



FACTS & OPINIONS

On Public Interest Issues

Quotes

“The object of a New Year is not that we should have a new year. It is that we should have a new soul and a new nose; new feet, a new backbone.... Unless a particular man made New Year resolutions, he would make no resolutions. Unless a man starts afresh about things, he will certainly do nothing effective.”

— G.K. Chesterton,
(1874-1936) British author

“Gentlemen may cry, peace, peace but there is no peace. ... The war is inevitable and let it come! I repeat it, sir, let it come.”

— Patrick Henry,
(1736-1799) American patriot

“Amongst the novel objects... during my stay in the United States, nothing struck me more forcibly than the general equality of conditions.”

— Alexis De Tocqueville,
(1805-1859) French historian

Pursuing Fiscal Self-Reliance: One State’s Actions Interview with Utah State Representative Ken Ivory By Leonard Gilroy, Director of Government Reform Reason Foundation

The recent partial shutdown of the federal government sent a strong warning that fiscal pressures in Washington, D.C., can have major ripple effects at lower levels of government, given the significant levels of intergovernmental transfers of funds. One state that is increasingly recognizing this relationship is Utah, where over a quarter of total state revenues are derived from federal funding sources.

The Utah state legislature in 2011 and 2012 passed a package of bills known collectively as the “Financial Ready Utah” initiative — aimed at quantifying the amount of federal funding used by state agencies and making contingency plans in the event of a major cutback.

Utah State Representative Ken Ivory has been a leader

in the pursuit of fiscal self-reliance in Utah and was a primary sponsor of the “Financial Ready Utah” bills. Reason Foundation Director of Government Reform Leonard Gilroy interviewed Representative Ivory on the rationale behind the Financial Ready Utah bills. The following is an edited excerpt.

Gilroy: Can you describe the thinking behind the Financial Ready Utah initiative?

Utah State Representative Ken Ivory: I was concerned we didn’t seem to know exactly how much federal funding came into Utah. I heard a variety of guesses, but as we really started to look at the numbers, we discovered that as much as 45 percent of our total revenue comes from a federal government that is

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broke. So, nearly 45 percent of Utah's revenue comes from a federal government that is fiscally reckless.

So, we began looking at how to attain a level of economic self-reliance, and given increasing federal uncertainty, how do we assess the immediacy, severity, and probability of the risk of a reduction in the amount or value of federal funds — what do we do at the state level? Also, how can we foster community preparation for the fiscal earthquake that is, in all likelihood, more probable than the physical disasters that we spend millions of dollars preparing for?

Gilroy: Once you knew the scale of federal funds, what actions did that prompt?

Ivory: The legislation started with the "Federal Receipts Reporting Requirements" (2011 House Bill 138). This bill required all agencies to disclose total federal receipts, what percentage of their budget that represented, and then what their contingency plan would be if there was a reduction in federal funds of 5 percent or 25 percent.

This was 2011 — pre-downgrade, before the first debt ceiling meltdown, before the Budget Control Act. Seven months after the passage of HB 138, there was the looming shutdown, the downgrade of the U.S. credit rating, the debt ceiling meltdown, and sequestration — serious cuts of the federal funds flowing to states.

Credit rating agencies also began revisiting state credit

ratings because of this dependency. The ratings agencies said that Utah was the only state taking such a proactive approach, so they weren't even going to review Utah for downgrade.

HB 138 started the ball rolling. Under this bill, we are now receiving reporting from all of our agencies regarding what their percentage of federal funds is and what they would do in the event of a reduction of federal funds. But we realized that we needed a more comprehensive plan.

During the 2012 legislative session, working with our Utah Association of CPAs and chambers of commerce, we put together a package of about seven different bills that came to be known as 'Financial Ready Utah.' Business groups, school districts, and cities began passing resolutions of support encouraging state and national leaders to take action to control our own destiny because of the very definite sense that this flow of federal funds, comprising the single largest revenue line item in Utah's budget, is unsustainable.

The package of bills passed with overwhelming support.

The first was a resolution that outlined the problem. The second bill formed the Federal Funds Review Commission, made up of legislators, governor's staff, and private members. We are starting to look at how we assess the immediacy, severity, and probability of a reduction in the amount or value of federal funds and what that impact would be. How do we at the state level undertake this fiscal disaster preparedness?

Other bills require the governor in his budget to account for the risk of a reduction in the amount or value of federal funds, and for the legislature to do the same thing and to have our legislative fiscal analyst advise us on the probability and risk of a reduction in federal funds.

Gilroy: Now that agencies are actively accounting for federal funds, what sort of reaction have you seen from them? Have they been resistant or are they surprised?

Ivory: As we've seen things unfold — we now have three years of reporting from agencies — they're seeing that this is an exercise that we really needed to go through. With our federal funds commission, now we're looking at how we take all of that information and stitch it together into a comprehensive plan. So that's step one, and now we're figuring out how to take on this huge exercise of enterprise risk management at a state government level.

Gilroy: Do you see more Financial Ready Utah initiatives coming in the future?

Ivory: This is a big exercise. The name "Financial Ready Utah" comes from a natural disaster preparedness initiative called "Be Ready Utah." We look at this as the financial disaster preparedness. Our Utah Association of CPAs formed a 501c(3) entity called Financial Ready Utah to work with their members throughout the state

and work with our disaster preparedness teams to tackle these issues.

How do you broaden your tax base? Do emergency reductions in spending? Deliver services? When you're talking about a potential hole of \$5 to 6 billion in a state budget of \$13 billion. This is a great example of a bottom-up effort to drive policy, because people, businesses, and organizations understand that we can't pretend to print and borrow our way to prosperity. They understand that at some point this ends badly, as it has throughout all history.

States and cities are realizing that we're in a very serious time. To think that as a nation we're perpetually pretending that we can print prosperity — it simply defies reality. We've got to prepare, because no matter what happens at the federal level, we still have to educate children, we still have to take care of sick and poor people, we have to take care of roads and public safety.

Take the shutdown of the national parks. There was no communication from the federal level, no coordination as to how we could mitigate the damage the shutdown caused. Because of vindictive and arbitrary actions by the federal government, we had families completely out of work, businesses shut down, entire industries threatened. We've offended travelers from all over the world; turning them

away at national parks. The ramifications of that are likely to go on for years.

We hadn't even considered such vindictive political risk, but now that's a reality that we are going to have to plan for. It was a very serious wake-up call that our Legislature must act to protect our citizens — this is happening right now.

Ken Ivory (R-UT, District 47) was elected to the Utah House of Representatives in November of 2010.

This is an edited excerpt of a longer interview originally published November 23, 2013, by Reason Foundation as part of its Innovators in Action series, available at <<http://reason.org/news/show/utah-fiscal-self-reliance>>. Reprinted with permission, Reason Foundation.

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Boy Trouble: Family Breakdown Disproportionately Harms Young Males

By Kay Hymowitz, *City Journal*

When I started following research on child well-being the focus was almost always girls' problems. Now, though, boys and men are increasingly the ones under examination. Their high school grades and college attendance rates have remained stalled for decades. Among poor and working-class boys, the chances of climbing out of the low-end labor market are looking worse and worse.

"The greatest, most astonishing fact that I am aware of in social science right now is that women have been able to hear the labor market screaming out 'You need more education' and have been able to respond to that, and men have not," MIT's Michael Greenstone told the *New York Times*. Instead, the rational sex is shrugging off school and resigning themselves to a life of shelf stocking. Why would that be?

Another MIT economist, David Autor, and coauthor Melanie Wasserman, proposed an answer. The reason for boys' dismal school performance, they argued, was the growing number of fatherless homes. Boys and young men weren't behaving rationally, the theory suggested, because their family background left them without the necessary

attitudes and skills to adapt to changing social and economic conditions. The claim that family breakdown has had an especially harsh impact on boys, and therefore men, has considerable psychological and biological research behind it. Anyone interested in the plight of poor and working-class men — and, more broadly, mobility and the American dream — should keep it front and center in public debate.

Signs that the nuclear-family meltdown has been particularly toxic to boys are not new. By the 1970s researchers following the children of divorce noticed that boys showed distress by externalizing or acting out: they became more impulsive, aggressive, and "antisocial." Boys' behavior had the disadvantage of annoying and even frightening classmates, teachers, and neighbors. Boys were more likely than their peers to get suspended and arrested.

Since then, externalizing by boys has been a persistent finding about the children of single-parent families. In one longitudinal study of children of teen mothers (almost all of them unmarried), sociologist Frank Furstenberg found more substance abuse, criminal

activity, and prison time. By the 1990s, as divorce rates eased and the ages of never-married mothers raised, researchers were able to exclude the trauma of a parental crack-up and teen motherhood as primary causes of the disadvantage. Boys in fatherless homes were still getting into more trouble compared with their sisters and male peers with married parents. Autor and Wasserman cite a large University of Chicago study showing that, by fifth grade, fatherless boys were more disruptive than peers from two-parent families, and by eighth grade, had a substantially greater likelihood of getting suspended. "The gender gap [between boys and girls] in externalizing behavior in fifth grade and suspension in grade eight . . . is smallest in intact families," the authors summarized their findings. "*All other family structures appear detrimental to boys* [my italics]."

Liberals often assume that these kinds of social problems result from our stingy support system for single mothers and their children. Provide more maternity leave, quality day care, and health care, goes the thinking, and a lot of the disadvantages of single-parent

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homes would vanish. But the link between criminality and fatherlessness holds even in countries with lavish social-welfare systems. A 2006 Finnish study of 2,700 boys, for instance, concluded that living in a non-intact family at age eight predicted a variety of criminal offenses.

Several studies have concluded that boys raised in single-parent homes are less likely to go to college than boys with similar achievement levels in married-couple families.

An American Sociological Review paper found boys with absent fathers were less likely to complete a college degree than girls from the same background, even when high school performance was equal. Another study, by Harvard's Kennedy School of Government, titled "Where the Boys Aren't," discovered a similar difference in college among single parents' daughters and sons.

The United States' high rates of "lone motherhood," help explain the widely lamented malaise of the American dream. When economists assess the probability that a child born to parents in the lowest income quintile will move up to a higher quintile as an adult, America gets very poor marks compared with other Western countries.

Yet, if you look at boys

separately from girls, as Finnish economists at the Bonn-based Institute for the Study of Labor did, the story changes. In every country studied, girls are more likely than boys to climb up the income ladder, but in the United States, the disadvantage for sons is substantially greater. Almost 75 percent of American daughters escape the lowest quintile — not unlike girls in the comparison countries. Fewer than 60 percent of American sons experience similar success.

So why do boys in single-mother families have a harder time of it? If you were to ask the person on the street, he would probably give some variation of the role-model theory: boys need fathers because that's who teaches them how to be men. The theory makes intuitive sense. Children take early cues about everything from their same-sex parent. As the sole explanation for the boy disadvantage, though, the role-model theory needs modification. If boys simply needed men to teach them the ways of the world, then uncles, family friends, mentors, teachers, stepfathers, and nonresidential but involved fathers could do the trick. It's not clear that this is the case. Male teachers don't seem to make a difference for boys' academic success. And stepfathers have an especially mixed record in helping boys.

Fathers living apart from their sons, even when they see them regularly, have a similarly ambiguous impact. A relationship with a non-residential father can improve a boy's chances in life but only under certain circumstances. The father not only needs to be warm and supportive of his son; he also has to have a good relationship with the boy's mother.

These findings can help us refine the role-model theory. Girls and boys have a better chance at thriving when their own father lives with them and their mother throughout their childhood — and for boys, this is especially the case. The implications for family life are profound. Yes, plenty of single mothers provide — or try to provide — the stability that boys need. A highly publicized recent study by the Equality of Opportunity Project comparing social mobility by region found that areas with high proportions of single-parent families have less mobility — including for kids whose parents are married. The reverse also held: areas with a high proportion of married-couple families improve the lot of all children. In fact, a community's dominant family structure was the strongest predictor of mobility — bigger than race or education levels. This research

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What's New at PII? Research Analyst Thornton Changes Locales

Research Analyst Deborah D. Thornton, who has researched and written for PII for the past six years, is now working from Monrovia, Liberia, after moving there with her husband, Edgar Thornton, and their children. Mr. Thornton accepted a Foreign Service Officer position in Liberia with the U.S. Agency for International Development (USAID) last August, and the family joined him in December.

Liberia, a country of about 3.5 million people, is the size of Louisiana, at 43,000 square miles. It was founded in 1822 by the American Colonization Society, who wanted to return freed slaves to Africa, and was encouraged by President James Monroe. Hence the name of the capital city, Monrovia, and Liberia for liberty.

Independence came in 1847 and Liberia was considered a success story of democracy. A military coup in 1980, followed by civil wars – ending only in 2003, with the arrest of Charles Taylor – changed this path. Over 200,000 people were killed, and virtually all infrastructure was destroyed during the fighting.

The country is now considered one of the ten poorest in the world, with average annual incomes of less than \$500 U.S. dollars.

There are only 400 miles of paved roads in Liberia, including those in the capital – the equivalent of two round-trips from Iowa City to Des Moines. The May to September rainy season means many parts of the country are inaccessible much of the year.

Even in Monrovia electricity is still a problem, as is running water. Generators provide most of the electricity, and people must carry water.

The people speak English and are mostly Christian, but many are illiterate, as the schools were destroyed during the wars.

There is extensive tropical rain forest (six degrees north latitude), and timber is one of the exports. Major industries also include rubber and mining.

The Thorntons will be based in Liberia until August 2015.

Deborah will continue writing BRIEFS and POLICY STUDIES and editing FACTS & OPINIONS and the IOWA ECONOMIC SCORECARD from Monrovia.

She can be reached at dthornton9@aol.com and is posting photos and commentary on their experiences on Facebook, under her name. Deborah will be back in Iowa City in May 2014 and will present on their experiences in Liberia at that time.

Focus on Iowa Wesleyan College

January 7 marked the beginning of the spring semester at IWC. Scholarship visit days are being held January 11, February 1, and March 15. Potential students will visit campus, be interviewed, complete a personal essay, and participate in a team-building exercise. The competition scholarship process for music and art will also occur. Scholarships range from \$2,000 to full tuition. Any interested high school senior can still sign up. Spring break will begin Friday, February 28, with classes resuming Monday, March 10.

Celebration of Distinguished Graduate

Dr. Donald A. Gurnett, James A. Van Allen/Roy J. Carver professor of physics at the University of Iowa, presented “The Iowa Space Pioneers: The Legacy of James Van Allen” during homecoming. As an undergraduate engineering major, Dr. Gurnett worked for Dr. James Van Allen, Iowa Wesleyan class of 1935 graduate, when he researched the effects of the radiation belts on the earth’s magnetic fields. Dr. Gurnett has conducted experiments on more than 30 space missions and greatly advanced the University of Iowa’s reputation for space research. He is the leading scholar at the University of Iowa on Van Allen’s professional life.

IWC Receives Recognition

IWC has been honored as a 2013-14 College of Distinction, given to select schools to honor their excellence in student-focused higher education. IWC was found to excel in all four distinctions (engaged students, great teaching, vibrant communities, and successful outcomes) and will receive a personal profile on the Colleges of Distinction™ website.

Additionally, IWC has been ranked the top college in the country by the *Washington Monthly* for its institutional commitment to service and ranked 22nd nationally in community service participation and hours served.

“Iowa Wesleyan helped pioneer the service learning movement nearly 45 years ago. It is gratifying to know that what Wesleyan once pioneered has matured into a model for the nation,” said President Dr. Steven Titus.

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When Learning Is Mischief By Brad Sherman, *Libations for Liberty*

“Without religion, I believe that learning does real mischief to the morals and principles of mankind.”

– Dr. Benjamin Rush (1745-1813), letter to John Armstrong, March 19, 1783

There was a time, not long ago, when no one thought that a nativity scene on the town square would offend or that there would be public debate about the morality of homosexuality. When did things change?

Benjamin Rush’s comment is a pretty good clue. Dr. Rush, and most of the Founding Fathers, felt the Bible was the most essential text book for public education, and in fact, it was for many years. But, as Dr. Rush also believed, when the Bible is no longer the foundation of education, mischief is done to learning. This mischief has resulted in a generation that has no

benchmark for right and wrong and doesn’t know the difference.

The question boils down to this: “Who gets to decide what is right or wrong, moral or immoral?” There are only two choices: man or God. Either we accept what God says, or we are left to human nature, which is easily blinded by its own desires and exercises no restraint.

Those who hold the truth of God’s Word must be silent no more. We must remove the mischief that has attached itself to learning and restore the biblical foundation to education. After all, Jesus told us to make disciples of the nations, teaching to observe all that He commanded.

Libations For Liberty is an offering by Pastor Brad Sherman of Solid Rock Christian Church in Coralville, Iowa, with pithy quotes and brief commentary. Originally published December 26, 2013, reprinted with the author’s permission, <<http://us2.campaign-archive2.com/>>.

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suggests that having plenty of married fathers around creates cultural capital that helps every member of the Little League team.

If the trends of the past 40 years continue — and there’s little reason to think that they won’t — the percentage of boys growing up with single mothers will keep on growing. By understanding the way family instability affects boys, we might improve at least some lives. A number of countries have launched school reforms “to foster a more structured environment” for underperforming boys. Give boys plenty of recess and gym time. Over the past decades schools have reduced — and, in some cases, completely expunged — recess or banned

dodgeball, tug-of-war, tag, and other rough-and-tumble games. Yet it’s precisely through such activities that boys can learn to manage their energies and aggression. They may need schools to give them opportunities for such rowdy but controlled play.

Equally important is to find ways to improve boys’ literacy. Boys have always had greater difficulty learning to read than girls. In an age when decent-paying unskilled jobs were plentiful, lack of literacy wasn’t such a problem. Nowadays, a boy’s literacy problems can ruin his life chances. Teachers should assign boy-friendly action narratives and science fiction with heroes, bad guys, rescues, and shoot-ups. A few studies have suggested that boys are responsive to phonics training.

The truth is, we don’t know for sure what will help. It just may be that boys growing up where fathers — and men more generally — appear superfluous confront an existential problem: Where do I fit in? Who needs me, anyway?

Boys see that men have become extras in the lives of many families and communities, and it can’t help but depress their aspirations. Solving that problem will take something much bigger than a good literacy program.

Kay S. Hymowitz is a contributing editor of City Journal, the William E. Simon Fellow at the Manhattan Institute, and the author of Marriage and Caste in America: Separate and Unequal Families in a Post-Marital Age. This article was adapted from City Journal, Autumn 2013, and reprinted with permission.