cost. This would greatly reduce the amount of clothing ending up in landfills because these products would instead be circulated back to manufacturers. Manufacturers will still use chemicals during dyeing and processing of textiles but, since less clothing will be discarded in landfills, this would ultimately reduce the amount of chemicals seeping into water and soil from landfills.



Research produced from these subsidies would likely aid businesses in being able to produce better quality products at a cheaper cost. Although this would be costly to the government, the U.S. Department of Energy (DOE) launched a similar campaign in 2020 to fund technologies that will reduce plastic pollution, so there is recent precedent for this kind of subsidized research (Department of Energy [DOE], 2021).

A drawback of this policy solution is that use of these new technologies would be voluntary, so there is no guarantee that businesses will use them. Although new recycling technology would make it easier to produce cheaper clothes, there would be upfront costs to purchasing it. This policy solution may reduce landfill textile waste and chemical pollution from the textile industry depending on adoption of new technologies and would be fairly costly to the government.

*Solution 2: Create more stringent federal government standards for sustainable clothing claims and provide certifications.*

Alternatively, the government could implement certifications for clothing sold in the U.S. being marketed as sustainable. There are certifications available to retailers and manufacturers, such as the Global Organic Textile Standard (GOTS). GOTS requires annual inspection and assessment of clothing production for sustainability criteria. Such certifications allow retailers to use a logo indicating they meet those standards (Global Standard, 2021). However, greenwashing continues to be an issue in this industry and products are still sold as sustainable without these certifications. More stringent standards and definitions for words used to market products such as “sustainable,” “eco-friendly,” or “green” could remedy this problem and provide more information to consumers about what they are buying. This would incentivize businesses to implement more sustainable practices in their manufacturing process to make them competitive in the market.

Similar to solution 1, certifications of this nature are voluntary, so there is no guarantee that businesses will strive to become certified. This solution is politically feasible because it is not very costly to the government and is voluntary for businesses. There would be up front costs to implement the program, as well as maintenance costs to ensure compliance by certified businesses. Similar certification programs are costly, such as the ENERGY STAR program, which certifies products for being energy efficient. However, there is an opportunity to make up for expenses through certification fees. In 2021, the EPA requested an appropriation of \$46 million to operate the ENERGY STAR program, but also proposed newly introduced user fees to outweigh some of the costs (EPA, 2020). The success of a solution focused on a sustainable clothing certification hinges on changes in consumer behavior as well as voluntary action from business that has not been shown to be effective in the past.

*Solution 3: Implementing an Extended Producer Responsibility (EPR) policy to require retailers to take responsibility for collection and recycling of disposed garments.*

A third solution would be to implement a policy designating responsibility for disposal of clothing to retailers. Under this framework, retailers would be required to either set up their own collection and recycling systems or pay a fee to join a collective government-run organization that handles the collection and recycling of textile products. This would reduce the amount of clothing going directly to landfills and would increase textile recycling. A similar policy has been implemented in France with positive results. Between 2006 and 2016, France increased the number of textiles collected for recycling by 145 thousand tons per year (Bukhari et al., 2018).

While this solution is not likely to reduce the chemicals introduced to garments during manufacturing, it will reduce chemical pollution as a result of garment disposal. This solution is likely to face some opposition from business since it will require extra costs on their behalf. However, there will be some degree of choice as businesses can set up their own take back and recycling programs or pay far less to contribute to an organization which will do the work for them. If businesses lobby against this policy solution, there may be some opposition from members of Congress. This solution is relatively low cost for the government. There will be implementation costs to develop the organization responsible for collecting and recycling, but once the infrastructure is set up it will be self-sustainable with fees collected by businesses going towards maintenance costs. Although there may be some political opposition, this solution best meets the criteria considered and should be recommended.

**Figure 4.** Matrix of potential solutions assessed by the outlined criteria. Stars are awarded out of five for success by each criterion. The maximum possible score is 32.5.

Criteria	Weight	Solution 1 (technology research subsidies)	Solution 2 (govt. certifications/standards)	Solution 3 (extended producer responsibility)
minimize textile waste	2	*****	***	*****
minimize chemical pollution	2	***	***	*****
political feasibility	1.5	****	*****	**
cost	1	**	****	****
<b>Score</b>		24	23.5	27

Of the solutions assessed, solution 3, or extended producer responsibility, is most likely to successfully address the main causes of textile pollution. By creating a circular economy in which clothing is diverted from landfills and recycled, this policy would reduce textile waste and pollution without requiring changes in consumer behavior or voluntary actions by businesses, both of which have proven difficult to enforce.

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## ENVIRONMENTAL REMEDIATION: WHY CLEANUP IS WORTH THE COST AND WHO SHOULD PAY

Julia Singer

### Abstract

*As of 2015, 73 million Americans live within three miles of a Superfund site. Superfund site cleanups have not been funded through excise taxes on petroleum since 1995 and instead are funded through annual federal appropriations of taxpayer dollars. The U.S. government should reinstate a similar tax to continue funding site cleanups but delegate the leadership to the state and local levels. Superfund sites contain toxic chemicals such as lead, benzene, and arsenic that can enter the air, water, and soil. Cleanups have positive benefits on public health, local economies, and equity. Financing these cleanups can be done at either a federal or state level, but the funding stream with the most benefits would be to tax environmentally harmful corporations and then provide this money through grants to the states for cleanup. This policy proposal aims to encourage alternatives to environmentally harmful products, raise money for environmental cleanup, and decrease the tax burden borne by American citizens.*

### Introduction

In the late 1970s, a variety of environmental disasters occurred that were caused by hazardous waste sites. At this time, the only legislation in place related to toxic waste was the Toxic Substances Control Act (TSCA) of 1976 which provided the U.S. Environmental Protection Agency (EPA) the authority to require reporting and testing requirements but otherwise did not provide much regulation (15 U.S.C. § 2601 et seq., 1976). These include a chemical plant explosion in New Jersey and fire in a toxic waste dump in Elizabeth, New Jersey, within three years (Janson, 1977; Whalen, 1978; Omang, 1980). The environmental emergencies of the 1970s brought the issue of hazardous waste into the public eye and onto political agendas. In 1980, Representative James J. Florio [D-NJ-01] introduced a bill titled, “An act to provide for liability, compensation, cleanup, and emergency response for hazardous substances released into the environment and the cleanup of inactive hazardous waste disposal sites,” (H.R. 7020). This bill was signed into law on December 11, 1980, by President Jimmy Carter under the name “Comprehensive Environmental Response, Compensation, and Liability Act of 1980” (P.L. 96-510, 1980). This act, also known as CERCLA or Superfund, aimed to determine the location of dangerous hazardous waste sites, identify the responsible party, and perform environmental remediation to restore the land to a state that does not threaten environmental or public health.

CERCLA authorizes three types of EPA actions (EPA, n.d.). The first is the emergency response, occurring when there is an immediate threat such as an oil spill, a chemical explosion, or a leak into a water supply. These actions are intended to be stopped and the effects mitigated quickly. Next is early action. These occur when a site is expected to pose a threat in the near future. Early action is intended to be preventive, such as removing hazardous materials from a site or preventing soil contamination from spreading. Finally, long-term actions may take years or even decades depending on the type of pollutant being targeted. These actions are typically used to reverse long-term pollution of groundwater or deep soil contamination.

As of 2015 census data, the EPA estimated that 6% of the United States population lives within one mile of a Superfund site with 22% living within three miles (EPA, 2020). There are more than 47,000 hazardous waste sites that require potential cleanup (GAO, 2015). Of these, there are 1,322 sites on the National Priorities List (NPL) that the EPA has identified as being of the highest concern (EPA, n.d.). Despite the continuing threat, Superfund is no longer adequately funded while many of these are still causing harm. The U.S. government should reinstate taxes on polluting corporations to fund state-led remediation because, in addition to being beneficial to those living within these sites, the American public at large will benefit from the positive externalities of improving environmental quality, addressing environmental justice issues, and reclaiming usable land.

### **Importance of Superfund**

Environmental remediation and Superfund cleanups can have positive local benefits to public health, local economies, and equity. First, the chemicals in hazardous waste sites can infiltrate the air, water, and soil of the surrounding areas, and have negative health impacts on residents. There have been over 600 chemicals identified at Superfund sites that are classified as corrosive, explosive, toxic, or flammable (Watts and Teel, 2014). The most frequently found contaminants include lead, trichloroethylene, chromium, benzene, perchloroethylene, and arsenic. Lead poisoning is considered the most common environmentally caused ailment and was found at 43% of Superfund sites (Landrigan & Todd, 1994; Watts & Teel, 2014). If ingested, even simply through inhalation, lead toxicity can lead to harms to the central nervous system, red blood cells, and kidney damage; loss of cognitive function; and eventually death (Landrigan & Todd, 1994). Levels of lead above the federally acceptable standard were found in the blood of 22% of children living in the towns surrounding the Tar Creek Superfund Site of Oklahoma before cleanup (OK DEQ, n.d.). Additional chemicals were found in fewer sites but are still very dangerous to the communities nearby. Trichloroethylene is linked to kidney, liver, and cervical cancers (Reyner & Scott, 2000). Chromium is linked to dermatitis, skin reactions, gastro-enteritis, and liver cancer (Baruthio, 1992). Benzene can cause leukemia, and perchloroethylene has been linked to kidney tumors (Witz & Goldstein, 1993; Green, et al., 1990). The Love Canal disaster in New York released additional chemicals that led to a spike in birth defects, miscarriages, and other types of fetal diseases (EPA, n.d.).

Overall, the toxins found in these Superfund sites have been linked to severe and potentially fatal ailments affecting every major system in the human body. While individual toxins can cause harmful effects, these can become amplified when the chemicals are together. A study in Florida found that cancer incidences increased by more than 6% in counties with Superfund sites (Kirpich & Leary, 2016). Another recent study found that living near a Superfund site decreases overall life expectancy (LE), and this impact can be as much as a 1.22-year decrease of LE in areas of high socioeconomic disadvantages (Kiaghadi et al., 2021). While there are many other potentially confounding factors, the trends consistently display negative health impacts linked to proximity to Superfund sites. Cleanup of these superfund sites would provide multiple benefits related to human health. These include improved quality of life, increased life expectancy, decreased medical bills, and fewer overall medical complications.

In addition to human health impacts, living near a Superfund site prior to their remediation is linked to lifelong socioeconomic consequences. A family fixed-effects model was used to study the impacts of Superfund sites before and after cleaning on sibling performance (Persico et al., 2016). This study found that children conceived to mothers living within two miles of a site before it was cleaned are 7.4% more likely to repeat a grade, 6.6% more likely to be suspended, and have lower test scores than their sibling that was conceived after the cleanup was commenced. The study also looked at children conceived by mothers within one mile of a Superfund site and found that their children are 10% more likely to be diagnosed with a cognitive disability than their siblings without prenatal exposure. Because education and cognitive performance can have lifelong impacts on career performance, these differences likely have both a social and economic impact on the affected children for the rest of their lives.

The amount of land within the U.S. is inelastic. However, through programs like Superfund, efforts can be made to increase the amount of usable land. Benefits to local economies can occur from Superfund cleanups through the improvement of property value and housing prices. Following remediation, one study found that property values typically increase between 5% and 11.5% (Haninger et al., 2017). A similar study was conducted assessing two Superfund sites in Woburn, Massachusetts (Kiel & Zabel, 2001). They estimated that the economic benefits of cleaning up the sites range from \$72 million to \$122 million, a figure much higher than the cost to clean these two sites. The economic considerations in this study focused on housing prices and direct economic benefits of the housing market and did not include any of the positive externalities also associated with cleanups, which likely would have resulted in an even larger calculated benefit.

Environmental remediation can also have socioeconomic benefits outside of the immediately affected areas. The first direct impact is improved water safety. If sites are located near a waterway or aquifer, the pollutants can be found several miles from the source and can cause health problems similar to those living near the sites (EPA, n.d.). The same is likely true of air pollution, though it is more difficult to study due to other polluting companies outside of Superfund sites. The movement of these pollutants follows what are known as

migration pathways (EPA, n.d.). The main migration pathways that the EPA focuses on are potable groundwater, potable surface water, soil in direct contact with people, and air.

Indirect benefits are also experienced by the nation as a whole. Currently, there is a much higher demand for houses than the supply available in many parts of the country (Agadoni, 2021). This is especially true around coastal areas where nearly 40% of the U.S. population resides (NOAA, 2021). Environmental remediation will allow for an increase in available land where safe, affordable housing can be built. This will directly benefit those building, buying, and selling homes in the area. The positive externality of decreasing congestion in surrounding cities will occur as well, bringing more economic activity to the cities.

Equity and environmental justice are also important factors in environmental remediation. While the link between health and environmental inequality is widely understudied, it is clear that both race and class play a role in determining who is most impacted by environmental pollutants (Brulle & Pellow, 2006). Demographics of populations near Superfund sites are more likely to be minorities, below the poverty line, linguistically isolated, and have lower levels of education than the national average (EPA, 2020). Notably, the U.S. population was reported as 39.6% minority-identifying, while the population within 1 mile of a Superfund site is significantly higher at 49.8% (EPA, 2020). Environmental remediation should focus on the most impacted communities, but they are frequently excluded from the conversation. Historically, insight from the communities surrounding potential clean-up sites has been from environmental impact assessments (EIAs) and other federal reports, leading to large gaps in the federal understanding of how these sites impact local communities (Bhatia & Wernham, 2008).

The health, economic, and equity issues associated with toxic waste sites are pressing issues. Luckily, when funding is available, Superfund cleanups can be very successful. Between its establishment and 2001, more than 190 Superfund sites had been restored for safe use again (EPA, 2001). These sites have been transformed for a wide variety of uses including athletic fields, playgrounds, office parks, residential neighborhoods, wildlife areas, and retail centers. A variety of goals are achieved with these uses, spanning increased economic activity, more available housing, and improvements to the quality of life of residents. The EPA highlights a variety of other success stories from federally funded Superfund cleanups (Figure 1).

**Figure 1: EPA Success Stories** (EPA, n.d.).

Site	Location	Contaminant	Success
Eastland Woolen Mill	Corinna, Maine	Textile mill waste	This site has been redeveloped into housing, restaurants, storefronts, a war memorial, and a community bandstand.
Fletcher’s Paint Works & Storage	Milford, New Hampshire	Commercial, residential, and industrial paints and stains	The community had a large say in the reuse of this land. After it was cleaned, it was transformed into a passive recreational space and park.
Otis Air National Guard Base (ANGB)/Joint Base Cape Cod	Boston, Massachusetts	Contaminated groundwater	Groundwater cleanup treatment systems are being used to power renewable energy. 100% of the program’s energy has been offset.
Black Butte Mine	Lane County, Oregon	Mercury and mining pollutants	This site was cleaned sufficiently enough that a school was built on the land
Midvale Slag	Midvale City, Utah	Lead and copper in groundwater	The site has been developed into a multi-use area including rail station, homes, business and parks due in part to stakeholder engagement.

**Financing Superfund**

A key part of CERCLA was the tax it created. It allowed the federal authority to tax the chemical and petroleum industries responsible for hazardous waste, raising over \$1.6 billion over five years applicable toward

short-term removal of chemicals and long-term remediation responses (EPA, n.d.). Additionally, the EPA can hold those responsible for the hazardous material by requiring them to reimburse the Superfund trust once they are identified. Since this initial law was passed, additional reauthorizations and reintroductions have occurred across many Congresses. However, Superfund has been greatly underfunded recently and is no longer achieving its goals. This tax expired in 1995, shifting the payment burden to appropriations funded by American taxpayers. The trust's balance peaked at \$3.8 billion in 1996 and fell to zero by 2003 (Virjee, 2010). The program was properly funded for less than 5 years after the tax lapsed. From 1999 through 2013, annual federal appropriations to Superfund declined from \$2 billion to \$1.1 billion when adjusted for inflation (GAO, 2015). Since 2000, it is estimated that over \$21 billion taxpayer dollars were spent towards Superfund cleanup efforts; yet the backlog of hazardous waste cleanup sites is greater than ever (DeWitt & Ferrasci-O'Malley, 2021).

Sustained funding is very important to clean up Superfund sites. These projects can take many years and must continue to be monitored even after the initial cleanup is complete. The EPA estimates they will need between \$335 million and \$681 million per year for future cleanups; significantly more than the \$243 million, on average, allocated to this program for the first 20 years after the tax lapsed (Adams, 2014). The funding increase proposed by President Biden for the fiscal year 2022 aims to provide \$328 million, which is close to the amount EPA estimates it needs but must be sustained year-to-year to be effective (Scott, 2021).

The first solution to the lack of funding is to increase federal appropriations toward Superfund cleanups through reallocation of money from other programs or an increased budget overall. Federal grants would be beneficial because they would not require increased state taxes, potentially increasing citizen buy-in and political feasibility. Challenges of federal grants include equity, administrative costs, and taxpayer burden. First, equity because federal grants may be allocated to different states based on political interests instead of needs. Communities near Superfund sites have historically been eliminated from decision-making processes, which could lead to sites nearest to affluent, highly populated areas or those with prominent political players receiving grants instead of being determined through need and risk level.

A concern with any proposal spearheaded by the federal government is that administrative costs could be high with this type of program. For a federal grant program to progress to a place where funding is utilized to remediate sites, large amounts of time and money must be spent on surveying, writing applications, processing candidates, and making selections before funding can be distributed. These processes are very time-consuming, further delaying these vital cleanups for many years. This is an example of an efficiency-equity trade-off. Because Superfund sites already disproportionately impact some communities, a focus on equity in this scenario is important to ensure environmental justice concerns are not continued or exacerbated.

Another solution is to shift cleanup responsibilities to the state or local level and finance these programs through the area's respective taxes. This would allow the funding to go directly towards the areas that need it most. New Jersey alone is home to 114 Superfund sites, more than any other state and, therefore, would need more funding than the national average (Ortiz, 2020). This could potentially be more politically feasible because the individuals living in these areas are more familiar with the negative impacts and may be more willing to pay for their cleanup. On average, state-led cleanups are also more economically efficient than EPA-led cleanups. In 1995, it was estimated that states spend \$700 million annually working on 11,000 sites while the EPA spends \$1 billion annually on 1,000 sites (Porter, 1995). This equates to about \$64,000 per state-cleaned site and about \$1 million per federally cleaned site. While these sites may be different in size and severity, state clean-up projects still seem to be more effective overall. While federal programs may have more resources and funding, the state projects have the advantage of having more knowledge of the area, being in contact with the communities, and having a stronger vested interest in the success of the cleanups. To help states finance this, federal matching grants could be issued to states to help offset some of the costs on the residents. This is especially important because many of the areas impacted most heavily by Superfund sites are of lower income. Increasing state or local taxes would disproportionately harm the people this program hopes to help. However, this would carry high administrative costs similar to other federal grants that must be balanced against the benefits of the program.

Finally, a solution to funding Superfund cleanups is to reinstate a tax on corporations that are harming the environment. Most of the companies that initially dumped the toxic and hazardous wastes are either no longer in existence or are unknown, they cannot be directly targeted to fund these projects. Instead, this could be implemented as a consumption tax on all petroleum products, single-use plastic products, or other goods that are

tied to negative environmental impacts. This tax would be beneficial by creating a funding stream for environmental remediation while also discouraging the use of products that have negative environmental impacts. A concern is that producers would pass this tax on to consumers and cause them to bear the burden of this tax. This could be viewed as a regressive tax, as it would take a larger portion of the total money available from those with lower incomes and less wealth. As a main goal of environmental remediation is increasing equity, implementing a tax that is regressive in nature is counterintuitive because it continues to negatively impact already disadvantaged communities.

Instead, an alternative would be a corporate tax on all petroleum products, single-use plastic products, or actions with high polluting emissions. This would ideally remove the burden from the consumers, raise money for environmental cleanups, and encourage corporations to create more environmentally conscious options to avoid the tax. However, regulations would need to be put in place to ensure that the burden is actually borne by the stakeholders and not shifted forwards towards the consumers, or backward towards the employees. There would also need to be deliberate language added to reduce the chance that corporations will be able to dodge the taxes which would result in little accountability and minimal funding for the cleanups.

A main consideration of every one of these solutions is political feasibility. Many politicians, even those with otherwise liberal-leaning values, are influenced by lobbyists that have ties to these environmentally harmful corporations. While it is true that some of these tax streams may be difficult to pass, it is worth taking a positive approach to this problem and trying to optimistically push for solutions that would benefit millions of Americans.

## **Conclusion**

Environmental health can be viewed as a public good, as it is non-excludable and non-rival. Because of this, it can be subject to the tragedy of the commons, in which no one entity feels responsible and therefore the resource is used until it is destroyed. The solution to this is to increase responsibility and accountability towards corporations with negative environmental impacts, even if they are not the ones directly causing these hazardous waste sites; to demand responsibility for the environmental harm they cause. A funding stream must be secured that is stable and reliable instead of relying only on federal appropriations which vary greatly from year to year. The U.S. government should bring back a tax on polluting companies to increase funding towards Superfund site cleanups. Then, instead of leading the clean-ups directly, the EPA should work to distribute grants to state and local governments that can lead their remediations on a smaller scale. This will be beneficial to the local economies by investing funding into jobs, providing an economic stimulus to the communities most negatively impacted by past pollution. Environmental remediation in these areas will improve not only the immediate health, economic prosperity, and environmental conditions of the sites, but will also allow for upward economic mobility throughout this generation and for generations to come.

Additionally, more funding is needed for research. There are multiple types of research that would be beneficial to improving Superfund cleanups. First, the actual costs of cleanups are not documented. Many programs have existed for decades and have divided the work between the federal government, local entities, and private contractors. This makes it difficult to understand true funding representation and how it should be allocated to future projects. Next, the full impacts of not remediating hazardous waste sites are unknown. While researchers can hypothesize health and economic costs based on external analyses, there is a lack of research conducted directly at these Superfund sites. This is due in part to the people impacted; they are typically people identifying as minorities with education below the national average and low incomes. These people must be centered to begin reversing the years of environmental inequities and the generational harm done by allowing these sites to remain hazardous for decades. This research should include socioeconomic factors as well as health studies to understand a holistic picture of what is happening at these Superfund sites. However, remediation cannot wait for research to be complete. More harm would be done if years were spent conducting research instead of acting. Instead, these projects should be conducted simultaneously to ensure that further harm is being mitigated while information is being gathered to help more communities surrounding these toxic sites.

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## **DISPROPORTIONATE DISCIPLINE OF BLACK GIRLS IN THE EDUCATION SYSTEM**

Shannon Vyvijal

### **Abstract**

*This memo details how disproportionate discipline of Black girls in schools causes lifelong educational, physical, psychological, and economic harm. Using existing literature, this memo traces the roots of the problem back to racist stereotypes and the subsequent implementation of zero tolerance policies. This memo focuses on an analysis of three potential solutions that have received prominent attention in recent years: providing implicit bias training, abolishing zero tolerance policies, and removing resource officers from schools. These were then evaluated based on effectiveness, equity, and feasibility to arrive at recommendations for the National School Boards Association. Additionally, this memo includes a brief overview of solutions that can complement the recommendation, as well as an alternative to the rejected solution.*

### **Introduction**

Though much research conducted in the K-12 educational sphere has focused on Black students' experiences with racism and female students' experiences with sexism, less research has been dedicated to the disproportionate punishment that Black girls face (Tonnensen, 2013; Wun, 2016a; Annama et al., 2019). Emerging literature reveals girls of color are excessively disciplined for subjective reasons. Due to racial and gender biases, an intersectional analysis reveals that Black girls are often denied the resources necessary for their social and educational advancement. In addition to this opportunity gap, they also experience higher rates of physical and psychological harm. This combination ultimately increases their risk of entering the school-to-prison pipeline and holding low-wage jobs in the future. Therefore, this memo analyzes how school boards can decrease the inequitable application of disciplinary actions to minimize the harm Black girls experience. First, this memo provides background on the current state of disciplinary practices in schools and the resulting consequences. Next, it analyzes the roots and failures surrounding the issue. Lastly, an analysis of possible solutions is outlined and a recommended platform the National School Boards Association can adopt is provided. This recommendation also includes a discussion of additional solutions that can address the limitations of current suggestions and potential flaws.

### **Background**

Analysis of school violations and disciplinary practices reveals Black girls are disciplined more often, and more severely, than their white counterparts. According to Crenshaw et al. (2015), Black girls are four times more likely to be arrested, three times more likely to be referred to law enforcement, two times more likely to be physically restrained, and three times more likely to be physically punished than white girls. Additionally, the disparity between Black and white girls is far greater than that of Black and white boys. The Department of Education (2014) reveals Black girls are six times more likely to be suspended than white girls, while Black boys are only three times more likely to be suspended than white boys. Statistics vary according to geographic location, making these numbers much more disparaging in certain areas. However, it should be noted that these racial disparities in discipline are just as likely, or even more likely, to occur in wealthier, suburban districts as they occur in poorer, urban districts (Skiba, 2014). Lastly, analysis of school violations and student interviews show Black girls are more likely to be disciplined for subjective, non-violent offenses (e.g., laughing too loud, talking back, or wearing 'revealing' clothing) than for objective, serious offenses (e.g., weapons, narcotics, or alcohol possession, use, or distribution) (Tonnensen, 2013; Skiba, 2014; Wun, 2016a; Carter Andrews et al., 2019; Annama et al., 2019; Hines-Datiri & Carter Andrews, 2020). Overall, these data reveal Black girls are uniquely vulnerable under the current punitive education system.

## **Consequences**

### *Educational Setbacks*

Unjust demerits, suspensions, and expulsions deny Black girls access to resources critical to their educational needs. Missed class instruction time forces Black girls behind on classwork and in turn, leads to lower assessment scores (Morris & Perry, 2016; Wun, 2016a; ACLU, 2018). Ginsburg et al. (2014) reveals, in some cases, missing three or more days of class time can lower a student's scores by more than one whole grade level. High rates of suspension or expulsion set Black girls on track to repeat grades, not graduate on time, or drop out (Wun, 2016a; Morris & Perry, 2016; ACLU, 2018). In one instance, a girl was expelled from the only high school in her city and missed two years of school as a result (Crenshaw et al., 2015). Additionally, teachers may not provide academic support to girls who are viewed as troublesome (Carter Andrews et al., 2019). In some cases, disciplinary consequences remove them from gifted classes, putting them on a different education track than their white counterparts (Staiger, 2004).

### *Physical and Psychological Harm*

Disproportionate discipline also induces psychological effects in students, such as humiliation, fear, and trauma. Disguised as dress code violations, schools may suspend and expel Black girls based on features like hair as well as their body type (Rahimi & Liston, 2009; Lattimore, 2017; Carter Andrews et al., 2019). With administrative sanctions often happening in front of peers and reported back to their parents, violations lead to feelings of public embarrassment and shame (Wun, 2016a; Wun 2016b). Additionally, teachers may single out Black girls in class by calling attention to their behavior or questioning their intelligence (Wun, 2016b; Anderson, 2020). After public humiliation, many girls become withdrawn from classes and report wanting to be invisible (Crenshaw et al., 2015; Wun, 2016b).

The resulting criminalization of Black girls that stems from excessive discipline can further instill fear and trauma. Some disciplinary measures like body searches require girls to strip. This in itself constitutes sexual harassment. One girl stated, "You have to strip down to the T... You basically got to come to school naked" (Crenshaw et al., 2015, p. 31). Once stripped, girls are vulnerable to further harassment and assault. Instances include teachers and school resource officers making sexual jokes or gestures towards girls, using "unwanted and unwarranted physical touch to reprimand," and commenting on girls' bodies (Tonnensen, 2013; Wilmot et al., 2021, p. 350). In focus groups, some girls have said they skip school solely to avoid these traumatizing experiences (Crenshaw et al., 2015). Additionally, Tonnensen (2013, p. 6) finds "[Black girls'] harassment is often more public, more violent, and inflicts longer-term damage than that of their non-Black peers." And unfortunately, authority figures punish Black girls for being 'the aggressor' when they try to defend themselves against harassment or assault, either justifying that the girls 'asked for it' or misunderstanding girls' actions as acts of violence (Carter Andrews et al., 2019). Wun (2016a, p. 171) describes these effects of school discipline as turning Black girls into "captive objects." Once objectified, they are "perpetually watched but are simultaneously denied access to their humanity, including rights and privileges over their lives and bodies. More specifically, they do not have [...] rights to self-defense or autonomy" (Wun, 2016a, p. 173-174). Ultimately, they are frequently forced to choose between enduring sexual harassment and assault, facing the punishments for defending themselves, or dropping out of school (Crenshaw et al., 2015; Wun, 2016a; Carter Andrews et al., 2019).

### *Long Term Impacts*

The consequences of excessive discipline or school withdrawal affects Black girls immensely. Later in life, many are channeled into the school-to-prison pipeline and low-wage jobs. Sherman & Balck (2015) report Black girls are the juvenile justice system's fastest growing population. The greatest predictor of arrest and involvement in the system is suspension or expulsion (Wald & Losen, 2003; Flannery, 2015). Once introduced to the juvenile justice system, Black girls are again disproportionately punished due to gender and racial biases. Even in the justice system, they face more severe sentences than their white counterparts (Sherman & Balck, 2015; Skiba, 2014).

Economically, expulsion or school withdrawal affects the later employment of Black girls and women. The U.S. Bureau of Labor Statistics (2014) indicates many dropouts are limited to low-wage work opportunities.

Additionally, their struggles with unemployment or underemployment increases the risk of falling into poverty (Wun, 2016a). With many Black children reliant on their mother's or female caregiver's income, dropping out of school creates generational reverberations and perpetuates the cycle of poverty (Crenshaw et al., 2015).

### **Causes**

The causes related to Black girls' disproportionate disciplining can be split into two categories: policy failures and social beliefs. The former explains why this discipline exists while the latter explains why Black girls are targeted.

#### *History of Policy Failures*

All literature featuring racialized school discipline can trace its roots back to the creation of zero tolerance policies. The notion of "zero tolerance" emerged as part of the War on Drugs during the Reagan administration. Politicians and officials believed they could deter big-time drug trafficking by severely punishing petty drug charges (Skiba, 2014). This idea was based on the "broken windows theory," a theory within the policing literature. It posited a relationship between the presence of broken windows in communities and violent crime, suggesting minor crimes should be overtly punished to prevent violent crime and maintain community control (Skiba, 2014). As public fears regarding the increase in violent crime heightened, this theory seemed like a panacea. After decades of the War on Drugs, Americans expected politicians to be 'tough on crime' and expand the use of zero tolerance policies, even within schools (Skiba & Knesting, 2001; Skiba, 2014). However, despite media portrayals and public perceptions of rampant violent crime, schools experienced relatively low increases in crime during the 1980s and early 1990s (Hyman & Perone, 1998). In fact, data shows school violence fluctuated moderately throughout the 1970s to the 1990s and declined from 1992 to 2017 (Hyman & Perone, 1998; Frederique, 2020). Unfortunately, politicians and school boards responded to public panic rather than the data, resulting in 'tough on crime' stances and the implementation of zero tolerance policies (Skiba & Knesting, 2001).

Zero tolerance eventually became a federal policy with the passage of Clinton's 1994 Guns Free School Act (GFSA). The GFSA required students in possession of a firearm to be expelled for a full calendar year and conditioned federal school funding on school districts' adoption of this zero-tolerance policy (Skiba & Knesting, 2001; Irby & Coney, 2021). Later changes replaced 'firearms' with 'weapons' and included drugs and drug paraphernalia (Skiba & Knesting, 2001; Irby & Coney, 2021). Notably, the Act was developed by the same individuals who devised the Violent Crime Control and Law Enforcement Act, otherwise known as the 1994 Crime Bill (Irby & Coney, 2021). Under this influence, the Act effectively merged school discipline and criminal punishment together (Irby & Coney, 2021). For example, the GFSA required schools to notify law enforcement of zero tolerance policy violations and develop a procedure for referring students to the juvenile or criminal justice system (Skiba & Knesting, 2001; Irby & Coney, 2021). Lastly, the Act deputized school administrators with the power to "modify such expulsions on a case-by-case basis" (Skiba & Knesting, 2001, p. 19). From there, schools massively expanded their definition of misconduct, policing practices, and punishments.

The contemporaneous dismantling of social welfare played an additional role in the rise and expansion of zero tolerance policies. Media portrayals and public sentiments, once again, led politicians to cut social spending on anti-poverty and education initiatives (Giroux, 2003). Instead of funding programs that could improve communities, and thus reduce crime, they adopted a policy of containment through police presence and force (Giroux, 2003). The combined effects of dismantling social welfare and increasing zero tolerance on education is exemplified through the 14 million students that attend a school with police presence but no nurses, counselors, psychologists, or social workers (ACLU, 2019). Additionally, the public and politicians interpret data on increasing school arrests as evidence of increased crime, rather than a result of increased police surveillance and severely decreased access to supportive resources and remedial treatment (Kim et al., 2010). Due to this feedback loop, zero tolerance remains deeply entrenched in school discipline policies today.

#### *Social Beliefs*

Much of the gender and racial bias contributing to this issue operates on stereotypes born in the era of slavery (Tonnensen, 2013). These stereotypes exist as patterns or themes to "make racism, sexism, poverty and other forms of social injustice appear to be natural, normal, and inevitable parts of everyday life," earning them

the name of ‘controlling images’ in Black feminist literature (Collins, 2009, p. 69). Two images in particular are critical to understanding disproportionate discipline facing Black girls in school: the Jezebel and the Picaninny.

The Jezebel is defined as an aggressive, insatiably sexual Black woman (Tonnensen, 2013; Collins, 2009). Most notably, this depiction has been invoked to justify sexual violence against enslaved Black women, blaming the women for ‘deviously seducing’ their white male owners (West, 1995). This hyper-sexualization not only defines Black girls as sexual objects, but also makes their bodies hyper visible to an inescapable white gaze (Tonnensen, 2013; Carter Andrews et al., 2019). Additionally, with femininity socially constructed to be performed solely by white women, Jezebels are positioned directly outside of the protections of femininity (Collins, 2009; Carter Andrews et al., 2019). Lacking virtue, innocence, and docility, society deems Jezebels as immoral and undeserving of care and affection (Tonnensen 2013; Carter Andrews et al., 2019). Effectively, this creates a range of social beliefs from the idea that Black girls are “‘thirsty’ for attention” to the implication that “Black girls are to blame for their own sexual harassment and assault” (Wun, 2016b, p. 747; Carter Andrews et al., 2019, p. 2534). Further, the attribution of immorality to Black women and girls is used to justify punishment (Carter Andrews et al., 2019).

While the Jezebel encapsulates Black girls of all ages, the Picaninny specifically refers to young Black children. Under this controlling image, Black children are depicted as “dirty, unkempt, [and] animal-like” (Orbe & Harris, 2007, p. 221). Most depictions have emerged from popular culture, deeply ingraining the dehumanization of Black children in Americans’ minds (Pilgrim, 2012). Many times, they are depicted among animals to dehumanize them (Pilgrim, 2012). Inherent to this image is the implication that the Picaninny lacks discipline and modesty and requires the civilizing force of white culture (Pilgrim, 2012).

These controlling images are present in the education system, evidenced by white school administration and faculty’s implicit biases against Black children. In line with assumptions about aggressive Jezebels and unruly Picaninnies, teachers are more likely to consider Black students disruptive, disrespectful, and in need of punishment (Rudd, 2014). Additionally, they are more likely to believe harsher punishment is needed for Black students than white students who commit the same offense (Rudd, 2014). However, the clearest example of how school administrators and faculty have internalized these controlling images comes from focus groups with Black girls. “One student recalled overhearing a staff member tell another that some Black students ‘act like animals’ [...] and another described what she perceived as adults’ expectations that girls ‘have to be tamed’ (Site B). Students at Site E characterized adults’ perceptions of Black students as being ‘loud, obnoxious, and dumb’” (Carter Andrews et al., 2019, p. 2545). Ultimately, these dehumanizing images and implicit biases explain why school personnel may engage in disproportionate discipline.

### **Solution Analysis: Scope and Criteria**

This memo recognizes how easily this problem overwhelms solution development and analysis efforts. To provide some manageability, analysis begins with three popular solutions proposed in public debate and evaluates the merits of each solution based on three criteria. First, this analysis considers the solution’s effectiveness. This evaluates the solution’s ability to reduce the frequency and severity of discipline Black girls experience as well as the likelihood of police interaction. Second, solutions are evaluated based on promotion of equity, which can be achieved in two ways. Solutions promoting equity can either demonstrate a reverence for Black girls’ humanity or provide Black girls with support and/or resources. Solutions are considered to lack equity when demonstrations of reverence are symbolic or other groups receive more consideration, support, or resources than Black girls. Lastly, solutions are evaluated based on their feasibility or likelihood of adoption, which considers the level of public resistance to the solution. However, considering the National School Boards Association assumes an advocacy role, the criterion of feasibility receives less weight than the other two criteria (National School Boards Association, 2019). This memo makes this decision under the reasoning that tides of public opinion could easily change given future events and education from NSBA advocacy.

### **Solutions**

#### *Solution 1: Provide Implicit Bias Training to School Personnel*

Implicit bias training seeks to alter the subconscious decisions individuals make, with the goal of eliminating discriminatory behavior. Programs use curriculum that promotes cultural understanding, encourages

self-reflection, and increases awareness of biases (All4Ed, 2021). Under this solution, school boards would mandate the implementation of an implicit bias training program and require school personnel to attend. Given that many school boards have implemented these training programs already, this solution is viewed as the typical or expected response from the public to address racial inequities in schools. Therefore, the following analysis functions as an evaluation of the merits in continuing efforts to develop and allocate resources to implicit bias training programs.

First, providing school personnel with implicit bias training would not be effective at reducing the frequency or severity of discipline or the likelihood of police interaction. According to a meta-analysis of 494 studies on implicit bias programs, this training only produces short term reductions in implicit bias; it does not reduce implicit bias in the long term or change behavior (Forscher et al., 2019). Lai et al. (2016) confirms this, finding that the effects of training lasted anywhere from a few hours to a couple days. Therefore, the current behaviors that cause school personnel to punish Black girls frequently and severely should be expected to continue, as well as problematic police interaction. Additionally, in some cases, programs increase white individuals' implicit bias, which could worsen the frequency and severity of discipline and likelihood of police interaction (Green & Hagiwara, 2020; Sparks, 2020). This increase in bias was shown to stem from these individuals' discontent or outright hostility toward mandated discussions about race - due to their perception that the curriculum implied they were, and always would be, racist (Forscher et al., 2019, Green & Hagiwara 2020; Sparks, 2020).

This analysis also concludes that providing implicit bias training does not promote equity. The solution technically shows a reverence for Black girls' humanity by intending to train school personnel to be less biased toward them. But given that implicit bias trainings do not actually achieve these intentions, this analysis considers the display of reverence purely symbolic. Additionally, this solution provides resources (i.e., time and money) to teachers that do not materialize in resources or support for Black girls.

As mentioned, this solution garners considerable public support after egregious displays of racial inequity come to light. School personnel might oppose partaking in implicit bias training programs, but this analysis believes school boards would be highly amenable to the implementation of this solution during times of national racial reckoning or in instances of disproportionate disciplining scandals. Therefore, implementing this solution should be considered very feasible.

### *Solution 2: Abolish Non-Drug or Weapons Zero Tolerance Exclusionary Policies*

Federal law makes zero tolerance policies for drugs and weapons offenses a condition for school funding (Wolf, 2018). However, as previously mentioned, schools voluntarily chose to expand the use of zero tolerance policies to non-criminal, trivial behavior (Skiba & Knesting, 2001; Wolf, 2018). This solution strips school's use of zero tolerance policies down to the bare requirements necessary to receive federal funding. Specifically, it bars the exclusionary punishment of suspensions and expulsions from being used in non-drug or weapons cases.

This solution would not reduce the frequency of discipline, as school personnel are still free to discipline Black girls in other manners. However, it would reduce the severity of discipline because minor, non-criminal offenses would no longer garner a response that is as severe and punitive. Unfortunately, this solution does not address the likelihood of police interaction. Police could still be utilized to punish minor, non-criminal offenses legally or forcefully. As a result, this solution may be ineffective in reducing likelihood of interactions between Black girls and police.

This solution promotes equity in that it recognizes the harm zero tolerance policies have perpetuated against Black girls and takes action to create a positive school environment. This analysis recognizes these as displays of reverence for Black girls' humanity.

Assessing the feasibility of this solution proves somewhat difficult. Educators and school board members do recognize the ineffectiveness and harmfulness of zero tolerance policies. Advocacy & Communication Solutions (2015) shows that many areas have agreed to reduce the scope of these policies. However, most agreements demonstrate a resistance to the banning of suspensions and expulsions in the context of fighting. Additionally, some agreements only support banning suspensions and expulsions for students under a certain age. Therefore, this analysis concludes adopting this solution is likely unfeasible. Some concessions must be made for this solution to become a possibility.

### *Solution 3: Remove School Resource Officers (SROs) from Schools*

School resource officers (SROs) are armed law enforcement personnel in educational institutions with little to no training on how to interact with children (Wolf, 2018). However, due to the aforementioned absence of counselors, social workers, and psychologists, SROs are also expected to act as mentors to students. Unfortunately, research shows they fail to perform the functions of this role with students of color and often perpetuate harm against them (Wolf, 2018; Morris, 2021). Given their inappropriate background and irrelevance to the educational instruction of children, this solution moves to simply eliminate them from the school environment. This represents a complete reversal of existing policy, as it entails the dissolution of school partnerships with law enforcement and the revocation of contracts allowing armed SROs to operate within schools.

This analysis recognizes that this solution does not control for teachers and administrators calling 911 to request police presence and finds no data to predict how this solution might impact behavior. However, controlling for these variables, this solution could be effective in meeting all three criteria. Removing SROs from campus could reduce both the frequency of discipline and likelihood of police interaction because Black girls would no longer be disciplined by or interact with SROs. Additionally, this could reduce the severity in discipline Black girls experience, as schools would no longer be occupied and monitored by armed individuals with legal authority to discipline students criminally and forcefully.

This solution promotes equity by recognizing the harm SROs have perpetuated against Black girls in removing them from their learning environment, thereby demonstrating a reverence for their humanity.

Lastly, this analysis identifies strong public resistance to this solution that will make it difficult to adopt this solution. Studies show only 23% of educators and 20% of parents support removing SROs from schools (PDK, 2018; Kurtz, 2020). Opponents from these groups predominantly cite a fear of school shootings as the reason for wanting SROs kept in schools (PDK, 2018; Kamenetz, 2020). However, there is a growing social movement behind SRO removal that has successfully persuaded several school boards to adopt this solution (Sawchuk et al., 2021). Therefore, this analysis concludes the adoption of this solution will be difficult, but not entirely infeasible.

### **Recommendations**

This analysis concludes by recommending the National School Boards Association advocate for removal of school resource officers. This is due to this solution's effectiveness and promotion of equity. Additionally, NSBA should push school boards to limit their use of zero tolerance exclusionary policies. While this solution does not effectively address the frequency of discipline and likelihood of police interaction, it can serve as a complementary solution to dismantle the complicated issue of disproportionate disciplining and maximize the promotion of equity.

To address the shortcomings of these two solutions, NSBA should consider advocating for additional complementary solutions, such as the promotion of restorative justice practices and prioritization of hiring school counselors. Restorative justice practices would bolster the effectiveness of both solutions by providing school personnel with options of support-oriented responses to student misconduct. As Collier et al. (2018) found, school personnel showed an appreciation for restorative justice practices not only because they felt better using a supportive response, but also because they felt they had more ways to address student misbehavior. Therefore, advocating for the adoption of restorative justice practices supports teachers by promoting empathetic over punitive classroom management. This in turn reduces the overall frequency and severity of discipline and likelihood of police involvement.

Hiring more counselors can similarly reduce the frequency and severity of discipline and likelihood of police interaction, as they present school personnel with another resource, one that can address the root of students' misconduct. Instead of being suspended, expelled, or referred to law enforcement, students can be directed to staff professionally trained in child development.

Both restorative justice practices and school counselors promote equity because they focus on providing resources to support Black girls instead of punishing them, displaying a reverence for Black girls' humanity. Lastly, these solutions are not only positively received by school personnel, but also parents who want their

children to be supported in school (Collier et al., 2018). Pairing these solutions with the recommended solutions may increase public support.

Regarding implicit bias training, school boards are free to implement these programs if they wish. However, this memo advises NSBA against using its platform to promote it as an effective way to reduce disproportionate discipline. Due to this solution's ineffectiveness and purely symbolic gesture of equity, school boards' time and resources would be better invested in attempting to implement the recommended and complementary solutions above. If NSBA's intent is to reduce implicit bias and improve cultural understanding, one idea to explore is how schools might retain more teachers of color. As Ingersoll & May (2011) find, teachers of color are entering the school system at a higher rate than white teachers but also experiencing higher rates of turnover. In studies exploring this issue, Black teachers report feeling tokenized and undervalued by their school, often being given additional and challenging positions due to their race (Bristol, 2014; Billingsley et al., 2019). If schools prioritized the retention of teachers of color, especially Black teachers, Black girls would benefit greatly. For example, increased retention could reduce the frequency and severity of discipline that Black girls face. According to Lindsay and Hart (2016), when students and teachers are of the same race, students are less likely to be punished with exclusionary measures. Multiple studies echo this point, highlighting that teachers of color are less likely to hold negative biases against other people of color (Morin, 2015; Billingsley et al., 2019; Worrell, 2021). Additionally, this solution would promote equity by demonstrating reverence for Black girls' humanity and providing them with support. Research shows Black teachers are more likely to enter the profession in part due to their desire to address the racial inequities that impact the students in their communities (Billingsley et al., 2019). In many cases, these Black teachers act as 'other mothers' or 'other fathers' to Black students, whereby they devote attention to their students' personal lives, provide counseling when needed, and express a commitment to seeing them succeed (Ware, 2006; Lynn, 2006; Dixson & Dingus, 2008; Villegas & Irvine, 2010). Despite these strong benefits, this memo recognizes how addressing the issue of teacher retention may require more extensive work than the other complementary solutions. Specifically, analysis of the harm teachers of color face and its causes must be conducted before considering and implementing solutions. Therefore, this memo simply concludes that this idea is worthy of future exploration.

### **Final Note**

The NSBA must be aggressive in their advocacy for these policies. This memo has analyzed the feasibility of these solutions to the best of its ability and provided multiple complementary solutions that may further reduce resistance to these solutions. However, the current period of reckoning with racism and extreme polarization make it difficult to predict whether these predictions will hold. Therefore, NSBA must be highly attentive to the policy windows. Future events may open and quickly take advantage of the opportunities these windows present for the adoption and implementation of these solutions (Meltzer & Schwartz, 2019).

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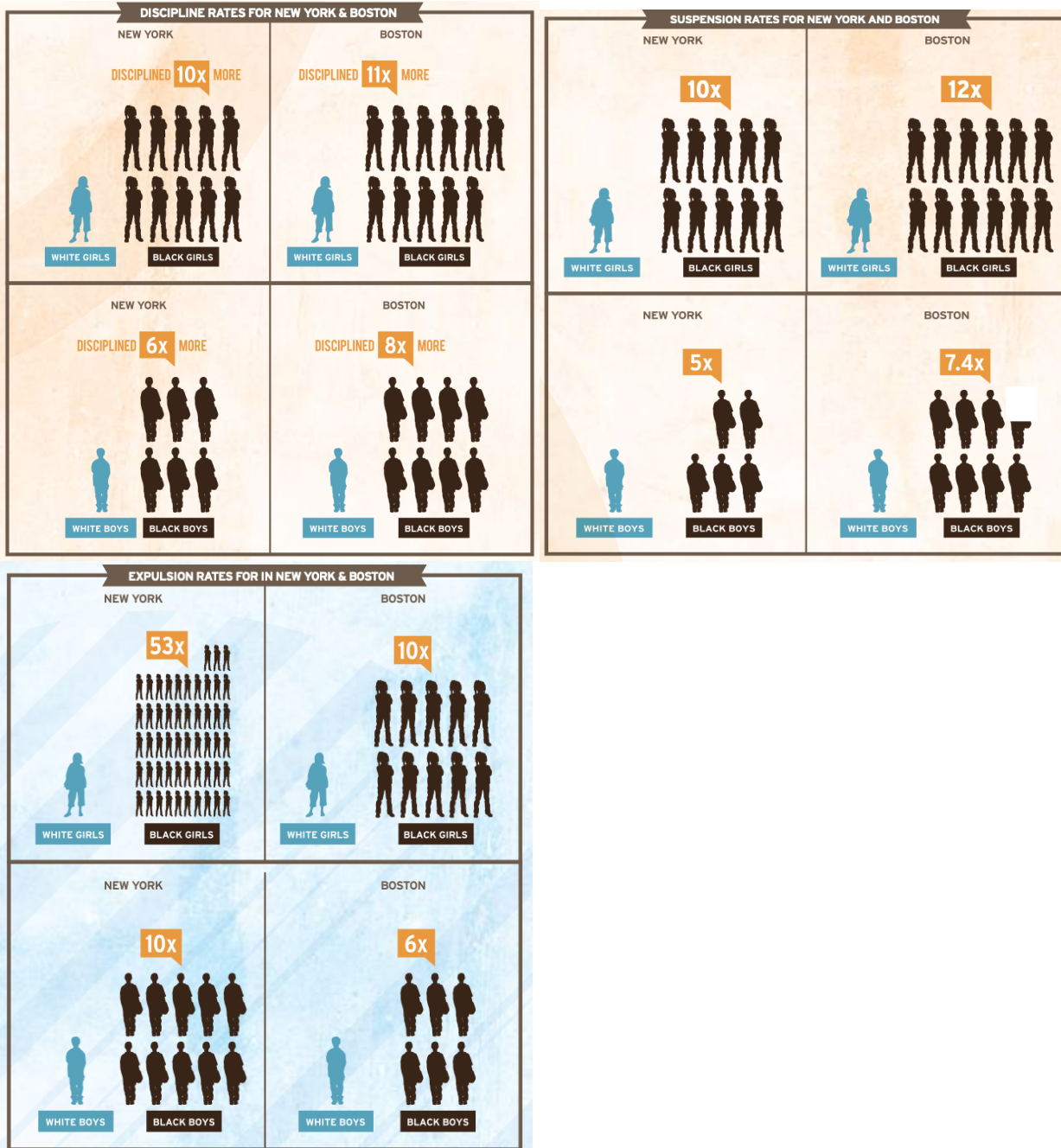


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**Appendix B:** The following graphics are from case studies of New York and Boston Public Schools (Crenshaw et al., 2015).



**Appendix C:** The following diagram presents a visual representation of this memo’s solutions and policy recommendations.

	<b>Abolish ZTP</b>	<b>Remove SROs</b>	Train School Personnel
Effectiveness	<div style="background-color: #f8d7da; padding: 2px;">Frequency</div> <div style="background-color: #d4edda; padding: 2px;">Severity</div> <div style="background-color: #f8d7da; padding: 2px;">Likelihood of police interaction</div>	<div style="background-color: #d4edda; padding: 2px;">Frequency</div> <div style="background-color: #d4edda; padding: 2px;">Severity</div> <div style="background-color: #d4edda; padding: 2px;">Likelihood of police interaction</div>	<div style="background-color: #f8d7da; padding: 2px;">Frequency</div> <div style="background-color: #f8d7da; padding: 2px;">Severity</div> <div style="background-color: #f8d7da; padding: 2px;">Likelihood of police interaction</div>
Equity	<div style="background-color: #d4edda; padding: 2px;">Reverence for humanity</div> <div style="padding: 2px;">Provision of support/resources</div>	<div style="background-color: #d4edda; padding: 2px;">Reverence for humanity</div> <div style="padding: 2px;">Provision of support/resources</div>	<div style="padding: 2px;">Reverence for humanity</div> <div style="background-color: #f8d7da; padding: 2px;">Provision of support/resources</div>
Feasibility	Not likely	Potentially feasible (policy window dependent)	Feasible
Compromises	<i>Accept all effort to reduce ZTP</i>		
Feasibility (w/ compromises)	Feasible		



Complements	<i>Promote restorative justice practices</i>	<i>Promote the hiring of school counselors</i>	
Feasibility (w/ complements)	Feasible	Feasible	
Alternatives			<i>Promote the hiring of teachers of color</i>



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