Carnegie Corporation of New York

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PLEASE DELIVER THE FOLLOWING TO:

NAME: Carol Rasco

FROM: Judy Smith

DATE: 11/18/93

Total Number of Pages: 7 including cover sheet

**IF ALL PAGES ARE NOT RECEIVED,
PLEASE CALL IMMEDIATELY.**

Attached is an up-to-date agenda for your reference.

Carnegie Corporation of New York

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Office of the President

November 18, 1993

Memorandum

TO: Participants in "Strategies to Reduce Urban Poverty: Integrating Human Development and Economic Opportunity"

FROM: Judy Smith

Attached is the most up-to-date agenda for the November 22-23 meeting in Washington, D.C. Please note that a continental breakfast will be served at 8:30 a.m. each day at the Carnegie Conference Center.

If someone needs to reach you during the conference, they may leave a message at the Carnegie Council on Adolescent Development, (202)429-7979, or at the ANA/Westin Hotel by phone (202)429-2400, or fax (202)457-5010.

Please feel free to call if you have any further questions.

file speech file

CARNEGIE CORPORATION
OF NEW YORK

STRATEGIES TO REDUCE URBAN POVERTY: INTEGRATING HUMAN DEVELOPMENT AND ECONOMIC OPPORTUNITY

November 22-23, 1993
Carnegie Conference Center
2400 N Street, N.W., Eighth Floor
Washington, D.C.

Monday, November 22

Chair: David Hamburg
President
Carnegie Corporation of New York

I. URBAN POVERTY IN CONTEXT

8:30-9:00 a.m. Continental Breakfast

9:00-9:15 a.m.

- **Goals of the Meeting**

Discussion Leader: Robert Rubin
Assistant to the President
for Economic Policy

9:15-10:45 a.m.

- **National and International Economic Trends**
(Trends in economic activity and infrastructure and their relation to employment and urban poverty; technological trends and implications for the economy and society.)

Discussion Leaders: Robert Solow
Institute Professor, Department of Economics
Massachusetts Institute of Technology

Joseph Stiglitz
Member, Council of Economic Advisors

- **Trends in Major American Cities Affecting Poverty**
(Shifts in physical and economic infrastructure, demographics and family structure)

Discussion Leaders: George Peterson
Senior Fellow, Urban Institute

James Comer
Maurice Falk Professor of Child Psychiatry
Yale University Child Study Center

10:45-11:00 a.m. Break

11:00-12:00 noon

- **Lessons from Domestic and International Anti-Poverty Efforts**

Discussion Leader: Greg Duncan
Program Director
Institute for Social Research
University of Michigan

12:00-1:15 p.m. Lunch

- **Reinventing Government for Poor Families**

Speaker: Carol Rasco
Assistant to the President for Domestic Policy
The White House

II. HUMAN DEVELOPMENT STRATEGIES

1:15-1:30 p.m.

- **Overview: Critical Issues in Human Development**

Discussion Leader: David Hamburg

1:30-3:15 p.m.

- **Strengthening Young Families**

Discussion Leaders: Judith Jones
Director, National Center for Children
in Poverty, Columbia University

Isabel Sawhill
Associate Director for Human Resources
Office of Management and Budget

Mary Jo Bane
Assistant Secretary for Children
and Families
United States Department of
Health and Human Services

- **Improving the Quality of Education for Poor Children**

Discussion Leaders: Robert Slavin
Director, Elementary School Program
Center for Research on Effective Schooling
for Disadvantaged Students
The Johns Hopkins University

Marshall Smith
Undersecretary of Education
U.S. Department of Education

3:15-3:30 p.m. Break

3:30-5:30 p.m.

- **Reengaging High-Risk Youth**

Discussion Leaders: Joy Dryfoos
Independent Researcher

Ronald Ferguson
Associate Professor of
Public Policy
John F. Kennedy School of Government

Milton Morris
Vice President for Research
Joint Center for Political Studies

- **Fostering Readiness for the Transition to Work**

Discussion Leaders: Stephen Hamilton
Professor and Chair
Human Development and Family Studies
Cornell University

Thomas Glynn
Deputy Secretary of Labor
U.S. Department of Labor

5:30-6:30 p.m. Break

6:30-7:00 p.m. Reception, Eleanor Roosevelt Foyer

7:00-8:00 p.m. Dinner, Eleanor Roosevelt Room
ANA/Westin Hotel
2401 M Street, N.W.
Washington, D.C.

8:00-9:00 p.m. Discussion

- **The Nature and Scope of Urban Poverty**

Speaker: William Julius Wilson
Lucy Flower Distinguished Professor of
Sociology and Public Policy
Department of Sociology, University of Chicago

Tuesday, November 23

Chair: Ray Marshall
Audre and Bernard Rapoport
Centennial Chair in Economics
and Public Affairs
L.B.J. School of Public Affairs
University of Texas, Austin

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Discussion Leader: Ray Marshall

9:30-12:00 noon

- **Community Development Banks and Corporations**

Discussion Leader: Norman Glickman
Professor
Center for Urban Policy Research
Rutgers University

- **Investment in Housing**

Discussion Leader: James Johnson
Chairman and Chief Executive Officer

- **The Potential Role of Technology**

Discussion Leader: The Honorable Richard Celeste
Managing General Partner
Celeste & Sabety, Ltd.
Federal National Mortgage Association

- **Investment, Job Creation and Employment Policies of Corporations**

Discussion Leader: Sol Hurwitz
President
Committee for Economic Development

- **Role of Public Sector Employment**

Discussion Leader: Richard Nathan
Provost, Rockefeller College
State University of New York at Albany

12:00-1:00 p.m. Lunch

- **Urban Poverty in Hispanic Communities**

Speaker: Marta Tienda
Professor
Population Research Center
University of Chicago

IV. INTEGRATING ECONOMIC AND HUMAN DEVELOPMENT APPROACHES

1:00-3:15 p.m.

- **The Federal Role: Community Enterprise Boards**

Discussion Leaders: Senior Administration Officials

Panel Discussants: Patrick Costigan
Director Neighborhood Transformation
The Enterprise Foundation
Baltimore, MD

Frank Farrow
Director, Children's Services Policy
Center for the Study of Social Policy
Washington, DC

Otis Johnson
Executive Director
Chatham-Savannah Youth Futures Authority
Savannah, GA

3:15-3:30 p.m. Break

3:30-5:00 p.m.

- **Creating a Long-Term Urban Strategy: Discussion**

REMARKS BY CAROL H. RASCO

CARNEGIE CORPORATION
Carnegie Conference Center
Washington, DC
November 22, 1993

Thank you.

I am very pleased, honored but somewhat overwhelmed to be in front of you today. As I reviewed the roster of participants and topics for this two day conference, I saw the names of individuals that have looked at me from pieces I have read and studied - often at the suggestion of my boss over our 12+ years together - and I saw names of people to whom I have listened, with whom I've discussed the youth of our country, the conditions facing our families and their needs and hopes. And that's where the overwhelmed part comes in...What can I add to what has even and will be said?

I come to you to add my strong commitment and that of the administration as well as to reflect with you on the challenge before us. I might add that if you're like me, a luncheon speaker after a morning packed with stimulating, sometimes provocative thoughts, well a luncheon speaker is sometimes a nuisance...you want to TALK about what you've heard, assimilate it before moving on to the afternoon agenda...so I'll try to add

to that assimilation, be quick, and allow you to continue your conversation with one another.

During my short number of years as a classroom teacher and elementary counseling when I sometimes had children from homes with outhouses or even a dirt floor, during my volunteer days when I worked on foster care, junveile justice and adult probation issues, throughout my 20 years of parenting and advocating for a child labelled as cerebral palsied and retarded as well as through 15+ years of actively working in government...throughout all of this I have mourned most two things:

An increasing poverty of spirit, particularly in children

Professionals' piecemeal views of individuals, families and communities

And so, I was particuilarly gratified to read the name given to this two day conference: Strategies to Reduce Urban Poverty: (and then)....<u>INTEGRATING</u> Human Development and Economic Opportunity.

This last half of the title is music to my ears!

In 1986-87, then Governor Clinton was the chairman of the National Governors' Association. Like his predecessor, Governor Clinton decided to have a theme for the year. He talked long and hard about moving the next step from the education project of the previous year. And he talked about how it must be an integration of Human Development and Economic Opportunity....and it wasn't easy convincing people inside and outside the organization that the two should be integrated. Governor Clinton pushed and the project "Making America Work" was one of two parts: one called JOBS, GROWTH AND COMPETITIVENESS and one called BRINGING DOWN THE BARRIERS, barriers which included welfare, teen pregnancy, adult literacy issues, substance abuse, and school dropouts. It all sounds fairly familiar doesn't it? And yet, the dialogue began -- and with each passing year I see more people making that connection, that need for integration more solidly- but it is not happening quickly enough. I believe this is the greatest "reinventing" that must occur at a policy and program implementation level...we must continue to look hard at how we do business differently to make the integration real.

In the spirit of full disclosure I must add that for me to be speaking in front of a group exploring urban poverty could be seen by some as rather odd...I grew up in a town of 1500 people and have lived in Little Rock, Arkansas most of my adult life...not quite an urban life experience over these 45 years. But through working on various issues across the country, through

reading works by people like William Julius Wilson to whom I am quite grateful....and by learning from Bill Clinton, I believe a number of my rural roots can span the gap.

The Clinton administration has been committed from the beginning to a reinvention of government for families....as you look over our key domestic accomplishments, "family" is central:

-an economic package and indicators which show a good beginning: inflation is down, interest rates are down, the deficit is down, investment is up. And in the last 10 months, this economy has produced more jobs in the private sector than in the previous four years.

-the Family Leave Law which says you can't be fired if you take a little time off when a baby is born or a parent is sick.

-a reform of the collge loan program and national service - all designed to give more Americans a chance to broaden the availability of further education while in many cases giving those citizens a chance to serve their communities at home, to help repair the frayed bonds of community.

-a change in the Earned Income Tax Credit which on April 15th will give between 15 million and 18 million working famliies on modest incomes a tax cut, not a tax increase.

-the introduction of a comprehensive health care reform plan that guarantees health security to all Americans.

But we must do more....we MUST do more.

As President Clinton said a little over a week ago in Memphis..."I do not believe we can repair the basic fabric of society until people who are willing to work have work. Work organizes life. It gives structure and discipline to life. It gives meaning and self-esteem to people who are parents. It gives a role model to children.

Further...we cannot, I submit to you, repair the American community and restore the American family until we provide the structure, the value, the discipline and the reward that work gives.

And finally he said that, yes, we will deal with the ravages of crime and drugs and violence, BUT "unless we recognize that it's due to the breakdown of the family, the community and the disappearance of jobs...and unless we say some of this cannot be done by government because we have to reach deep inside to the values, the spirit, the soul and the truth of human nature...none of the other things we seek to do will ever take us where we need to go."

No, it can't be done by government PROGRAMS in the traditional sense but we in government need help in thinking through how we best stimulate this process of individual, family and community healing and growth, that is where real reinvention must occur.

I am reminded inwardly on a constant basis of what an elderly physical therapist who had dedicated her life to young disabled children told me early in my son's life...she said, "Carol, I don't know a lot of philosophy or theory about programs for children like Hamp, but I think the best thing I can tell you as a parent is to remember the words of Joseph Addison, an essayist, poet "Everyone must have

Something to do

Someone to love

Something to hope for."

And how right she was and is in the case of not only Hamp, but people with whom I've worked with and worked for....and so at each age of life in our quest to reinvent how we approach the problems of the urban poor we must ask

What do they have to do? If a young child, what is the preschool program available? Can they play, dance, sing, and soar? If a

child, is school relevant? Is school safe? I was struck this morning as I went to my door to get the paper. My daughter, in an attempt to make SURE I didn't forget to call her school early this a.m. to let them know she would not be there due to illness had left me a note in front of the door so that I wouldn't miss it....we had quite a round last night because she didn't WANT to stay home from school...and then I opened the door and the Washington Post stares back at me: ACROSS U.S., SCHOOLS ARE FALLING APART. Now, this particular article was about the physical condition of the school plants but I bet you know what I thought....and I thought first of an essay I recently read by Benjamin Barber....and as I read it I thought of the key phrase I learned in an otherwise inadequate higher educational experience designed to prepare me to teach elementary school...I was taught there are two educations, one should teach us how to make a living and the other how to live. We do too far little of heeding that maxim.

Until our communities get as fired up about our schools as we/they do about athletic teams, car manufacturing plant locations, Olympic sites, etc. we won't have a good answer to the question: What have we given the children - young and adolescent to DO?

And for adults: What do they have to do?

Number 2: Someone to love...and we all know that before you can love another, you must love yourself. Think about children's faces you've seen in urban poor neighborhoods, adults you've passed on those streets....do they have much to love about themselves? Many don't and therefore we can't truthfully expect the love to flow outward.

Number 3: Something to hope for....My daughter who didn't want to miss a day of the eighth grade today has many hopes and I both thrive in that gleam of hope in her eyes constantly look for ways to nurture and keep that sparkle present....help me, help our administration look for ways to create that hope for all citizens of this great country. Health security frees up a family for hopes and dreams, safer streets help free children to look at what education can be for them....but untreated ear infections, uncorrected vision problems, lack of immunizations, school buildings in AMERICA where children must wear their coats in order to be warm enough to even begin to pay attention...and we wonder where hope has gone?

In the Enterprise Zone legislation we have an opportunity to test our real commitment to reinvention....will we truthfully recognize the need for integration of human development and economic opportunity? Will we work hard to listen to the communities chosen, follow their lead on how much assistance they need and want, and look for ways to intervene very differently

from before? ways that seek to assist individuals to reach down inside themselves? Or will we simply designate the zones, the communities and sit here waiting on quarterly reports, make a site visit or two.

I was delighted to see that on the program here among others is Otis Johnson from Savannah. Otis is someone I see as an embodiment of the type reinvention that must occur....the Annie E. Casey New Futures Projects are learning a lot about communities and I encourage you to take the opportunity to visit with him. Person to person contact is quite visible in these projects....we need more of it. It is a program that recognized early on the real links between human development and economic opportunity -- and the struggles some of us had in our communities bringing those two "camps" together was and is a great learning experience.

To put things bluntly, it isn't often we see in a community whether a block, a zone, in the power centers of a large city, in the boardroom, public or private...it's not often we find social workers, health care outreach personnel, early childhood and K-12 front line educators, government workers and "big business" types sitting down together....each has had their own niche and seldom the twain have met. I submit to you that until each side - human development and economic development are willing to sit at a common table - real reinvention of government for families will

not occur. We can make application procedures simpler for families seeking help, we can legislate incentives and tax credits, we can give health security, we can write more meaningful standards for our students... all on the one side known as human development and we can talk about investments, deficits, inflation, job creation, etc. on the economic development side but until we recognize that giving people at every age

(1) something to do;

(2) someone to love; and

(3) something to hope for

are all a part of a mandatory whole just as people and families and communities are both parts and "whole" entities"... we will not have accomplished the task before us.

In closing I am reminded of two pieces that haunt me, motivate me in this area of thought. One, in my freshman philosophy course at Hendrix College in Arkansas, Dr. Ellis repeatedly pounded the table in his quest to motivate us to go out into the world and face the adversity necessary to make positive change, admonishing us to remember that saying from THE PRINCE: "There is nothing more difficult to take in hand, more perilous to conduct, or more

uncertain in its success than to take the lead in the introduction of a new order of things." We have not a choice, we must take this moment in time to introduce a new order for our families. For as Governor Clinton said back in 1987 as we closed our year's work on MAKING AMERICA WORK:

America won't work if Americans can't work, or learn, or believe in the promise of tomorrow.

Thank you.

Hold until you get info from Gen. Counsel & also see EMail on this issue.

NOV 4 REC'D

THE WHITE HOUSE

WASHINGTON

November 4, 1993

MEMORANDUM FOR CAROL RASCO
BOB RUBIN

FROM: PAUL DIMOND

SUBJECT: CARNEGIE DINNER ON NOVEMBER 23

The Vice-President has been called to a State dinner on November 23. As a result, we have drafted the invitation to the Secretaries to be from you two and Jack Quinn. Jack is planning to attend the dinner and has approved the form of the attached invitation. If it also meets with your approval, we will transmit forthwith. If you have any changes, please let me know so that we can revise.

If you have any questions, please let me know.

cc Jack Quinn
Kumiki Gibson

THE WHITE HOUSE

WASHINGTON

November 4, 1993

MEMORANDUM FOR THE SECRETARY OF THE TREASURY
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH AND HUMAN SERVICES
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF EDUCATION
THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY
THE DIRECTOR OF NATIONAL DRUG POLICY
THE ADMINISTRATOR OF THE SMALL BUSINESS ADMINISTRATION
THE CHAIR OF THE COUNCIL OF ECONOMIC ADVISERS
THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

FROM: CAROL RASCO
BOB RUBIN
JACK QUINN

SUBJECT: DINNER AND DISCUSSION -- November 23

We are pleased to invite you to a small dinner meeting on November 23 to discuss the highlights of a two-day Carnegie Corporation working seminar, "Strategies to Reduce Urban Poverty: Integrating Human Development and Economic Opportunity."

The dinner will immediately follow the conference, co-chaired by David Hamburg, President of the Carnegie Corporation, and Ray Marshall, Professor of Economics at the L.B.J. School for Public Affairs, University of Texas, and former Secretary of Labor. They will provide a brief overview of the seminar proceedings and draw attention to the substantive highlights that have strong policy implications. Participants in the two-day working conference include both representatives from inside the Administration who have worked on these issues and outside experts.

This is an informal gathering. We are particularly interested in stimulating substantive

discussion of the issues and strategies based on your experience and responsibilities. We therefore hope that you will be able to join us.

We will meet in the Roosevelt Room at the ANA/Westin Hotel, 2401 M Street, N.W. Refreshments will be available at 6:30 and dinner will be served at 7:00. Please let us know whether you will be able to join us by contacting Linda McLaughlin at the White House, 456-6477.

Carnegie has been kind enough to make the dinner arrangements. Please also contact Judy Smith at Carnegie, 212-371-3200 ext.213, directly to confirm your plans.

NOV 3 1993

Carnegie Corporation of New York

NOV 3 1993

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David A. Hamburg, M.D.
President

October 29, 1993

The Honorable Carol Rasco
Assistant to the President for
Domestic Policy
The White House
Washington, DC 20500

Dear Carol:

My colleagues and I are very pleased that you will be taking part in the Carnegie meeting, "Strategies to Reduce Urban Poverty: Integrating Human Development and Economic Opportunity," to be held in Washington, D.C. on November 22-23. We have assembled an excellent group of participants and are most grateful for your agreeing to join us.

Enclosed is revised agenda with confirmed participants. In addition to this group, there will be several other high-level Administration representatives joining us as well as a small number of guests who have relevant experience. We also are sending some materials which we think provide a useful background. If you have any key articles or items you would like distributed ahead of time or at the meeting, please let my assistant, Judy Smith, know at your earliest opportunity. A travel expense statement is also enclosed.

We are looking forward to a frank and honest exchange about the strategies that might work to reduce urban poverty. We will be preparing a report of the meeting for limited distribution. It will cover main themes and will not attribute remarks to individual speakers.

I look forward to seeing you next month.

With very best regards,

Sincerely,

David

Enclosures

Thanks so very much for all your kindness to Peggy.

CARNEGIE CORPORATION OF NEW YORK

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(Shifts in physical and economic infrastructure, demographics and family structure)

Discussion Leaders: George Peterson
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Discussion Leader: Greg Duncan
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The Johns Hopkins University

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Independent Researcher

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**Not yet confirmed

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Audre and Bernard Rapoport
Centennial Chair in Economics
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L.B.J. School of Public Affairs
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President
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Washington, DC

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Executive Director
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Reply Form
for
Carnegie Corporation of New York

Strategies to Reduce Urban Poverty: Integrating Human Development and Economic Opportunity

Washington, D.C.

November 22-23, 1993

Name_____

Address_____

Phone_____ **Fax**_____

I will need a room at the ANA/Westin on Sunday, November 21_____

I will need a room at the ANA/Westin on Monday, November 22_____

I plan to attend the meeting on Monday, November 22_____ **including the luncheon**_____**and dinner**_____

I plan to attend the meeting on Tuesday, November 23_____ **including the luncheon**_____

Special dietary considerations (please specify):_____

PLEASE FAX THIS FORM TO:

Judy Smith
Carnegie Corporation of New York
Phone (212)371-3200 X213
Fax (212)753-0395

CARNEGIE CORPORATION OF NEW YORK
437 Madison Avenue
New York, New York 10022
212/371-3200

Attn: Judy Smith

EXPENSE STATEMENT FOR NONEMPLOYEES/CONSULTANTS

Please refer to guidelines on reverse side

Name: _____ Date: _____

Social Security No.: _____

Mail check to: _____

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Purpose of Consultancy: _____

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Traveling, From:	To:	Date:
_____	_____	_____
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RECEIPTS MUST BE SUBMITTED FOR ALL ITEMS except auto travel

Please itemize on reverse side of form

Transportation	
Airlines, Rail Travel (From Reverse Side)	$ _____
Auto Travel: _____ Miles @ 28c per mile	_____
Taxis and Buses (From Reverse Side)	_____
Parking and Tolls	_____
Other (Explain)_____	_____
Lodging and Meals	
Hotel (Room and Tax Only x _____ nights)	_____
Meals (From Reverse Side)	_____
Miscellaneous	
Telephone	_____
Communications (DHL, Federal Express)	_____
Other (Explain)_____	_____
TOTAL EXPENSES	$ _____

Consultant's signature: _____

For Corporation Use Only:

Approved:_____ Program/Meeting Code:_____

Date:_____ If Program is DCA, add Activity Code:_____

AIRLINES, RAIL TRAVEL

Date	from/to	Amount
	Carried to front side	

TAXES AND BUSES

Date	from/to	Amount
	Carried to front side	

MEALS

Date	Breakfast	Lunch	Dinner	Total
		Carried to front side		

CONSULTANCY EXPENSES

The Corporation reimburses consultants for reasonable costs incurred in connection with agreed-upon Corporation activities, such as travel, lodging, meals, and communications. Requests for reimbursement should be adjusted equitably to reflect activities undertaken during the same period for other organizations.

Reimbursement will be made upon receipt of this signed expense statement and supporting documentation (**original** hotel bills, airline ticket coupons, etc.)

The Corporation's reimbursement policy provides for certain types of expenditures as follows:

- Commercial Air Fare — Economy or coach class for flights under six hours; business/club class for flights exceeding six hours
- Ground Transportation — 28c per mile for use of own car. Receipts must be submitted for taxis and for other transportation costs
- Hotel — Single occupancy rate
- Meals — Actual costs incurred. Receipts must be submitted for all meals
- Communications — Reimbursement for phone, fax, and other communications must include a description of the purpose of the communications. Receipts must be submitted.

Please Note: Personal expenses (valet, laundry, movie rentals, insurance, newspapers, child and pet care fees, entertainment expenses, etc.) are **NOT** reimbursable.

THE WHITE HOUSE

WASHINGTON

September 9, 1993

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF THE TREASURY
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH AND HUMAN SERVICES
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF EDUCATION
THE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY
THE DIRECTOR OF NATIONAL DRUG CONTROL POLICY
THE ADMINISTRATOR OF THE SMALL BUSINESS ADMINISTRATION
THE ASSISTANT TO THE PRESIDENT FOR DOMESTIC POLICY
THE ASSISTANT TO THE PRESIDENT FOR ECONOMIC POLICY
THE CHAIR OF THE COUNCIL OF ECONOMIC ADVISERS
THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

The Vice President and I strongly believe that the best way to serve distressed communities in urban and rural America is through a comprehensive, coordinated, and integrated approach that combines bottom-up initiatives and private sector innovations with responsive Federal-State support. Today, I direct the Federal agencies to work cooperatively to implement this approach in a way that reflects the principles of the Vice President's National Performance Review -- i.e., meeting the needs of local communities through a performance-measured, customer-driven philosophy and a cross-agency approach. I also hereby establish the President's Community Enterprise Board ("Board") to advise and assist me in coordinating across agencies the various Federal programs available (or potentially available) to distressed communities and in developing further policies related to the successful implementation of our community empowerment efforts.

The Vice President has agreed to chair this Board, and the Assistant to the President for Domestic Policy and the Assistant to the President for Economic Policy have agreed to serve as Vice-Chairs of the Board. I request the following Administration officials to serve on this Board: the Secretary of the Treasury, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Secretary of Education, the Administrator of the Environmental Protection Agency, the Director of National Drug Control Policy, the Administrator of the Small Business Administration, the Director of the Office of Management and Budget, and the Chair of the Council of Economic Advisers.

The first task of the Board is to assist in the successful implementation of the Administration's empowerment zone legislation, Subchapter C of Title XIII of the Omnibus Budget Reconciliation Act of 1993, Public Law 103-66, "Empowerment Zones, Enterprise Communities, and Rural Development Investment Areas." This Act authorizes the Secretaries of HUD and Agriculture to designate certain localities as empowerment zones and enterprise communities, thus enabling them to receive certain Federal funds and other benefits from the Federal Government.

Other programs, old and new, are similarly beneficial to local communities. These programs, however, form an overly complex, categorical, unworkable, and ineffective response to the needs of distressed communities. I hereby direct the Board to review these programs in order to ascertain how we can make the entire Federal effort more responsive to the needs of distressed communities. In addition, with respect to the empowerment zones and enterprise communities, I direct the Secretary of the Treasury, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Transportation, the Secretary of Education, the Administrator of the Environmental Protection Agency, the Director of National Drug Control Policy, and the Administrator of the Small Business Administration to (1) identify, within 15 days of this directive, existing programs that further the goals and objectives set forth in this memorandum and the Act and (2) make available, to the extent permitted by law, funds from those programs for use in implementing the strategic plans of the designated empowerment zones and community enterprises.

In order to advise and assist me regarding issues that relate to community development and empowerment, I request that each Board member --

(a) Provide me with recommendations, consistent with Section 13301 of the Omnibus Budget Reconciliation Act of 1993 ("OBRA" or "the Act"), on the criteria to be used for selection and designation of empowerment zones and enterprise communities, as set forth in Section 13301 of the Act;

(b) Identify additional legislative mandates that further the goals and objectives set forth in this memorandum and the Act and, where appropriate, develop for my consideration recommendations for further action;

(c) Identify legislative mandates that may be impeding State, local, and tribal governments from meeting the goals and objectives set forth in this memorandum and the Act, and, where appropriate, develop for my consideration recommendations for further action; and

(d) Consult with the Board regarding exemptions from regulatory mandates for which the member agency has jurisdiction and inform his or her decisions regarding any such exemptions with the recommendations of the Board.

In addition, I direct each of the agencies to cooperate fully with the Chair, the Vice-Chairs, and the Secretaries of HUD and Agriculture in assisting designated zones and enterprise communities in successfully implementing their strategic plans under Section 13301 of the Act. This interagency effort shall, among other things, coordinate Federal assistance and support within each empowerment zone and enterprise community.

In order to meet the goals and objectives set forth above, I also request the Secretary of HUD and the Secretary of Agriculture to consult with the Board regarding (1) the designation, under Section 13301 of the Act, of empowerment zones and enterprise communities and (2) possible revocation of designations, as set forth in Section 13301 of the Act.

Finally, I direct the Secretaries of HUD, Agriculture, and HHS (in consultation with the Board) to take, by November 1, 1993, the appropriate regulatory measures to ensure that the use of all Title XX grants awarded under the Act meets the criteria of Section 13761 of the Act, including, specifically, that portion of Subsection C that requires, among other things, localities to use Title XX grants (1) in accordance with the strategic plans approved by the Secretaries of HUD and Agriculture,

(2) for activities that directly benefit the residents within the designated empowerment zones and enterprise communities, and (3) to promote economic independence for low-income families and individuals.

With the Board members' commitment to achieving community empowerment and to providing our local communities with a single Federal forum, we will be able to assist distressed communities and American families all across urban and rural America in obtaining economic self-sufficiency.

William J. Clinton

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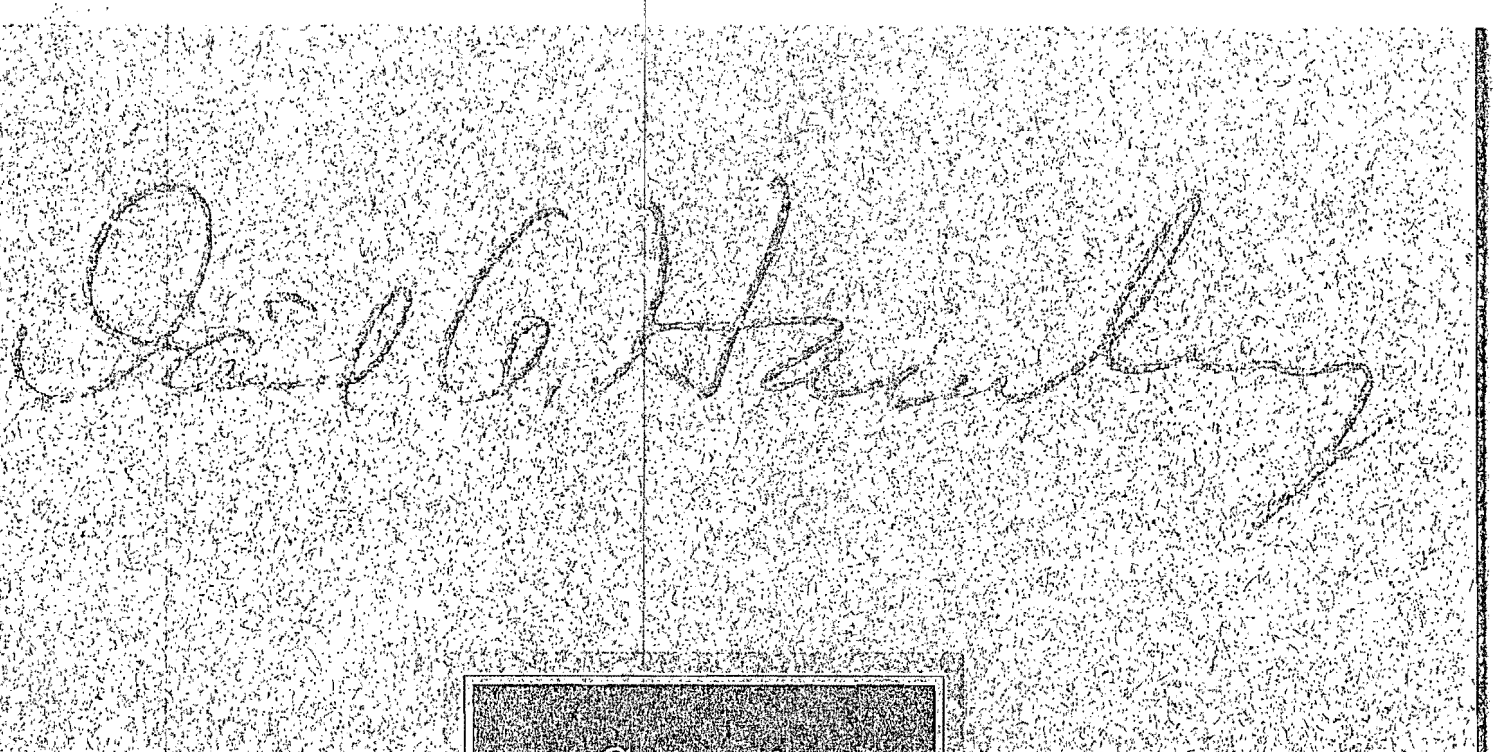

Carnegie Corporation of New York

Children of Urban Poverty: Approaches to a Critical American Problem

BY DAVID A. HAMBURG, PRESIDENT

REPRINTED FROM THE 1992 ANNUAL REPORT

AMERICA'S AGENDA

REBUILDING ECONOMIC STRENGTH

The Critical Issues of 1992 and Beyond and What to Do about Them

Introduction by

MARIO M. CUOMO

Governor of New York State

by the **Cuomo Commission on Competitiveness**

Lewis B. Kaden, Chairman • Lee Smith, Director and Editor

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CHAPTER 5

Economic Inclusion: The Challenge of Inner-City Poverty

A Problem for All Americans

If the past decade has taught us any lesson, it is this: we cannot prosper as a nation unless the majority of Americans prosper, and the majority cannot prosper if the most disadvantaged are excluded. Inclusion, on the other hand, makes good economic sense: distributing employment opportunities as widely as possible builds a broad and stable base for consumption. Growing markets in turn attract investment and propel faster economic growth.

Our nation needs a new agenda to achieve an old-fashioned goal—prosperity created by and for all Americans. The new agenda should rely on traditional values—opportunity for all, reward for hard work, concern for family and community, and commitment to helping the disadvantaged.

At the top of that agenda must be urban poverty. America's inner cities are in a state of crisis—a crisis that needs to be addressed if our nation is to renew its economic strength in the 1990s. The recent riot in Los Angeles is only the most visible indicator of the crisis. Far from the television cameras and newspaper reporters, poverty blights the lives of millions of city residents. Compared with other classes in society, the poor are more likely to be homeless, to be out of work, to die prematurely from sickness, to be victims of crime, or to commit crimes. Although these problems are most evident in our large metropolitan areas—New York, Los Angeles, Chicago, Detroit, Atlanta, and Washington, D.C.—no city is immune. The

economic *and* social costs of this tragedy make it one of the nation's most pressing domestic concerns.

The deepening crisis of our urban areas has created a distinct subculture of inner-city poor whose alienated behavior imposes huge costs on themselves and on society as a whole. Chronic urban poverty weakens the norms that are the foundations of civic life for the poor and not poor alike: tolerance, respect for others and the law, support for public education, and a willingness to work together to build and maintain the urban community. Just as important, poverty creates a drag on the nation's economy in terms of wasted human resources, lost productivity, higher social service expenses, and impaired competitiveness.

Despite the obvious deterioration of our inner cities, our country has yet to mobilize an effective response. Why? There are several reasons. First, although most people are aware of the problem, few seem to appreciate its seriousness or its connection to other national concerns, such as education, rising healthcare costs, and the quality of the work force. Second, some Americans apparently believe that the plight of the inner-city poor is not their problem. These people assume that they can somehow insulate themselves from the spreading effects of urban decline. Third, still others, who accept the need for fundamental change, nevertheless throw up their hands in despair. Urban poverty is too intractable a problem, they say. All efforts to ameliorate it are futile. Finally, some members of the public, apparently believing that the problems of the poor are largely self-inflicted, hold that nothing should be done for people unwilling to help themselves.

Although all of these viewpoints are based on false or misleading assumptions, none can be summarily dismissed. Each raises important questions about the root causes of urban poverty and the likely efficacy of efforts to improve inner-city conditions. We disagree wholeheartedly, however, with those who would ignore the problem or who would counsel passive acceptance of the supposedly inevitable. We believe that the grip of poverty on our inner cities can be broken. Workable

strategies exist for helping the children of today's urban poor escape the binds of poverty and become tomorrow's active, productive citizens. Making relatively modest investments now in selected self-help programs—for basic healthcare, infant and child nutrition, and improved learning environments—can save society far greater expenses in the future.

Social-Economic Roots of the Crisis

Inner-city poverty is an example of what happens when social structures and the economic system no longer fit together. For many generations, young people growing up in America's poor urban neighborhoods could hope that, with access to education and jobs, they could escape the grim realities of their environments and improve their lots in life. Social institutions such as churches and schools played an important role in helping them achieve their goals. People from widely different economic backgrounds could find in these institutions expressions of their shared values and collective pride. Children, in particular, benefited. Leading figures in these institutions—teachers, clergy, community activists, businesspeople, successful middle-class neighbors—often served as role models for these children. These institutions also provided mechanisms for obtaining regular information about available social services, job openings, and other economic opportunities.[1]

In the 1960s and 1970s, the institutional structure of the inner city began breaking down as blue-collar manufacturing jobs vanished and an increasing number of working- and middle-class families moved out of the cities. As late as 1974, for example, roughly half of all African-American males worked in decent-paying semiskilled jobs, many of which were located in the major urban areas. By 1986 only one-fourth of young black males held such positions.[2] Not only were blue-collar jobs becoming scarcer, but more and more of them were migrating from urban areas—especially from cities in the Northeast and the Midwest—to the suburbs. This impelled many working-class families with sufficient means to abandon their inner-city

homes in search of new employment opportunities. For the inner-city community, the net effect of this job flight was to exacerbate the already high levels of unemployment and to create severe economic dislocations.[3]

This trend continued in the 1980s. Between 1982 and 1987, for example, the biggest manufacturing job losses occurred in the cities. (See Table 5.1.) Virtually all the recent growth in entry-level and low-skill jobs, in fact, has taken place in suburbs and rural areas. The cities, in contrast, have emerged as centers for high-skills employment.[4] The result, for the poor, has been devastating. Too many workers remaining in today's inner cities lack the qualifications demanded by the growing high-skills, high-performance marketplace. A laid-off semiskilled worker cannot easily start a new career as a computer programmer.

TABLE 5.1. Changes in Manufacturing Employment, Eight Cities and the United States, 1982-87

	Change (in thousands)	Percent
New York	-92.9	-17.6
Buffalo	-2.0	-5.4
Chicago	-56.4	-20.4
Detroit	-3.5	-3.3
Newark	-7.5	-21.9
Cleveland	-16.9	-18.3
Philadelphia	-29.1	-23.3
Pittsburgh	-21.5	-41.1
United States	243.0	1.3

Source: U.S. Bureau of the Census, *Census of Manufacturers*, 1982 and 1987

With the exodus of middle-class families, the fragile economic-social system of inner-city communities began to deteriorate. Once-thriving neighborhoods were left with "a

much higher concentration of the most disadvantaged segments of the [minority] urban population."[5] Poor children lost their routine contacts with middle-class role models who exemplified the rewards of education, hard work, and family stability. By default, adults in their lives were too often ill-educated, unemployed, and suffering the consequences of chronic poverty. Inner-city job seekers also found themselves with fewer and fewer ties to individuals and institutions that could help them improve their employment prospects in the urban economy.

Moreover, as the density of poverty increased, so did the burden on inner-city institutions. Churches, schools, and other service-providing organizations found it harder to function effectively. A school class containing only a few disadvantaged students might still be a viable forum for learning. But a class composed almost entirely of disadvantaged children presented a far more difficult challenge, one requiring a much different approach to teaching.

Gradually a distinct population, which we have come to call the inner-city poor, emerged. This group is distinguished by its social isolation—its detachment from the institutions that have historically equipped poor people with the skills and values necessary to gain entry into mainstream society.[6] As one expert has commented, the inner-city poor is a group that "feels excluded from society, rejects commonly accepted values, [and] suffers from behavioral as well as income deficiencies."[7] In recent years the increasing concentration of urban poverty has produced a dramatic intensification of these behavioral problems. This is apparent in the rising numbers of inner-city dropouts, drug addicts, people with AIDS, welfare recipients, and homeless people. And along with these escalating problems have come ever higher social and economic costs—costs that we, as a nation, can no longer ignore.

A Costly Neglect

America's failure to address the crisis of its inner cities has carried an expensive price tag. In 1987 the United States spent

more than $19 billion for income maintenance, healthcare, and nutrition to support families headed by teenagers.[8] The burdens on the criminal justice system are also enormous. In 1989 nearly four times as many African-American men were behind bars in Washington, D.C., jails as had graduated that year from the district's public schools.[9] In New York it now costs $80,000 to build a prison cell and $23,000 per year to maintain a prison inmate.[10] A male high school dropout earns $260,000 less over his lifetime than does a high school graduate, and he pays $78,000 less in taxes. A female dropout earns $200,000 less and pays $60,000 less in taxes.[11]

To meet the challenge of global competition and to provide a rising standard of living for its people, America must produce better-educated, more highly skilled workers—individuals capable of communicating well, exercising initiative, and working efficiently in teams.[12] As *The Cuomo Commission Report* argued in 1988: "As long as a significant portion of our population remains uneducated and unskilled, American society will pay a huge price to sustain those who lack the skills to contribute. The persistence of inner-city poverty puts us at a continuing competitive disadvantage with other major industrialized nations."[13] Reports by other groups have taken similar positions.[14]

A quarter century ago, President Lyndon Johnson warned that poverty posed the ultimate challenge to the well-being of our democracy. "If we stand passively by," he said, "while the center of each city becomes a hive of deprivation, crime, and hopelessness . . . if we become two peoples, the suburban affluent and the urban poor, each filled with mistrust and fear for the other . . . then we shall effectively cripple each generation to come."[15]

That threat looms even larger today. Poverty and its associated problems are creating deep social, economic, and racial cleavages within America—divisions that are eroding the bonds of mutuality upon which all democratic governance is based. Drugs, crime, urban blight, AIDS, and homelessness can no longer be dismissed as "someone else's" problems. They

diminish the quality of life for all city dwellers and serve as a continuing reproach to American ideals.

Crime takes an especially devastating toll on inner-city life. All children need to grow up in peaceful, physically secure environments. The signals they receive about the safety of the outer world should reinforce the love and support they get from their parents and other family members. But residents of the inner cities have always been at greater risk of victimization from crime, and over the past two decades the level of violence has escalated.[16] Innocent children and teenagers are now frequent victims of random gunfire. Quarrels between drug dealers are turning parts of our inner cities into combat zones.

Our inner cities are fast becoming killing fields. The national homicide rate in 1989 was one out of every 11,500 Americans. (See Table 5.2.) But in Detroit, it was seven times higher (one out of every 1,700 citizens), and in Washington, D.C., it was eight times higher (one out of every 1,400). Although the murder rates in other major cities were lower, they were still well above the national average. Furthermore, while the national murder rate declined during the 1980s, the rate in many urban areas rose.

A disproportionate number of murder victims are African-American males. While this group makes up only 5.8 percent of the United States population, it accounts for 37.7 percent of its homicide victims.[17] In fact, murder is now the leading cause of death among young African-American males.

The face of today's poor is less likely to be old and wizened, like the wintry faces in a Walker Evans photograph, than it is to be young and bewildered. One out of seven Americans—34 million people—currently lives below the poverty line. Among the nation's poor, children now constitute the neediest and fastest-growing segment. Twenty percent of all American children under the age of six currently live in poverty. One in seven children depends on the government for cash relief. Close to 30 percent of American children lack basic immunization protection against such preventable childhood diseases as measles, mumps, and rubella.[18]

TABLE 5.2. Murders per 100,000 Population, Seven Large Cities and the United States, 1980 and 1989

	Murder Rate		
	1980	1989	Change
Detroit	45.7	60.0	14.3
Dallas	35.4	35.2	-0.2
Washington	31.5	71.9	40.4
Chicago	28.9	24.8	-4.1
Baltimore	27.5	34.3	6.8
Philadelphia	25.9	28.7	2.8
New York	25.8	25.8	0.0
United States	10.7	8.7	-2.0

Source: U.S. Department of Commerce, *Statistical Abstract of the United States*, 1982 and 1991

From Awareness to Action

Our strategy to address the crisis of the inner city emphasizes human development. It is a community-supported strategy because we all need the support of our families, schools, local healthcare providers, and other community institutions. It is a self-help strategy in which society helps individuals acquire the knowledge and skills to earn a decent living. And it emphasizes the need for positive norms, such as the determination to work hard in exchange for rewards, respect for others and the law, and the importance of individual responsibility.

Although past antipoverty efforts have stressed skills and opportunity, the social isolation of the urban poor and the need to develop positive behavioral norms have not received adequate attention.

The members of the task force believe that behavior patterns among the poor that are destructive to themselves and their communities are a central factor in the urban crisis. People who

drop out of high school, who rarely have a job, who commit crimes, or who have children when they are still children themselves have far less chance to lift themselves out of poverty.

The destructive behavior patterns that characterize some of the urban poor have many causes. The loss of economic opportunities in the inner city, the consequent increase in the social isolation of the urban poor, the absence of social services, and the effects on children of their parents' diminished aspirations—all are primary causes of this problem. We will leave it for others to debate the relative weight of these factors. Our focus is on the measures that can help inner-city children develop the behavioral norms needed to succeed.

Many inner-city residents have come from groups (such as American Indians, Latinos, African Americans) that have had traumatic experiences within American society. In these communities, especially when jobs are scarce, it has been difficult to maintain faith in mainstream norms. Antisocial behaviors, from drug taking to violent crime, are exactly that: behaviors governed by a sense of alienation from a society that has apparently rejected people who in turn reject society. As James Comer, of Yale University has pointed out, those on the margins of the economy who have defensively rejected mainstream society have done so in order to preserve a sense of self.[19]

The rejection of mainstream society has troubling implications for the education of inner-city children. In spite of their alienation, many inner-city residents still see school as the only hope for their children. At the same time, they often expect schools to fail their children, just as other mainstream institutions have.

Traditional inner-city schools have found it difficult to provide poor minority children with the skills and experiences that will enable them to succeed. Staff people often place blame on the students, the parents, and their communities. Parents take difficulties at school as further evidence of being rejected by mainstream society. Ashamed of their own lack of education or their inability to hold a job, some parents simply avoid contact with the school staff.

The resultant climate of mutual distrust between home and school makes it difficult for inner-city children to learn skills and absorb mainstream norms. A child's healthy development requires emotional bonding with competent caretakers. If parents, teachers, and children are all alienated from one another, children do not have the nurturing bonds that support development and learning. When, at approximately eight years old, inner-city children begin to see academic success as unattainable, they may protect themselves by deciding that school does not matter. They may seek a sense of self-worth in groups that do not value academic achievement, and thus they become at risk for dropping out, teenage pregnancy, and crime.

We support the conclusions of many previous studies, which have demonstrated that civil rights enforcement, new economic initiatives, and welfare reform must be part of any comprehensive attack on poverty. The development of positive behavioral norms is influenced by, but cannot be reduced to, the availability of economic opportunities. Absence of mainstream norms is both a consequence of urban poverty and a factor that helps perpetuate it.

New economic and social initiatives are vital, but they are not sufficient in themselves to solve the problem. These efforts must now be complemented by a focus on human development, starting at the earliest possible age.

Human Development Programs: A Track Record of Success

Children everywhere share the same basic developmental needs: good healthcare, a nutritious diet, a supportive family, excellent schools, positive role models, and the opportunity to make the most of their skills and talents.

BEATING THE ODDS

Children of the inner-city poor face daunting barriers all along their developmental paths. Problems begin, quite literally, from the moment of conception. Poor mothers often do not receive prenatal care. Their children are also less likely to

receive essential preventive medical treatment, such as routine "well-baby" checkups and immunizations. Poor children often lack nutritious food and roofs over their heads. They are more likely to be the victims of violent crime. They frequently attend schools that do little to promote their social and psychological growth. And they have too few mentors outside the family who are interested in steering them out of harm's way.

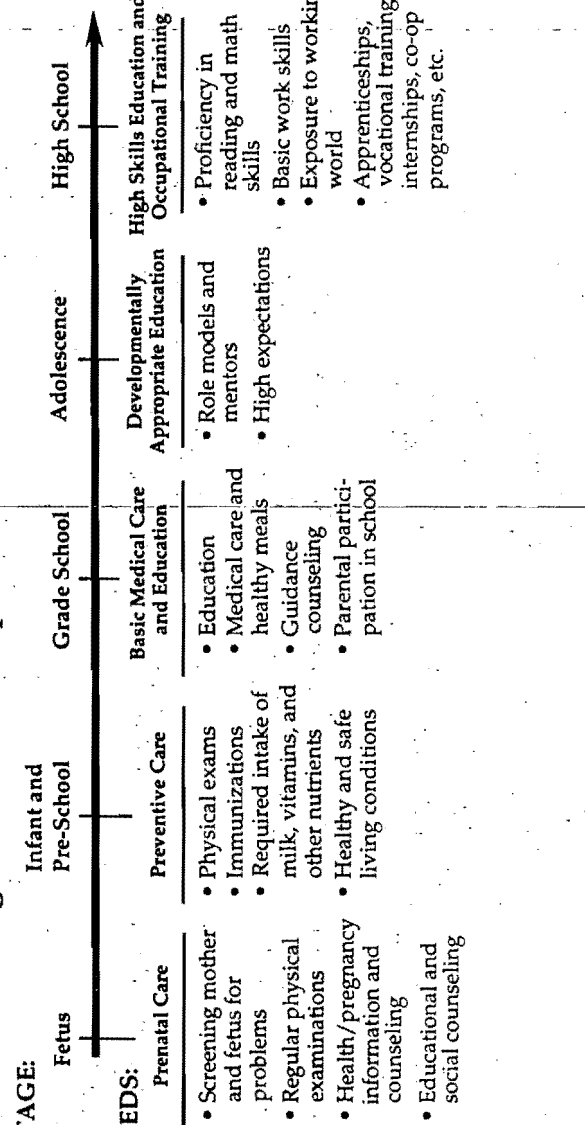
According to some commentators, it is the combination of these risk factors that keeps inner-city children from developing into productive citizens—a view we accept.[20] Yet despite these formidable challenges, developmental strategies exist that can change the odds and break the cycle of urban poverty.

The idea that children develop skills in stages is not new.[21] Yet up until now, developmental programs have generally been regarded as discrete solutions to specific problems rather than as a continuum of services stretching from the prenatal period through early adulthood. Our strategy is to link the most effective child development programs in a self-help lifeline for the disadvantaged. (See Figure 5.1.)

We believe that such a strategy can exert a positive influence on a child's behavior. As one prominent educator has observed, "a child develops a strong emotional bond to competent caretakers (usually parents) that enables them to help the child develop."[22] If the adults with whom children bond rise early and work hard, then the children are likely to accept these habits as normal. On the other hand, if families cannot provide their children with the material and emotional support they need, then their children will suffer.

Policymakers need to consider where in the process of attitude formation government and the private sector can successfully intervene. The transmission of values from parents to children takes place primarily in private, in the home. However, one public institution, the school, plays a vital role in the socialization of youth. We should use our schools, therefore, to maximum advantage: to increase the exposure of at-risk children to mentoring figures, and to help these students clarify their

Figure 5.1



personal and social choices concerning sex, parenting, education, crime, and work.

RAISING HEALTHIER BABIES

A successful human development strategy must begin by providing access to good prenatal care. Low birthweight is the single factor most associated with high rates of infant mortality. About one in fourteen babies born in the United States has a dangerously low birthweight (less than 5.5 pounds). The figure rises to a startling one in four, however, for babies born to unwed mothers.[23] Babies who weigh less than 5.5 pounds at birth are 20 times more likely to die in their first year of life than are babies who weigh over that amount. If they survive, there is a high likelihood they will suffer recurring illnesses, learning disabilities, behavior problems, and psychiatric disorders.[24]

Many pregnant woman do not seek prenatal care because they are not aware of its importance or its availability. Some pregnant teenage girls try to keep their weight down in the belief that a smaller baby is easier to deliver.[25] Others are not aware that consuming alcoholic beverages and using drugs (prescription and nonprescription) can retard the development of the fetus, resulting in a low-birthweight child, central nervous system damage, or mental handicaps. Nationwide, more than 10 percent of pregnant women abuse drugs, and one in six infants exposed to drugs exhibits symptoms of drug dependence.[26] As a result, it has become even more imperative to integrate prenatal medical services with other services, such as substance-abuse counseling. Pregnant women at Boston City Hospital, for example, curbed their heavy drinking when a team of physicians counseled them on the threat alcohol posed to the health of their babies. The doctors concluded that "providers who are knowledgeable, interested, and accepting can successfully treat pregnant patients at risk from alcohol" and thereby improve pregnancy outcomes.[27]

Prenatal care is cost-effective. A dollar spent on prenatal care can save $3.38 in later medical bills.[28] Employer-provided insurance, however, covers a smaller portion of the work force

than it did in the past. Approximately 26 percent of all women between the ages of 15 and 44 currently lack insurance for maternity care.[29] Nearly half a million pregnant women are uninsured, increasing the likelihood that their pregnancies will not be carefully monitored, and that, as a result, they will give birth prematurely.[30]

After children are born, their need for quality medical care continues. Less than half of all poor and minority children under four years of age are fully vaccinated against preventable childhood diseases such as rubella, mumps, measles, polio, diphtheria, tetanus, and whooping cough. According to the report of the1990 Report of the House of Representatives' Select Committee on Children, Youth, and Families, a dollar spent on childhood immunization saves ten dollars in later medical costs.[31] In addition to immunizations, preschool children should receive yearly physical examinations. Many of these children also need access to quality day care. The task force believes that needs of children at this stage can be addressed through a program of immunizations, through linkages between medical and social services, through high-quality day care, and through measures to educate parents, such as the Birth Start program being developed by the Carnegie Corporation of New York.

A HEAD START ON LEARNING

Children who grow up amid defeat, despair, and chaotic living conditions are less likely to develop analytic skills or to gain confidence in the efficacy of their actions. In homes where economic and social stresses are severe and the educational level of parents is low, young children are less likely to be read to or to have conversations with adults that stimulate the development of language. By the time they are two or three, such children often lag noticeably behind their middle-class counterparts in intellectual development.

Preschool programs combining education, counseling, and healthcare provide critical benefits to poor and disadvantaged children. According to the Select Committee, prudent investments in quality preschool education will reduce the probabil-

ity that an at-risk child will later require special education, collect public assistance, or be arrested for a crime. A mere fraction of 1 percent of our national education budget currently goes into preschool education. For want of adequate funding, Head Start reaches less than one out five eligible children. This is penny-wise and pound-foolish. A dollar spent on programs like Head Start can save society six dollars in the long run.[32]

The Perry preschool program in Ypsilanti, Michigan, for example, has provided minority children from disadvantaged families with a solid educational foundation that has served them well in later life. A longitudinal study of the Perry program has shown that by the time the graduates were 19 years old, they were twice as likely as members of a control group to be working, attending college, or receiving further training. Their arrest rate and teenage pregnancy rate were 40 percent and 42 percent lower, respectively, while their high school graduation rate was one third higher.[33] By the same token, 21-year-old graduates of an integrated preschool program in East Harlem in New York City were twice as likely to be employed, one third more likely to have received a high school diploma, and 30 percent more likely to have gone on to college or to have received vocational training than members of a control group.[34]

Our competitors abroad recognize the importance of preschool education. In France, for example, such schooling is provided free to all children between the ages of three and five, and virtually all of the country's children attend. *We cannot afford to do less.*

TEACHING THE WHOLE CHILD: BUILDING ON THE COMER MODEL

Our public schools promise to provide children with the education they need to enter into the prized circle of social and economic opportunity. But in communities across America—not merely those in the inner cities—schools are breaking that promise. As a 1988 study by the Departments of Education, Labor, and Commerce concluded: "The basic skills gap between what business needs, and the qualifications of the entry-level

workers available to business, is wide. This gap is particularly acute in the technical fields, which rely heavily on math and science skills."

If American public schools were issued a report card today, the grades would hardly be flattering. One out of five students who have passed through their hallways cannot read beyond an eighth-grade level. Nearly half of all high school graduates cannot perform basic arithmetic skills. In standardized tests of math and science achievement, American schoolchildren consistently place near the bottom of the list of industrial nations.

All American public schools are in need of reform. Most experts agree, for example, that the school year should be lengthened and that there must be a new national focus on excellence and achievement.

For America's inner-city schools, though, the obstacles to reform are enormous. Too many inner-city schools are not child oriented. Students are counted, lectured at, tested, reprimanded, passed to the next grade, and marched out. Teachers and staff often have low expectations of students' performance—and these low expectations become self-fulfilling.

An inadequate grade school education produces predictable results in high school: poor academic performance, truancy, misbehavior, and failure to master essential skills. Grade school performance, in fact, is a reliable indicator of future dropout rates, juvenile delinquency, and early childbearing.[35]

The cycle can be interrupted by restructuring the governance and management of schools. Two decades ago, Dr. James P. Comer, a child psychiatrist at Yale University, revolutionized inner-city grade school education in New Haven by bringing together families, educators, and social service providers in troubled schools. The Comer model attempts to sensitize teachers and school staff to the problems of poor minority children. This method helps educators to recognize that the academic and behavioral problems of their students may be due to the social gap between home and school.

Ethnic groups that have been systematically alienated from American society, such as Native Americans, Latinos, and

African Americans, seem to have the greatest problems adapting to school. The Comer model and similar programs seek to bridge the gap by involving parents or guardians in the life of the school. Schools shape the social development of students. In Comer's words, schools "don't have their effect through the specific skills they transmit alone, but through their values, climate, quality of relationships .... Children learn by internalizing the attitudes, values, and ways of meaningful others. And then, whatever content you expose children to, they learn it."[36]

Parents benefit from this participation as well. Some join with teachers and administrators on the school's governance committees. These committees try to solve problems, not fix blame, and arrive at their decisions through consensus rather than by formal vote. Other parents help out in the classrooms as assistants, tutors, or aides. Every parent who wishes has a positive role to play. The program helps develop the pride of the parents in their children. In addition, it exposes the parents to the possibilities of life outside the ghetto.

The Comer program has been extremely successful. In 1968, two years before the project began, the two schools selected for experimentation ranked last and next to last in reading and math scores among New Haven's 33 elementary schools. Disorganization and lack of classroom discipline had made learning impossible. In 1985, fifteen years after the program was inaugurated, Comer's demonstration schools ranked third and fifth among New Haven schools in composite fourth grade test scores—without any change in the basic socioeconomic composition of the student population. Measures of achievement continued to rise. In 1986 graduates of one of the schools ranked significantly higher than a control group from an unreconstructed school in language, math, "school competence," and "perceived total competence." Moreover, neither of the Comer schools has had any serious behavior or attendance problems since the program began to take hold.[37]

Other cities have successfully adapted the Comer method. In Benton Harbor, Michigan, suspensions dropped 8 percent in schools following the introduction of the Comer program, while

they rose 34 percent in the district as a whole.[38] In the Comer-based schools of Prince Georges County, Maryland, preliminary results indicate that disciplinary problems have dropped sharply, while tests scores have gone up. At the Green Valley school, for example, children exceeded the national average on standardized achievement tests for the first time anyone can remember.

Similar educational reform efforts have enjoyed analogous success. In the 1987-88 school year, the Success for All program was introduced in grades prekindergarten through three at the Abbotston Elementary School in Baltimore, Maryland. Unlike the Comer approach, Success for All puts its primary emphasis on instructional intervention. If a first grader is having difficulty reading, he or she is assigned a tutor who works one-on-one with that student every day. A family-support team, consisting of two social workers, a parent liaison, and a public health nurse, helps students respond to problems at home. The results? Abbotston students perform at or above grade level in all grades, while a comparable population of students lags six months behind grade level in the first grade, seven months behind in the second, and eight months behind in the third.

Another educational success story that has attracted national attention is the Central Park East (C.P.E.) Elementary School in East Harlem, New York, a district in which half the families fall below the poverty line. In 1974, when educator Deborah Meier took charge of the school, it had the worst attendance rate, the highest suspension rate, and the lowest reading and math scores of 32 school districts in New York. Like Comer, Meier opted for a truly "open classroom" approach. Doors were flung wide for parents to join teachers as active contributors to their children's education. C.P.E. made extensive use of art and music in its curriculum (it was the only public elementary school in New York City to offer its students regular in-school violin instruction). Children learned to write before they could read. Once they learned how to read, they read constantly. Through this intensive focus on self-expression and language skills, Meier sought to strengthen children's self-

confidence and sense of self-worth. Soon C.P.E. became a model, not only of an outstanding inner-city school, but also of the kind of public school that works for all children.

Six years after the first 32 students graduated from Central Park East, 29 had completed high school and 2 were still in school, planning to graduate. This contrasts sharply with the districtwide dropout rate of 78 percent for blacks and 72 percent for Hispanics. Between 1979 and 1985, three-fourths of the school's sixth graders scored above average on standardized reading tests; as second graders, only 40 percent of these students had been reading at grade average. An evaluation report commissioned by New York's Community Trust concluded, "Many C.P.E. students 'caught up' and surpassed national norms during their years in school," compared with the usual pattern for disadvantaged children, who tend to fall farther and farther behind with each passing year.[39]

EARLY ADOLESCENCE: PROVIDING POSITIVE ROLE MODELS

Adolescence is a time of transition and vulnerability. Teenagers are confronted with difficult choices to make about sex, drugs, and other types of risky behavior. Children without ambition or hope, who have no one to look up to, are more likely to make unwise decisions that result in addiction, imprisonment, self-injury, sexually transmitted illnesses, or the birth of unwanted children.

The family is unquestionably the best source of role models, but too many urban families have been fragmented by poverty. Schools, churches, and other community organizations, which have historically provided mentoring figures for troubled youth, have also lost their moral authority over inner-city teenagers.

Some middle schools have made deliberate efforts to address this void. Their strategies have included reducing the average class size, creating special teacher-student teams, and assigning an adult adviser to each student. The Shoreham-Wading River Middle School on Long Island, for example, has sought to bridge the gap between the adult and adolescent worlds through an advisory system.[40] Each adviser supervises

a group of under ten students, with whom he or she regularly meets to discuss their academic progress, complaints about school, problems at home, or anything else that might concern them.

At the Jackie Robinson Middle School in New Haven, a Comer-model school, a school planning and management team sets goals for each student's academic and social development. This helps teachers to guide students toward making better personal choices about their lives. Rates of teenage pregnancy, for example, have dropped dramatically. Similarly, the Human Biology Program at Stanford University counsels students on adolescent development—in particular, on the relationships between the reproductive system, sexual behavior, and health.[41]

FROM SCHOOL TO WORK: EXPANDING APPRENTICESHIP

In today's global economy, young job seekers can only hope to land good positions that pay well if they can offer prospective employers valuable skills and a demonstrated capacity to think and act intelligently. Recognizing that fact, many of our international competitors have established comprehensive programs to help their non-college-bound youth acquire essential vocational and job-related skills. Yet few American high schools have forged similar links to the world of work.

Never have we been more in need of such bridge-building programs. Nationally, only half of all 16- to 19-year-olds are working or looking for work. In New York City only one out of five working-age teenagers is in the labor market.[42] About a quarter of all 18-year-olds and almost half of inner-city students drop out of high school, often because they do not see any advantage in staying in school. And too many of those who do graduate leave without the skills necessary to obtain jobs at decent wages with opportunities for advancement.

Fifteen percent of employers report difficulty in finding workers with specific technical skills. Many employers, including large manufacturers, financial service firms, and communication firms, say that advances in technology are obliging them to look for workers with enhanced educational

skills. Managers are distressed by the prevalence of illiteracy and innumeracy in the work force. By one calculation, U.S. firms spend as much as $30 billion annually to train and retrain their employees. Even so, the major portion of that money goes into training the college educated, rather than frontline employees.

Workers today not only must read job orders and calibrate equipment, they must also possess a strong work ethic and good social skills.[43] The capacity to solve problems, to work well in teams, and to reach accommodation with others is fast becoming a sine qua non of the emerging American workplace.[44] Good social skills are also vitally important for aspiring entrepreneurs.[45]

Roughly half of all 18-year-olds do not go on to college. Most of these teenagers usually make their first job contacts through family members, friends, or neighbors.[46] In many inner-city neighborhoods, however, the young do not have any realistic job contacts. As William Julius Wilson, author of *The Truly Disadvantaged*, has pointed out, the increasing social isolation of the inner-city poor during the 1970s and 1980s narrowed their exposure to mainstream norms associated with the world of work. In fact, few inner-city families today have a steadily employed breadwinner. Too many inner-city youths now find their role models in gang members and drug peddlers.

The divide separating inner-city schools and the modern workplace must be bridged if disadvantaged teenagers are to enjoy job opportunities that can draw them into mainstream society.

We believe that any successful reform must do the following: transform workplaces and community settings into learning environments; link educational and occupational goals; give youths responsibilities; and foster close relationships between young people and adult mentors.

A number of European countries, most notably Germany and Sweden, have national apprenticeship programs to help young people make the transition from school to work, and to

create large pools of skilled, highly paid workers.[47] Local employers visit schools and teach students about occupations in the seventh grade. After completing compulsory school at age 15 or 16, the majority of young people enter two- to four-year professional programs. Apprentices attend school on a part-time basis to learn the theoretical principles of their trades. They also work on a part-time basis, receiving on-the-job training from business-run organizations. By the time students have completed their training, they are certified as journeymen and have developed the contacts and ties in the business community that can lead to productive careers. None of these programs is so rigidly determined, though, that a student who elects to pursue a totally different career cannot continue on to some form of higher education.

The German model cannot be imported wholesale to the United States. Important differences exist between our respective economies and educational systems.[48] Nonetheless, the European programs provide useful examples of successful systems designed to create a skilled labor force. If the United States develops its own approach, it could offer to all young people an attractive alternative to the dead-end choices of unfinished schooling, premature parenthood, crime, and drugs. America should build on the success of apprenticeship in the construction trades. It should link its vocational education system to employers and the labor market.

Opportunity to Advance: Federal and State Economic Policies

Programs to enhance the work and social skills of the urban poor must be complemented with new federal efforts to expand economic opportunity. Washington needs to coordinate a pro-growth macroeconomic policy with new economic development initiatives aimed at creating urban jobs. In addition, our government should institute a national public employment program.

NATIONAL MACROECONOMIC POLICY

The health of our nation's cities is inextricably linked to the strength of the national economy. When Washington sets in motion the levers of fiscal and monetary policy to speed up or slow down the national economy, inner-city neighborhoods feel the effects. During periods of healthy economic growth, real wages, hours of work, and labor-force participation of the poor all increase.[49] The inner-city poor were particularly hard struck by the recessions of the early 1980s. If America is to give the inner-city poor the opportunity to help themselves, it must pursue a pro-growth macroeconomic policy.

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Even when the economy is booming, the inner-city poor must overcome formidable barriers to prosperity. Discrimination in the labor market causes disproportionate injury to the inner-city poor, a majority of whom are black or Latino.[50] We believe that more effective enforcement of the civil rights laws is necessary. But with urban poverty having so many deep-rooted causes, that enforcement alone is not sufficient to solve the problem. In smaller cities, 28 percent of the inner-city poor are white, indicating that, although racism has contributed to the formation of inner-city poverty, other factors have also been at work.[51]

NEW ECONOMIC DEVELOPMENT POLICIES

City governments, aided by states and the federal government, must redouble their efforts to control crime, improve schools, and provide a well-functioning transportation infrastructure. Taking such steps would enhance the quality of urban life for all city residents. This, in turn, would attract more people and business to the city, which, in its turn, would directly benefit the urban poor.[52] To the extent that education reforms succeed, cities will become relatively more attractive to business—and opportunities will grow.

States can also play an important role in maintaining the

competitiveness of the factories that remain in cities. Among other measures, state and local governments might work together to create special industrial extension services that would help manufacturers introduce state-of-the-art technologies and improve their quality-control procedures. Although such services would help all industrial regions within a given state, the large urban areas, which still compose the major manufacturing centers, would be primary beneficiaries. (For a more extensive discussion of the Commission's recommendations on industrial competitiveness, see Chapter 4.)

PUBLIC EMPLOYMENT PROGRAMS

Public employment programs have been used periodically to help create jobs during times of chronic unemployment. The most famous programs were those created during the Great Depression—the Civilian Conservation Corps and the Work Projects Administration. The Kennedy, Nixon, Ford, and Carter administrations all authorized different types of public employment measures. Even President Reagan, while opposing the concept, approved the Emergency Jobs Act in 1983.

In the United States, properly designed jobs programs have proved effective in cutting welfare costs and providing valuable public goods during cyclical downturns.[53] In other countries, such as Sweden, public employment programs exist on a permanent basis and are expanded during cyclical downturns.[54] The responsiveness of training programs to local labor market conditions is a key to success. The same is true of public employment programs. One way of making these programs responsive would be to have the federal government disburse the money to local employment training panels, which would evaluate employment proposals of different local governments, provide the funds, and evaluate the programs.

A good program would need to provide wages high enough to convince potential participants that work is more rewarding than welfare. In some states, welfare benefits plus in-kind assistance, such as medical care and day care, exceed the minimum wage. To reduce dependency on welfare, a jobs program

needs to pay more than the minimum wage. The need to provide incentives for work must be balanced against the fact that the higher the wage, the fewer the jobs that can be created with a given amount of money. Weighing both of these factors, we believe that a jobs program should pay at least 20 percent more than the minimum wage. At this wage level, a $3 billion program could create over 230,000 jobs.[55]

With the unemployment rate at its highest level in three years, a public jobs program would be particularly helpful now. Such a program would help people escape from poverty and unemployment. In fact, without public employment jobs, it may be impossible for many of those now on welfare to meet the work requirements mandated by recent welfare reforms.

Needed: An Integrated Strategy

Many people in the inner city, trapped by poverty and social isolation, are unlikely to become productive without a helping hand from the community. We recommend that the public and private sectors provide that helping hand by implementing a *community-based self-help strategy*. We see this plan as a systematic effort to reconnect the inner city with mainstream society. It offers measures for providing expectant mothers with quality prenatal care, for reforming grade schools so that students and teachers build respect for one another, and for helping high school students develop skills that prepare them for the workplace. All of these efforts will help inner city youth to overcome their sense of social isolation.

This report and its recommendations do not address other measures also needed to improve conditions in the inner city. For example, we have not reviewed the new policies to promote work by welfare recipients. Also outside our scope are issues such as homelessness, inadequate housing, crime, and drugs. Working- and middle-class families are indispensable to the health of institutions such as churches and schools, yet without safe and affordable housing, they are likely to continue their exodus, leaving our cities with higher concentrations of the

poor. We do not have recommendations for addressing these problems, but we recognize their seriousness.

A successful attack on inner-city poverty cannot be mounted in a piecemeal fashion because, as we have shown, its interrelated problems manifest themselves in all of the critical stages of human development. Government programs have typically been designed to respond to isolated needs, providing specific services to narrowly defined groups of recipients. If adolescents in inner-city communities lack certain skills, government creates a training program designed to improve those skills. If these adolescents do not know how to look for a job, how to prepare a resume, or how to act in a job interview, government creates another narrowly targeted program to answer those needs, administered by a different group of people. The result is a proliferation of highly specialized but unconnected programs that cannot effectively meet the interdependent needs of the poor.

An effective development strategy must be built on linkages between service providers. Such linkages increase the likelihood that the children of the urban poor will receive the healthcare and education they need to develop into productive citizens. Without such linkages, service-providing agencies will continue to operate in isolation, forcing their intended clients to navigate a bewildering maze of bureaucracies to obtain the necessary services.

The United States needs to reorganize its welfare, social services, and education systems in order to integrate the delivery of proven programs. The nation must concentrate on applying the new strategy in the most disadvantaged neighborhoods. And government needs to enlist the aid of the private sector in implementing these changes.

Many of these programs should take place in a school setting, which is generally the most efficient place to deliver services to children. Many urban schools have instituted human development programs and have enjoyed great success. The task force recommends building on these programs.

Below we have summarized the human development

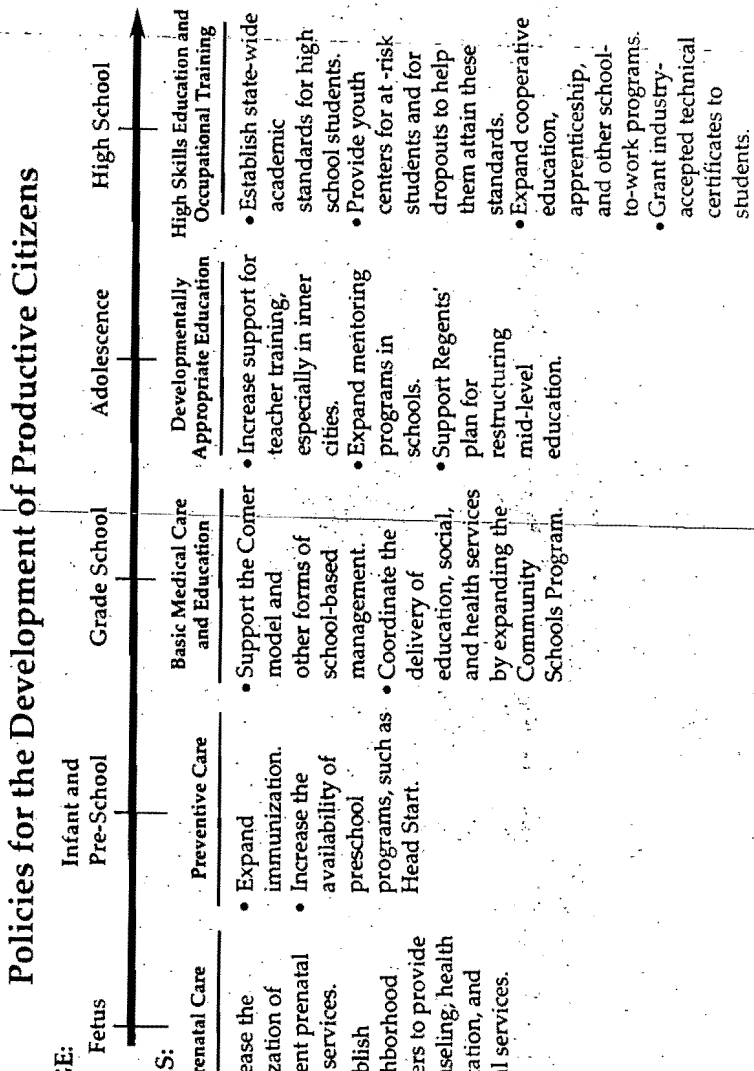
reforms needed to reduce inner-city poverty. Together, the recommendations represent a comprehensive approach to the development of productive citizens. (See Figure 5.2.)

1. *Access to Prenatal Care*
Government at all levels must act to increase usage of existing prenatal care services. States must spread the word to expectant mothers that these services are available, and that if they fail to take advantage of them, they are putting their babies at risk. In those urban areas where prenatal care is not now available, private providers and the appropriate governmental agencies must coordinate efforts to make sure that care becomes available at neighborhood centers.

2. *Immunization Programs for Young Children*
Working with the private sector and local government, states should increase the proportion of three- and four-year-olds who are immunized against measles and other preventable diseases. This and other efforts to increase the availability of preventive and primary medical care for young children should be coordinated with preschool programs.

3. *Preschool Programs and the Special Supplemental Food Program for Women, Infants, and Children (WIC)*
In 1990 the Congressional Budget Office estimated that only 55 percent of the eligible children and women were receiving WIC benefits. Washington needs to simplify the registration process and make WIC available where women and children receive primary medical care. Washington also needs to reduce the regulatory barriers that prevent the effective utilization of Head Start. Since Head Start provides many more benefits than traditional day care does, children should be eligible for two prekindergarten years, including a full-day program. Income eligibility should also be broadened, so that parents moving into the work force would still be eligible, even as their incomes rise above the poverty level. The Family Support Act provides a precedent for such transitional funding. The Act provides

Figure 5.2



Medicaid and child care for a year after women leave the Aid to Families with Dependent Children program.

4. *Developmentally Appropriate School Reforms: The Comer Model*
The Comer and related reform models have demonstrated that inner-city schools can be transformed into exciting learning environments in which poor minority children develop the educational and social skills they need. The next step is to encourage schools in the inner cities to adopt these models, which increase parental involvement and train teachers to become more sensitive to students' developmental issues.

The federal government also needs to reconsider its role in education. Currently it is considering initiatives to create national standards and to expand choice between private and public schools. The process of establishing standards does not help disadvantaged children attain them. Washington's primary effort to help communities with the education of disadvantaged children is commonly known as Chapter I. Unfortunately the regulations for spending this money are inflexible. Schools with large portions of disadvantaged children need to be allowed to use Chapter I funds to provide integrated services, such as counseling and healthcare. Such flexibility will make it easier for local schools to implement the Comer model.

5. *School-Based Clinics*
States and the federal government should support the establishment of more school-based clinics to deliver health services, including mental health treatment, to poor children. Private, not-for-profit hospitals should be encouraged to adopt schools throughout the city, helping them start new clinics.

Federal policies should support the development of school-based clinics, which would be part of a network of primary care providers. At the junior and senior high school level, these clinics would pay particular attention to mental health, substance abuse, nutrition, and physical fitness. Pregnant students without major health problems would receive prenatal care in these facili-

ties. It would be appropriate to grant Medicaid waivers, so that a school serving a population with 50 percent or more Medicaid-eligible students would be allowed to bill for all students without checking their Medicaid status.

6. *Middle School Reform*
The directions reform must take are clear: mentoring programs to increase the availability of adult role models, smaller learning environments, grouping teachers and students into teams, and bringing quality health and social services into the schools.

Mentoring programs offer an excellent opportunity to provide at-risk youths in both middle school and high school with positive role models. These programs need much more support, especially from the private sector.

7. *Linking Schools to the Labor Market*
Too many high school graduates do not measure up to the demands of today's labor market. States should establish uniform educational standards that all students should meet by age 16. National standards would be desirable, but we cannot wait for Washington to act. Therefore we propose that the individual states establish uniform performance standards keyed to the highest international achievement levels. Students who achieve those levels would receive "certificates of initial mastery," which would qualify them to continue on to college, to technical and professional education, or to the work world.

We hasten to add that the mere act of setting standards will accomplish nothing in the absence of fundamental reforms. For disadvantaged students, especially, such standards may come to represent yet another obstacle for them to overcome. America's commitment to standards must be matched by an equal commitment to the students. The nation needs to establish youth centers for struggling high school students and dropouts as well as second-chance centers for adults who require additional help to gain their diplomas. If children are not succeeding, we must ask ourselves: "How have *we* failed *them*?"

Establish a comprehensive system of professional certification for non-college-bound students and workers. Most workers have jobs that do not require a college education. Yet present policies do little to help the young who are not college-bound to gain the skills, credentials, and connections they need.

Expand apprenticeship programs that combine academic courses with on-the-job training. The academic content of the program should not be limited solely to trade-related subjects but should also provide a well-rounded education. A certificate would signify successful completion of a program of workplace-based instruction in a trade or skill.

Apprenticeship programs should be expanded beyond those serving the building trades—the most common type of apprenticeship program in the United States today. There should be programs for the service sectors, including the banking and hotel industries, which have generated much of the job growth in our cities.

Apprenticeship programs could be organized on a variety of bases: single-employer, single-industry, or through a consortium of employers sharing needs for workers with similar skills. Unions can play pivotal roles as initiators, organizers, and program-delivery agencies.

8. *Mobilize Private-Sector Support*

Government efforts to address the problems of the inner city can be greatly aided by private-sector involvement. In fact, some of the projects that have succeeded, such as the Comer model, have their origin in private-public partnerships.

We recommend the formation of new private-public advisory committees to support the implementation of the human development strategy. The advisory committee and other private-sector leaders can play a number of effective roles.

First, they can advocate. Private-sector leaders can help make urban poverty policies a political priority—an issue by which elected officials are judged. Building support will require extensive public education campaigns to change the view

that urban poverty is a hopeless cause and to show the public that comprehensive programs do work.

Second, they can fund demonstration programs and special services. Community and philanthropic organizations should expand support for these programs. For example, philanthropic organizations could work with state and local governments to implement the Comer or similar models.

Third, they can participate in school governance. Private citizens should play an increased role in the education of children and the governance of local schools, particularly those with school-based management programs.

Fourth, they can serve as mentors. Responsible adults should commit part of their time to mentoring programs.

Fifth, they can offer jobs. Companies and unions should play an active role in helping high school students make the transition to the world of work.

9. *Federal Leadership and Resources in the War against Drugs*

The federal response to the crack crisis has been to fund small demonstration projects. These reach only a small portion of addicts and leave service providers without funds at the end of the demonstration. A better approach would be to fund programs at all primary care providers in areas with high concentrations of substance abusers.

10. A *New National Public Employment Program*

The program should be designed to emphasize service and labor-intensive projects. With proper safeguards against substitution of existing workers, and carefully drawn eligibility policies, such a program would be well worth the costs.

Better Cities for All of Us

Our nation faces a crisis in its inner cities. Economic self-interest requires the nation to address this crisis—it is central to the economic challenge facing America. We can no longer afford the cost of welfare payments, prison expenses, lost

productivity and taxes, lagging competitiveness, and an eroded sense of community. A start can be made by framing the issue as one of human development in the inner city.

Our strategies are designed to build on the successes and avoid the failures of earlier efforts. Economic opportunity is vital, but racial barriers and a lack of technical skills are not the only obstacles that prevent the urban poor from escaping from the ghetto. In many cases, the children of the urban poor suffer from problems in physical and social development. Programs that take a developmental approach, such as Head Start and Comer's school development program, have shown that we can change the odds and break the cycle of urban poverty. The key to a successful strategy is recognizing that because *all* children share common developmental needs, under our democracy *all* should enjoy an equal opportunity to live with dignity and to develop their skills to the utmost.

Opportunity, skills, and positive norms are the ingredients for success. The process of expanding opportunities will require macroeconomic policies that promote growth and rising wages—variables that cannot be controlled at the state level alone. Washington must articulate a vision, exercise leadership, and commit the needed resources. If our agenda is carried out, our competitiveness will improve, and our nation's cities will be better places for us all.

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CONFRONTING THE NATION'S URBAN CRISIS

From Watts (1965) to South Central Los Angeles (1992)

The Urban Institute

Put in Speech file for Nov. 22

NATIONAL COMMUNITY BUILDING NETWORK

Who we are:

The National Community Building Network is an alliance of locally driven urban initiatives working to reduce poverty and create social and economic opportunity through comprehensive community-building strategies.

What we do:

- Share experiences and disseminate local lessons to enhance the work of our members and other urban initiatives.
- Use our collective expertise to shape and develop comprehensive, community-building state, local and federal policies.

How we do it:

Past urban policy was flawed by its fragmentation, but attempts to foster collaborative, comprehensive approaches face enormous barriers of turf, inexperience and inertia. Our local experience devising and implementing comprehensive community-building initiatives shows us that effective efforts must:

- Integrate community development and human service strategies.

  Traditional anti-poverty efforts have separated "bricks and mortar" projects from those that help families and develop human capital; each approach needs the other to be successful.

- Forge partnerships through collaboration.

  Building community requires work by all sectors -- local residents, community-based organizations, businesses, schools, religious institutions, health and social service agencies -- in an atmosphere of trust, cooperation and respect. It takes time and committed work to make such collaboration more than rhetoric.

- Build on community strengths.

  Past efforts to improve urban life have too often addressed community deficits; our efforts build on local capacities and assets.

- Start from local conditions.

  There is no cookie-cutter approach to building community; the best efforts flow from and adapt to local realities.

- Foster broad community participation.

  Many urban programs have become professionalized and alienated from the people they serve; new programs and policies must be shaped by community residents.

- Require racial equity.

  Racism remains a barrier to a fair distribution of resources and opportunities in our society; our work promotes equity for all groups.

- Value cultural strengths.

  Our efforts promote the values and history of our many cultural traditions and ethnic groups.

- Support families and children.

  Strong families are the cornerstone of strong communities; our efforts help families help themselves.

Adopted 6/8/93

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Athena Young, The Sandtown-Winchester Project

8.04.93

I've accepted luncheon speech for Nov. 22 → want to talk about responding to the rest of this conf. - let's do so in next scheduling meet

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David A. Hamburg, M.D.
President

October 6, 1993

The Honorable Carol Rasco
Assistant to the President for
Domestic Policy
The White House
Washington, DC 20500

Dear Carol:

I was delighted to hear from Paul Dimond in Bob Rubin's office that you have agreed to be a key participant in a Carnegie Corporation meeting, "Strategies to Reduce Urban Poverty: Integrating Human Development and Economic Opportunity," to be held in Washington, D.C. on November 22-23, 1993. Knowing the many demands on your time, we are very grateful for your willingness to be with us. I recall with great pleasure our good discussion when you attended the dinner meeting for the Carnegie Task Force on Meeting the Needs of Young Children.

Ray Marshall, Professor of Economics at the L.B.J. School for Public Affairs, University of Texas, and former Secretary of Labor, will join me in chairing the meeting. This will be a small, off-the-record meeting in which scholarly experts and senior members of the administration have an opportunity for dialogue about short- and long-term approaches to reducing urban poverty.

Among the most critical policy issues that must be addressed if our nation is to renew its economic strength in the 1990s and beyond is the problem of urban poverty. The meeting is designed to clarify what we know of the human development approach and the economic development strategy, and how the two can be integrated to reduce urban poverty. Research and past experience suggest that the success of future anti-poverty policies hinges on combining the two approaches.

We are inviting a select group of experts and policymakers to participate in this meeting to stimulate what we expect will be a substantial discussion among informed people. I suggest you plan to make remarks for about 20 minutes. A draft agenda is attached. If you want to discuss any of this, please give me a call.

The meeting will be held at the Carnegie Conference Center, 2400 N Street, N.W. (corner of 24th and N Streets) on the eighth floor. A block of rooms has been reserved at the ANA/Westin Hotel, 2401 M Street, N.W., just one-half a block from the Carnegie offices.

We would appreciate your letting my assistant, Judy Smith, know of your plans to attend. She can be reached at 212/371-3200 x213 or by fax at 212/753-0395. Judy will be happy to assist with any questions you have about the meeting arrangements.

We see this meeting as a first attempt to explore strategies at the intersection of the human and economic development approaches that may inform a policy agenda for the years to come. We are very pleased that you can join us at the start of this important conversation.

With very best regards,

Sincerely,

David

David A. Hamburg, M.D.
President

Enclosures

Peggy joins me in sending warm regards!

Draft Agenda 10/5/93

CARNEGIE CORPORATION
OF NEW YORK

STRATEGIES TO REDUCE URBAN POVERTY: INTEGRATING HUMAN DEVELOPMENT AND ECONOMIC OPPORTUNITY

November 22-23, 1993
Carnegie Conference Center
2400 N Street, N.W., Eighth Floor
Washington, D.C.

Monday, November 22

I. URBAN POVERTY IN CONTEXT

9:00-9:15 a.m.

- **Goals of the Meeting**

Discussion Leader: Robert Rubin**
Assistant to the President
for Economic Policy

9:15-10:45 a.m.

- **National and International Economic Trends**

(Trends in economic activity and infrastructure and their relation to employment and urban poverty; technological trends and implications for the economy and society.)

Discussion Leaders: Robert Solow
Institute Professor, Department of Economics
Massachusetts Institute of Technology

Joseph Stiglitz
Member, Council of Economic Advisors

- **Trends in Major American Cities Affecting Poverty**

(Shifts in physical and economic infrastructure, demographics and family structure)

Discussion Leaders: George Peterson
Senior Fellow, Urban Institute

James Comer**
Maurice Falk Professor of Child Psychiatry
Yale University Child Study Center

10:45-11:00 a.m. Break

** Confirmed participant

11:00-12:00 p.m.

- **Lessons from Domestic and International Anti-Poverty Efforts**

Discussion Leader: Greg Duncan
Program Director
Institute for Social Research
University of Michigan

12:00-1:15 p.m. Lunch

- **Reinventing Government for Poor Families**

Speaker: Carol Rasco**
Assistant to the President for Domestic Policy
The White House

II. HUMAN DEVELOPMENT STRATEGIES

1:15-1:30 p.m.

- **Overview: Critical Issues in Human Development**

Discussion Leader and Chair: David Hamburg**
President
Carnegie Corporation of New York

1:30-3:15 p.m.

- **Strengthening Young Families**

Discussion Leaders: Judith Jones
Director, National Center for Children
in Poverty, Columbia University

Isabel Sawhill
Associate Director for Human Resources
Office of Management and Budget

- **Improving the Quality of Education for Poor Children**

Discussion Leaders: Robert Slavin
Director, Elementary School Program
Center for Research on Effective Schooling
for Disadvantaged Students
The Johns Hopkins University

Marshall Smith
Undersecretary of Education
U.S. Department of Education

3:15-3:30 p.m. Break

3:30-5:30 p.m.

- **Reengaging High-Risk Youth**

Discussion Leaders: Joy Dryfoos**
Independent Researcher

Ron Mincy
Senior Researcher, Urban Institute
and U.S. Department of Health and Human
Services Task Force on Welfare Reform

- **Fostering Readiness for the Transition to Work**

Discussion Leaders: Robert Glover
Research Scientist
Center for the Study of Human Resources
L.B.J. School of Public Policy
University of Texas, Austin

Doug Ross
Assistant Secretary
Employment and Training Administration
U.S. Department of Labor

5:30-6:30 p.m. **Break**

6:30-8:00 p.m. **Reception and Dinner**
ANA/Westin Hotel
2401 M Street, N.W.
Washington, D.C.

8:00-9:00 p.m. **Discussion**

- **The Nature and Scope of Urban Poverty**

Speaker: William Julius Wilson**
Lucy Flower Distinguished Professor of
Sociology and Public Policy
Deparment of Sociology, University of Chicago

Tuesday, November 23

III. ECONOMIC DEVELOPMENT STRATEGIES

9:00-9:30 a.m.

- **Overview of Economic Development Approaches to Community Development**

Discussion Leader and Chair: Ray Marshall**
Audre and Bernard Rapoport
Centennial Chair in Economics
and Public Affairs
L.B.J. School of Public Affairs
University of Texas, Austin

9:30-12 noon

- **Community Development Banks and Corporations**

Discussion Leader: Mitchell Sviridoff
Professor Emeritus
Community Development Research Center
New School for Social Research, New York

- **Investment in Housing**

Discussion Leader: Franklin Raines
Vice Chairman
Federal National Mortgage Association

- **Investment, Job Creation and Employment Policies of Corporations**

Discussion Leader: William Edgerly
Chairman, Committee on Economic
Development's Committee on Urban Policy

- **Investment in Technology**

Discussion Leader: Lewis Branscomb
Albert Pratt Public Service Professor
Science, Technology and Public Policy Program
John F. Kennedy School of Government
Harvard University

12-1:00 p.m. Lunch

IV. INTEGRATING ECONOMIC AND HUMAN DEVELOPMENT APPROACHES

1:00-3:15 p.m.

- **The Federal Role: Community Enterprise Boards**

Discussion Leaders: Senior Administration Officials

3:15-3:30 p.m. Break

3:30-5:00 p.m.

- **Creating a Long-Term Urban Strategy: Discussion**

Draft 10/5/93

Reply Form
for
Carnegie Corporation of New York

Strategies to Reduce Urban Poverty: Integrating Human Development and Economic Opportunity

Washington, D.C.

November 22-23, 1993

Name_____

Address_____

Phone_____ **Fax**_____

I will need a room at the ANA/Westin on Sunday, November 21_____

I will need a room at the ANA/Westin on Monday, November 22_____

I plan to attend the meeting on Monday, November 22_____
including the luncheon_____**and dinner**_____

I plan to attend the meeting on Tuesday, November 23_____
including the luncheon_____

Special dietary considerations (please specify):_____

PLEASE FAX THIS FORM TO:

Judy Smith
Carnegie Corporation of New York
Phone (212)371-3200 X213
Fax (212)753-0395

Not necessary for CHR per Judy Smith 11/1/93 rsm