

BEYOND IDEOLOGY, POLITICS, AND GUESSWORK:

The Case for Evidence-Based Policy

Revised 2008

Public policy in the United States in recent years has increasingly been conceived, debated, and evaluated through the lenses of politics and ideology—policies are Democratic or Republican, liberal or conservative, free market or government controlled. Discussion surrounding even much-vaunted bipartisan initiatives focuses on the politics of the compromise instead of the substance or impact of the policy. The fundamental question—Will the policy work?—too often gets short shrift or ignored altogether. In contrast, in the United Kingdom and some other democracies facing challenges similar to ours, “evidence-based policy” is gaining momentum.

This term may sound esoteric to many Americans. On further reflection most might think it either a truism (What other kind of policy could there be?) or an academic pipedream (Isn't all policy just politics?). Neither is the case. Evidence-based policy is a rigorous approach that

draws on careful data collection, experimentation, and both quantitative and qualitative analysis to answer three questions: What exactly is the problem? What are the possible ways to address the problem? And what are the probable impacts of each? A fourth question that figures into all public policy decisions—What political and social values do the proposed options reflect?—is largely outside the scope of evidence-based policy. Nevertheless, hard evidence and analysis can bound the political battlefield, help build consensus, and identify the social and economic costs of different policy choices.

Whether research drives policy or policy drives research, an evidence-based approach has its limitations. As every courtroom judge can vouch, all parties to disputes can find or buy “evidence” to their liking, and policymakers, like judges and juries, can be hard-pressed to separate the reasoned

from the self-serving. Knowing how and where to apply even the most incontrovertible evidence is tricky, too. Evidence can be ambiguous or even contradictory, and it can be complex or difficult to interpret. Also, the path from research to sound policy can be long and winding. Often, as in the cases of counting the uninsured or the homeless, research findings only gradually turn into conventional wisdom and then, much later, help shape good policy. And—merely human—researchers don't always admit to, understand, or overcome their own biases in gathering, selecting, or analyzing data.

These are serious pitfalls, but they summon to mind Winston Churchill's famous description of democracy as "the worst form of government except all others." Compared with the alternatives, evidence-based policy is simply the best we've got. Policy positions based on ideology or political considerations tend to agitate the fragile body politic and alienate a significant fraction of Americans—think of affirmative action or education vouchers. Such

policies are likely to fail because they may not be grounded in the economic, institutional, and social reality of the problem. Horse trading can get a bill passed, but it's no guarantee that the problem will really be addressed. Goals proliferate, responsibility is diffused, and promises inflated. Politically acceptable doesn't necessarily mean effective, affordable, or otherwise viable.

Why Is Evidence-Based Policy Urgent Now?

The main reason for basing policy on evidence instead of belief or hunch is to provide taxpayers an acceptable return on the enormous investment the nation makes in its public programs. Unlike the private sector, there is no feedback from market tests in the public sector. There are no stock prices or empty shelves to indicate whether government programs are providing good value or producing too little. Of course, regular elections take the public's temperature, but they are infrequent and represent

referendums on many issues, so they rarely provide clear direction on specific policies.

Then, too, programs can be politically popular even when they aren't very effective, they can be effective but unnecessarily expensive, or they can be efficient in a narrow sense but entail significant negative side effects. Still others may be unsung successes—both effective and affordable—that deserve to be replicated in other issue areas or with other populations. Without objective measurements of reach, impact, cost effectiveness, and unplanned side effects, how can government know when it's time to pull the plug, regroup, or, in business lingo, "ramp up"? As program costs rise, so do the costs of not knowing.

Another force also heightens this urgency: unusually fierce competition for funding. Increased requirements for defense and homeland security, along with the 2001 and 2003 tax cuts, have put pressure on other government programs. Decisions will have to be made about which programs to scale back, which to restructure so

that they are more efficient, and which priorities deserve the very limited resources that will be available for new starts. Compounding the federal situation are some states' fiscal woes. These problems also call for hard-nosed trade-offs, even as the economic slowdown, the subprime mortgage meltdown, and higher food and housing prices combine to increase the burden on government-sponsored social services.

For Which Programs Is Evidence-Based Analysis Most Important?

The costs and lost opportunities of running public programs without rigorous monitoring and disinterested evaluation are high in all cases. But for some types of public programs, they could prove particularly serious. Foremost among these are programs like Head Start and Medicaid, designed to help vulnerable populations including children, the disabled, and the elderly. Other programs whose creation and continuation should depend most heavily on evidence are those that cost great sums or take years to get going, change,

or phase out, such as housing assistance. Programs like Social Security and Medicare that meet both these criteria deserve top consideration.

Prime Examples—Evidence Informing Good Policy, Lack of Evidence Inviting Bad

HEALTH INSURANCE COVERAGE

A year before Governor Mitt Romney introduced the Massachusetts health reform plan and two years before the legislation was enacted, the Urban Institute worked with the Blue Cross Blue Shield of Massachusetts Foundation to develop options to lead the state to universal coverage. We estimated the amount already being spent on the uninsured and developed several options for expanding coverage to all state residents. Using the Urban Institute's microsimulation model, we estimated the coverage and cost impacts of several alternatives. The model used data on insurance coverage and expenditures and statistical evidence on how individuals and firms respond to changes in public program eligibility and to the use of various subsidies to purchase private insurance.

Our analysis showed that voluntary approaches that included Medicaid expansions and income-related subsidies would reduce the number of uninsured by less than half, so an individual mandate—the legal requirement that individuals sign up for at least a specified minimum of coverage—was needed to reach universal coverage. We also showed that such a mandate could be quite progressive, designed to considerably reduce costs to the poor and near poor. We estimated that the amount Massachusetts was currently spending on the uninsured (through hospitals and clinics) was about half the cost of universal coverage. Thus, some of the funds needed to finance the expansion were already in the system, though new revenues would also be needed.

Massachusetts eventually passed legislation that mirrored Urban Institute's analysis in many ways. Early research has shown that the number of uninsured had fallen by about half since implementation began but before the individual mandate took effect. Employer coverage hasn't shrunk, and both increases in access to care and reductions in financial burdens and medical debt

have been large. Spending increases, however, have been greater than expected because enrollment has grown rapidly.

CRIMINAL JUSTICE

Federal and state governments have been steadily stiffening sanctions against criminal offenders for more than two decades but paying only scant heed to available evidence on the consequences. By the 1990s, every state and the federal government had enacted some of the following measures: mandatory sentences for most federal crimes with an accompanying reduction in judicial discretion; truth-in-sentencing policies that rewarded states with federal funds (to build more prisons) if convicts are required to serve more of their sentences; the suspension of parole programs; and mandatory life sentences without parole for committing certain felonies three times (“three strikes and you’re out”).

As a result, prison and jail populations soared to 2.4 million by the end of 2007, a more than sixfold increase since 1970. More than 1 in every 100 adults are now in prison or jail on any given day. For black males

over 18, the figure is 1 in 15. In some communities, more than two-thirds of young males are controlled in some way by the criminal justice system.

Of course, nearly everyone who goes in also comes out. Each year, more than 700,000 prisoners are released from state or federal prisons, and 9 million people go in and out of U.S. jails. Recent years have seen a flood of released prisoners whose prior experiences and prison terms have left them so ill-equipped to reenter their communities and find work that two-thirds of them are arrested for a new crime within three years, and more than half are back behind bars.

These patterns led to three predictions. First, the increase in incarceration would outstrip the criminal justice system’s capacity, producing severe overcrowding in prisons and jails. Second, corrections budgets would have to swell commensurately. And third, the families and communities to which prisoners return will suffer further disruption and damage.

These predictions have become facts—borne out by credible research. Prisons have proliferated but building hasn’t kept

pace with the growth in the inmate population. California prisons are at 175 percent of capacity, Maryland’s are at 180 percent, and Pennsylvania’s are at 115 percent. Nearly every state is having trouble paying for its correctional systems. State budgets for corrections have risen from \$10 billion in 1987 to \$45 billion in 2007. Most states are forced to divert funds from education, welfare, and other social services to prisons. Many are terminating in-prison drug treatment, education, and other programs, making it more likely that released prisoners will buckle in the outside world, re-offend, and be incarcerated again in short order. In this sense, a policy intended to increase public safety may have unintentionally decreased it.

Would a better understanding of the facts and the consequences have produced different policies? That’s difficult to say. One argument made in support of the rapidly rising incarceration trends is that crime has been declining, at least since the mid-1990s. “Tough on crime” proponents say this proves that incarceration works. Yet, the best evidence says otherwise. At most, researchers who have

analyzed this relationship say, 25 percent of the crime reduction can be attributed to putting criminals behind bars.

During the first half of 2008, evidence-based decision-making seemed on the rise. Several states are reviewing the impacts of their corrections policies and laws. The U.S. Sentencing Commission is holding open discussions about mandatory minimums and federal sentencing guidelines. Growing evidence is finding a policy audience. True, powerful forces are lined up on both sides of the incarceration issue, but the role of evidence is growing.

EDUCATION

Until recently, fads largely drove education policymaking. With the best of intentions, but largely uninformed, education leaders continuously instituted new policies to save the day and make their mark. After all, one hunch was as good as another. As a consequence, school systems and national policies lurched from one heralded panacea to another ... and students were no better off as a result. Policy churning characterized the education industry. Good

ideas came and went, and bad ideas came and went. Ask any teacher.

Recently, things have changed dramatically for three reasons. First, recognition is growing that the United States has to compete better globally. In terms of hard-and-fast measures of skills, the nation's human capital simply does not stack up well against our economic competitors—and more Americans than ever before are demanding solutions. Second, rigorous research supported through the National Institute of Child Development led to convincing evidence that some instructional strategies were, indeed, better than others at promoting student learning. Partly as a consequence, recent federal legislation required that policies and practices supported by federal dollars be “scientifically based.” So far, we lack abundant rigorous findings needed to meet all the demands of policy, but an appreciation and appetite for solid research has developed. Third, and perhaps most important, new accountability policies have produced rich education data sources to guide policymaking.

Large administrative data systems may be the most important

consequence of the accountability movement in education. Almost every state now has a system that allows individual student files to be linked over time so academic gains can be calculated. Many state systems can also link students to individual teachers, giving researchers a way to estimate the instructor's effectiveness. And, since these files include all students and teachers, not just a sampling, multiple comparisons can be made. For example, do different types of students learn in the same way? Does teacher performance vary with different certification and training backgrounds? The data extend over time, permitting more rigorous estimation than ever possible.

Emerging findings are beginning to influence policy, partly because they defy conventional wisdom and question some strategic investments in education. For example, many education observers know that teachers are the most important school factor affecting student achievement and acted accordingly by affording teachers considerable discretion. But, until now, few knew how huge the variation in productivity is among teachers. Top teachers get about three times the student achievement gains that

weak teachers get, which works out roughly to 1.5 years of academic gain versus six months. We have also learned that years of experience (beyond the first couple of years) and advanced degrees (except in the subject taught) aren't the mainstays of teacher effectiveness, even though teachers are largely compensated on the basis of seniority and advanced degrees (beyond base salary). Thus, many reformers are now calling for performance-based incentives for teachers and applying this new knowledge to managing education human resources more generally. The devil will be in the details, but the data are available to examine effects. The field is in for some surprises and students should be the winners.

HOUSING DISCRIMINATION

The U.S. Department of Housing and Urban Development (HUD) has invested heavily in monitoring the nation's progress in combating housing discrimination. Starting in the late 1970s, it sponsored national paired-testing studies roughly every 10 years to find out how often blacks and Hispanics are denied

homes or apartments available to comparably qualified whites. In a paired test, two individuals—one white and the other minority, with equal qualifications as home seekers—visit real estate or rental offices to ask about the availability of homes or apartments. This powerful research tool directly documents differences in treatment attributed solely to a person's race or ethnicity.

Findings from the 1977 study revealed shockingly high levels of discrimination and helped build support for the 1988 Fair Housing Act Amendments, which strengthened federal enforcement powers. The 1989 results indicated little progress in reducing discrimination during the 1980s and were used to justify significant increases in spending on fair housing enforcement. Findings from the most recent round of paired-testing research, released in 2002, suggest that a decade of heightened enforcement is paying off. Discrimination is down significantly—though still unacceptably high—for both black and Hispanic homebuyers and for black renters. Only Hispanic renters are turned down as often now as they were in 1989.

The latest national testing study measured—for the first time—discrimination against Asian Americans and American Indians seeking housing outside of tribal lands. Asian homebuyers face discrimination comparable to that against blacks and Hispanics and American Indians are more likely than any other minority group to be denied information about available rentals. Fair housing enforcement efforts have largely neglected these two groups, but the new evidence argues for much tighter enforcement in the future.

Finally, for an exploratory testing study, researchers adapted the traditional paired-testing methodology to detect and measure discrimination against people with disabilities searching for rental homes and apartments. Results show that people using wheel-chairs and people who rely on TTY/TDD (telecommunications device for the deaf) systems to make telephone inquiries about advertised rentals face high levels of discrimination. This new evidence has helped inform HUD's training and technical assistance for community-based organizations working to protect the rights of disabled people.

What's at Stake?

Americans have conflicted views about government. Even though they consistently express distrust of government, programs such as Medicare and Social Security are extremely popular. Yet, an examination of these two programs demonstrates the peril of “policy as usual.” Over the long term, both

are headed for insolvency, making significant changes unavoidable. Efforts to strengthen them for the long-term, however, break down over fundamental ideological disputes that cannot be glossed over or swept under the rug. Change, when it does come, should draw upon solid evidence of the programs’ strengths and weaknesses and the consequences of change—

evidence provided by credible, nonpartisan sources. Besides these behemoths are hundreds of other programs that cost billions of dollars and affect the lives of all Americans.

Evidence cannot help solve every problem or fix every program, but it can illuminate the path to more effective public policy.

Key Elements of Sound Policy Analysis

- Identifying the most important issues and putting them first.
- Gathering as much data as time and money allow.
- Turning to informed and unbiased experts for analysis.
- Applying the most appropriate methodologies for the problem and data.
- Pursuing evidence without preconceived conclusions in mind.
- Subjecting findings to independent review.
- Sharing results—whether positive or negative—with the public.

Terence Dunworth, Jane Hannaway, John Holahan, and Margery Austin Turner provided the examples featured in this essay. Alan Weil contributed to the first edition of this paper in 2003.



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