

Production Transcript for Welcome.mp4

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[Silence]

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>> Raphael Bostic: Good morning everyone.

[00:00:09]

[Multiple Speakers] Thank you for being here to attend our Innovating to End Urban Poverty Conference. This is a really exciting day for me and I'm hopeful that it will be a change in trajectory in terms of how we think about poverty and how we think about addressing it. This is one of the most enduring issues and challenges that we have in this country. And it deserves the attention of everyone. And the most creative thinking that everyone can bring to this. And so this conference is really designed as a forum and a focal point to get people to bring out their most creative thinking. And to engage and be challenged and be forced to think about how things work, but more importantly how are we going to change things moving forward. We have a tremendous program. I am really pleased and honored to have so many experts in the field to talk about their expertise but also to-- who are willing and open to being informed by the expertise of others.

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This is going to be a really interesting couple of days. And I think that the breadth of people who have come, the ideas that are representing the framing papers and the discussion that we're about to have will be a testament to how important and how good a group we actually have. I'll say more about that in a second, but I did want to just say a few things about the origin of the conference and then introduce some of leadership. This conference is a partnership between my center, which is the Bedrosian Center for Governance and the Public Enterprise, along with the Sol Price Center for Social Innovation. And the conference and the issues that we're going to discuss in the next couple of days really reflect both-- the interests of both the centers. For us at the Bedrosian Center we are interested in the implementation issues around governance and for everyone who has worked in policy and particularly in governing-- in poverty policy or anti-poverty policy.

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We recognize the challenges of actually just doing the things that need to be done to advance these policies and make them work effectively. But there's also a notion that we've been doing this for a long time. There has been movement, in terms of what these programs have done to deal with poverty, but there's more to be done. And if we're going to find those new approaches, we're going to need innovation. We're going to need innovative approaches that we take to make that change. And that's what the Price Center is about. And so it's a natural marriage for those of us-- for both of us and I'm glad that we have been working together. I personally want to thank the folks at the Price Center and especially Richard Parks who you'll hear from-- in a few moments. Richard is a guy-- you know, he has this calm exterior but he's anything but that. He's got tremendous passion, he's got great fire, and it's been-- it would not be possible to do this conference without him.

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And so Richard thank you, it's been a pleasure to work with you. I also want to thank my staff. You've seen some of them already, Aubrey and Donnajean. They actually do all the stuff - I just show up and start talking. And without them it would be impossible for us to do anything. And then finally I just want to say my job-- I'm Raphael Bostic. I actually didn't introduce myself. I should have done that. I just figured you all would figure out who I am. And it's my job to be the emcee for the day. And so you'll-- you're stuck with me, rambling on at various times. The timekeeper will tell me to shut up and that will be good. But I want to, in this capacity make sure that things keep going. And this is a conversation that we're going to have. I really do intend for this to be an exchange of ideas rather than just listening to a bunch of speeches. And to that end, we're going to-- I push the presenters to not present but more talk and have us have a conversation and I hope that we do that.

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So, I'm going to start by moving the program on. I want to start with an introduction of my boss. Jack Knott is the Dean of Sol Price School of Public Policy. In the time that he's been here, the Price School has transformed tremendously from a school that was regarded-- it was regarded fairly well, to one that has become a leader in areas of social policy and health policy and transportation and just about all the important areas that we have in policy space. Jack is a tremendous leader, a tremendous inspiration to all of us, and Jack thank you for allowing us to do this. Please let's welcome Jack Knott.

[00:05:20]

>> Jack Knott: Thank you very much Raphael. Good morning everybody. It's really a great pleasure to see all of you here attending this very special conference. Before I begin, I also want to thank Raphael for his leadership of the Bedrosian Center and Richard Parks for his leadership of the Center for Social Innovation and this partnership. I think it's a great way for our Centers to collaborate together. So I want to welcome you to this conference on Innovating to End Urban Poverty. And I look forward to learning and hearing about the kinds of ideas that you have and the high-quality thought-proposing discussions that I anticipate over the next day and a half. As Raphael said, despite decades of serious effort to try to end and bring a decline to poverty in our country, poverty continues to be an all too familiar part of American life especially for urban America. At this time also, income and equality has risen to be as high as it was back in the 1920s during of one of the other peaks in income inequality in our country.

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And so despite all these programs and all the efforts to bring up people out of poverty, income inequality is at its highest point in my lifetime and your lifetime. And in addition, disparities persist in health insurance and health outcomes and other indicators of well-being that differentiate between diverse groups and between the rich and the poor that are really unacceptable and much higher than you find in many other countries. Consequently, this whole issue of poverty remains a major societal challenge that cries out for renewed and innovative public policy attention and societal attention. And is the basis, I believe, for why this conference is such an important event. The best solutions to today's poverty problem will necessarily require interdisciplinary and problem-focused approaches.

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The Price School addresses issues of poverty through research on low-income housing and homelessness; the influence of housing in neighborhoods on children and schooling; food deserts and nutrition in urban neighborhoods; community economic development; and access to quality healthcare among many other issues. Through partnerships, our new partnership with Price Charities, we apply

these approaches in the neighborhoods of City Heights in San Diego and in other locations. And we also support student practicum projects focused on poverty issues. Most recently, generous donors to the school funded a practicum project in the City of Detroit, which is a very important area for our students to look at. In addition, the school and USC are directly involved in working in the schools and neighborhoods in the vicinity of the university. My wife Cherry Short who is here with us today from the School of Social Work and she is very heavily engaged in the neighborhood of Jordan Downs, a section of Watts just south of the campus.

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So this conference was conceived, as Raphael said, as a partnership between the Price School-- the Price Center for Social Innovation and the USC Bedrosian Center on Governance, two of our school's most influential centers. Policies to reduce poverty really do require innovative solutions. And as Raphael mentioned, that is the focus of the Price Center. If we are going to make progress, we really need to find new ways of doing things. The old ways of solving the problem of poverty are simply not enough, and we need to make more of an effort to address that issue in innovative ways. Also, effective governance is a key part of addressing poverty in society. Implementation of policies must occur for them to be effective and efficient. Limited government places a premium on program management and on the implementation of policies and more than just program design.

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So good governance, combined with innovation, can really make a difference. But as Bob Ross, the President of the California Endowment has stated, "Innovation alone may not be enough. It's also important to bring that innovation to scale and disseminate it across different jurisdictions." And one of our other centers in our schools, our Center on Philanthropy and Public Policy, has been working assiduously on strategic partnerships between nonprofits, philanthropy, and government for that purpose. So, an interdisciplinary approach bring together innovation and governance, with an eye toward implementation and dissemination of good ideas, hopefully, will help us better address these social challenges with solutions that will improve the quality of life for people and our communities. And these centers bring a complementary approach and a conceptual pathway.

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And I'm hopeful that you're participation and the kind of dialogue and conversation we're going to have here today, and the insights that will emerge out of it, will lead to the application of these academic concepts to better public policy and to better and effective community practice. So I want to thank all of you for joining us today. I hope you enjoy the program and find it provoking, illuminating, but most of all, I hope you find it worthwhile to address the persistent issue of poverty in our country. And now it's my great pleasure to introduce Elizabeth Garrett, USC's provost and Senior Vice President for Academic Affairs. She happens to be my boss. And as the university's second ranking officer, she has an amazing range of responsibility, including the Dornsife College of Liberal Arts and Sciences, the USC Keck School of Medicine, and 17 other professional schools in addition to this library and information technology and so on.

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Her primary role is as the Frances R. and John J. Duggan Professor in the USC Gould School of Law but she also holds appointments, and I'm very proud of this, in the Price School of Public Policy as well as Dornsife College and the Marshall School of Business. As provost, Beth has been energetic and very important in terms of an initiative to hire transformative faculty members and including the recruitment of the very top faculty in neural science, the humanities and the social science with the goal of catalyzing

targetive fields of scholarship and really advancing USC's research. So Beth has been a great friend and supporter of the Price School and me and it's a great pleasure to invite her to this conference, and please join me in welcoming her.

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>> Elizabeth Garrett: Thank you. Thanks very much Jack. And I will say that one of the things that I'm proudest of is my faculty appointment in the Price School of Policy. Because I think that the kinds of issues my colleagues and I are addressing are enormously important to the city, to the country, and to the world. As you know, urban poverty is a critical issue with solutions that hinge on evidence-based research and scholarship across diverse areas, as well as crucial community partnerships that facilitate the translation of this work into our communities. USC has assumed a leadership role in understanding and eradicating urban poverty through interdisciplinary approaches involving many of our schools. The Price School of Public Policy, the School of Social Work, the Marshall School of Business, and the Dornsife College to name just a few. We've seen time and again that the most effective solutions to complex problems are identified when multiple voices and scholarly perspectives come together all focused on a common goal.

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Within the Price School, both the Price Center for Social Innovation and the Bedrosian Center for Governance and Public Enterprise are spearheading responses to Urban Poverty. I applaud their work in convening this conference and challenging us to find new ways to take on an enduring problem. I also think we should thank Robert and Allison Price and John and Judith Bedrosian for their continued strong support of the Price School and its work across academic and local communities. I think Robert and Allison are going to be here later today and it's a tremendous testament to the importance of this work. And of course our great thanks go to Dean Jack Knott who's leadership at the Price School has rapidly enhanced his reputation as one of the most influential if not the most influential schools of public policy in the world. And of course thanks to all of you for being willing to engage in this discussion. As Jack said, urban poverty is an issue that confronts the residents of many of the neighborhoods within our University Park and Health Sciences campus, neighborhoods that USC is committed to serving energetically and in new ways.

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And I just want to underscore something that Jack just said. I've been very excited to be part of this conference, I would love to be able to stay and listen to these conversations. Because not only are we dealing with the enduring and very difficult and entrenched problem of urban poverty, a problem that's being exacerbated as globalization moves more-- people into cities and into very extreme situations. But one of the things I want to underscore that Jack says and I think this conference has to take a count of is that this difficult problem endures in the new contexts of growing an unacceptable inequality of income and opportunity in this country. The most important change I believe in my lifetime in terms of economic conditions in this country has been growing inequality of opportunity and wealth, and our inability to address it in important ways through the policies that we have at our hands in government, whether the local, state, or federal level. Policies that would include changes in the tax code, changes in safety net programs, changes in education, the strength of this country has been our ability to provide opportunity for people from all backgrounds, all income levels to move into the middle class and into leadership positions.

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If that does not continue in this country that would be a fundamental change that will undermine the promise of America for the next generations of our children. So I think it is enormously important that you address this-- this enduring problem, a problem that we're still trying to solve with the tools of 50 years ago when Lyndon Johnson appropriately declared an unconditional War on Poverty. A war we continue to fight, but in circumstances that are different from the circumstances that Johnson and his colleagues faced so many years ago. So I really do-- I wish I could stay, I have views on this as you can see. But I really think that what you're doing is enormously important. And I look forward to seeing what you come out with. It is a problem that requires our dedication. It requires our intellectual commitment, and it requires innovation, a key theme of this conference. Innovation is one of the buzz words. You can't go anywhere on this campus or any other campus without hearing innovation. But it is an important word for us to focus on.

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What does it really mean? There was a definition given by Jonathan Kao in the *Atlantic* that I think is worth thinking about today. "Innovation," Kao writes, "at its most basic level is the bridging of creativity with the creation of value." That bridge between creativity and value is what we're building at USC, guided by our strategic vision, "Matching Deeds to Ambitions", guided by our commitment to consequential research, research that makes a difference in the world and in our communities. It is the bridge our faculty cross every day and a bridge we're training our students to build in the future. The bridge between creativity and value is supported by interdisciplinary dialogue and rigorous evidence-based research. And the value created by reducing poverty and eliminating inequalities -- that simply cannot be measured in dollars. It is an enormously important task. This program will inspire conversations that last long after these panels and presentations are over.

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And my hope is that we will act vigorously, as an institution and as a society, to promote new opportunities in our efforts to reduce urban poverty in this country going forward with a renewed sense of commitment to create lasting change. Thank you and good luck.

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>> Raphael Bostic: Beth, that was fantastic. And you can see the energy and the passion that she has around these issues. And I think that's shared by just about-- just about everyone in this room actually. But it's really gratifying for you to hear the environment that we work in, which is one where there's a true commitment and a passion to doing the right thing and doing the good thing to help make sure that America remains the America that we all grew up with and it's really important. So on to the program. We're actually going to start in little bit of an unorthodox way for an economist and a geeky numbers guy. Around us, you see a number of pictures. And these pictures are-- a photo exhibit-- a part of a photo exhibit that we have commissioned as part of this conference. They are done by USC professor, photo artist, Matt Gainer. And we asked Matt to go to City Heights in San Diego, where the Price family has been engaged, and bring a human story back to us.

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And I think he's done a tremendous job. Matt, if you wouldn't mind coming up and saying a few words?

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>> Matt Gainer: Thank you. It's a great honor to be here. I'd actually like to start with a brief thank you to the Price family, to Dean Knott, to Dean Quinlan for hosting us, to the Provost, for her inspiration, and

to Richard Parks and Raphael for bringing us all here together today. I'd also like to express my deep gratitude to the people I've met in San Diego, City Heights neighborhood over the course of the past few months. Dozens of strangers welcomed me into their homes, their places of worship, their communal spaces and showed me the community they've created. They told me their stories. The photographs surrounding us are the result of those exchanges. And in the truest sense of the word, they represent collaborations. It's reasonable to ask though, "What are the pictures doing here?" So the profound challenges and hopeful solutions we will be discussing over the next couple of days will often deal with issues from the perspective of the bird's eye view. Which is both necessary and useful, after all, we need to understand the big picture if we're going to create policies and programs that work.

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These photos are here though to quietly remind us that every time a statistic is cited or a demographic is called out, what we're really talking about is a bunch of individuals. We're talking about beautiful people with families and faces, with kids to nurture and feed and educate. Almost 50 years to the day when-- from when President Johnson declared his War on Poverty, I met a man named William Jeffrey Emerson [assumed spelling]. He was living in a canyon in City Heights. William would have been 17 years old when Johnson announced the War on Poverty and would spend the next few years of the War on Poverty fighting the war in Vietnam. The path that led this veteran to life among chaparral is long and complex. And in response to a question about how he was feeling when I met him, he simply said, "Life is hard. What are you going to do, cry?" So William's picture is over there. He's the guy with the hat. I would like to briefly tell you some of the stories about the people who are here and maybe hint at how they might answer that question. Up in the corner is Ruth, over here.

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I met her after she was volunteering as part of a food distribution in City Heights. She's been doing this kind of thing for about 15 years ever since she arrived in the community, just recognized need. Next to her is a young man named Prince. So when Prince was a toddler, he lost both his parents to the Rwandan genocide. He then spent most of his youth living in Congo and Uganda before coming to the U.S. and settling in City Heights. Within months of arriving, he was told that he needed surgery and had a very slim chance of surviving. But he had it anyway and ever since he's been thriving. He's done things like buy shoes for the entire village that he came from in Uganda. He's 22. He puts about 200 kids through school in Uganda with money he makes from part time jobs while being a student. It's impossible to talk to someone like Prince and not come away feeling incredibly inspired. It's-- and this was the case over and over again with the people in City Heights. Next to Prince is Brianna [assumed spelling], the young girl over there.

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I photographed her and her brother, Christian, while their mom was volunteering at yet another food distribution in City Heights, which at one point they were recipients of. Manuut [assumed spelling] who's over here immigrated to City Heights from Cambodia and in 1992 was involved in the confrontation that led him to be shot in the face at 49th in El Cajon. He's a long time resident of Heights but doesn't have permanent housing. So without community, without family, he would be living not far from William. After being displaced by a conflict in Uganda, Gerald, who's right next to him spent several years not knowing "where his destination was just randomly moving." He eventually migrated to City Heights in 2007. And since arriving, he spent most of his time and energy working to help new migrants get settled and to navigate everything from government programs and new cultural norms. Basic stuff like how do you park your car is what he deals with on a day to day basis when he mentors new migrants. Over in the corner, Cisco [assumed spelling], incredible guy with an incredible story, he

spent a lifetime struggling with violence and gangs, eventually found his calling as a peacemaker, ironically in prison.

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Through his work with the San Diego Low Rider Gospel Fest, which was part of his personal calling and with his ongoing interventions with gang members and victims of violence, he's focused on creating opportunities for young people trying to get out of gangs and diffusing tensions in the community. After hearing his story, I was amazed he even survived much less wound up a mentor. Next to Cisco is a young man named Isaiah [assumed spelling] in red. I photographed him while he was spending the afternoon cleaning the canyon with mentors from the Omega Psi-Phi fraternity. The cleanup is overseen by local activists, like a woman named Linda Pennington, her friend Freddy Arthur who led me on numerous hikes in and around City Heights, mostly through canyons and have dedicated the bulk of their energy to making the community a better place. In the back over there is Sarah [assumed spelling]. She's a woman that I met with several friends who had migrated from Somalia and Eritrea who've been collectively saving funds for three years to create a community kitchen so that they can create a catering business for themselves.

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I mean, if nothing else what I experienced in City Heights was people who were both benefiting from larger programs, and when the larger programs weren't touching them in ways they needed to, they put paddle to water and created their own. Well, Mac [assumed spelling] over in the corner, or in the back wall, also fled ethnic conflict, this time in Burundi with his wife and two children. And by the time he was able to leave a refugee camp in Tanzania, he had five kids. He went in with two by the way. To put it bluntly, he and his family probably would have been killed without assistance, resettlement and resources to start a new life in City Heights. And also similar to others pictured, the minute he got his feet on the ground, he began helping others. So another person who's putting himself through college has five kids is the benefit of numerous programs, but has sort of rolled his own as it were. He's renting a garage so that he can redistribute things to new migrants who've just settled in City Heights. So I'm going to summarize real quickly.

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I just want you to remember every picture has a story, a face, and I hope that having these incredible people here in the room, at least their images and knowing a little bit about them might deepen the impact and broaden the conversations we have over the next couple days. And I'm grateful for the opportunity to have been able to share them with you. Thank you.

[00:26:09]

>> Raphael Bostic: Thank You Matt. That's a-- I think great way to start. And, you know, listening to you I heard income, I heard education, job training, housing, health, community, incarceration, the environment, immigration, race and gender, conflict and fear. But more importantly and the overarching messages of helping out people and of hope and hopefulness and an optimism about what life can be. And that's an important thing that we should all carry with ourselves as we go through the day and remind us to always be mindful that what we're trying to do is make that hope a little easier to carry and a little-- and able to take us further. And so though this isn't a gallery, I saw with Matt yesterday, you know, the lighting is not perfect on these pictures. I would encourage you to take some time to take a look at them because even though they're not perfectly displayed, in terms of how they would happen in a museum, I still think they have the potential to move.

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And so I would give you advice to go do that and remind us of why we're here. All right. So now we can go onto the academic and applied part of the program. The solution is part of the program. We've designed these panels to be really thoughtful in their orientation. I've asked academics and researchers to start by talking about what they think some real solutions should be in terms of moving the dial. And then I want to have us test drive them by asking practitioners, people out in the field who do this on a day-to-day basis, to give their perspectives on whether our solutions are feasible, reasonable, should be highly endorsed or other things. Ultimately, what we're trying to get to is an answer to the question about whether something can be done and should be done to address the problem of poverty. Now in the last couple of weeks we've heard a number of people who have said the answer is no.

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We should give up. We should just move on to other things. There aren't things that we can do collectively in the public sector, in the nonprofit sector, and the private sector. I actually think the answer is a little different. And I'm hopeful that as we come out today, we will find a voice to the word yes. That there is something that can be done and hopefully this conference will give us a number of those things that we can carry together and change-- at least influence the message and narrative around anti-poverty policy and our ability to make a difference. So in the next couple of days, I hope that you will stay with us and enjoy our journey to yes. And get us to a place where we can have a broader, a stronger and a richer community that joins together to improve people's access to opportunity, and really deals and eliminates the problem of poverty once and for all. Ultimately, I hope that 50 years from now when we talk about the 100th anniversary of the War on Poverty, we can say that we've won, right.

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That this is a problem that we've conquered, we understand how to deal with, and we won't have to be in the hope space, we'll be in the celebration space because we all will have realized our image and our vision of America as a place of opportunity. So with that, we're going to start with our first presentation for the day. This is like the only real long presentation. And it's going to be Richard Parks because I wanted to make sure that this conference focused on solutions. I'm going to have one presentation that just talks about the facts. So we also-- the same informational foundation and I've asked Richard to do this in an introductory framing paper, which he's done this with a graduate student in the Price School, Danielle Williams. Danielle, please stand up and wave.

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>> Danielle Williams: Hi.

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>> Raphael Bostic: She didn't know I was going to do that. So Danielle is great. Hopefully, you'll get a chance to meet her at some point through the course of the couple of days. But Richard, the floor is yours. Thank you all.

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>> Richard Parks: Thank you Raphael, you know, many of you know Raphael from his time as the assistant secretary for Policy Development and research at HUD or as a colleague here on our faculty in the Price school. And so, you know, just what a wonderful person he is, what a delightful colleague. I have been told that joy is a strong word. I can tell you that it has been a joy to work with him over the last year on preparing this conference.

This year we mark the 50th anniversary of America's War on Poverty, an idea that rivaled Kennedy's audacious determination to put a man on the moon. Last year we also marked the 50th anniversary of the March on Washington. Clearly, this was a time of big ideas and a fierce national resolve to meet the great challenges of the day. Those who labored in these challenges prevailed in many ways and where they did not prevail, I think they succeed in framing the issues for our time.

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Many have undertaken recently to debate whether we won the War on Poverty, or not. But that is really not our question to consider today. Rather the 50th anniversary marks a point of departure for a conversation about what lies ahead. We will look at the policies, the programs and the practices that are working to eradicate poverty nationally. Tomorrow, we'll consider this and how we reinvigorate our country's efforts. My task now, is to provide an over view of urban poverty as it exists today. And briefly outline some of the more potent causes and pernicious effects. And in this I'm grateful again to Daniele for her work on the framing paper.

Since 1964, the total percent of Americans living at poverty has dropped from 19 to 15 percent however the number living in poverty has risen from 36.1 million in 1964 to 46.5 million today.

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When we look at the poverty thresholds, you see that for single person they ranged from 12,000 dollars to 23,000 dollars-- 23,600 dollars for a family of four. I cannot imagine living in Los Angeles as a family of four on less than \$24,000 a year. However that is the reality for many of my neighbors in the community surrounding us today.

When we look at poverty by age, we see a substantial drop in the poverty rate for the elderly over the last 50 years to 9.1 percent, indeed this was one of the war on poverty's great achievements. Conversely children have not fared as well. Today, a staggering 22% of American children are growing up in poverty, more than one in five. When we look at poverty by race and ethnicity, we see that the number of Blacks in poverty was reduce of the last 50 years from 42 percent in 1966 to staggering 27 percent today.

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Likewise poverty among Hispanics has increase from 23 percent in 1972 to 26 percent in 2012. Meanwhile rates among Whites have remained relatively steady over the last 50 years. The racial and ethnic composition of those in poverty is disproportionately Black and Hispanic. However the typical or model poor person is White. Whites comprise the largest share of people in poverty more than 40 percent.

When we look at poverty by nativity we see that naturalized citizens have the lowest poverty rate at 12 point four percent, a poverty rate which is less than half of foreign born noncitizens. This suggests an important link between immigration reform and reducing poverty.

Looking at more recent trends, we see that between 2000 and 2012 the number of people of poverty grew by 15.5 million.

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That's a 3.7 percentage point increase. Likewise, we see that those living in extreme poverty or near poverty have been on the rise as well. But given that poverty is frequently experienced episodically rather than chronically, it's important to note, that these cross sectional estimates do not tell us the actual number of people who experience poverty over the course of a year. Between 2009 and 2011, 31.6%, nearly a third of the population, experienced episodic poverty defined as living in poverty for two or more consecutive months. When we look at poverty regionally we see that both the number and the percent of those in poverty have continued to remain highest in the South. The Census Bureau's supplemental measure which accounts for government assistance and actual living expenditures through tells a different story.

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We see with the supplemental measure, that poverty is highest in the West at 19 percent. Similar approaches show that California has the highest poverty rate the nation at 24 percent. And unfortunately, but apropos to our gathering today, Los Angeles county has the highest rate in California at 27 percent.

I'm going to transition now to briefly look at five factors that perpetuate poverty.

In thinking about the Subprime Lending Debacle and the great recession it sparked, I was reminded of this New Yorker cartoon. The caption reads, "There, there it is again the invisible hand at the market place giving us the finger." As we know Wall Street's exploitative actions had a devastating impact on both the middle class and on the poor.

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When we look at income we see that income for the bottom 80 percent of Americans has fallen since the great recession. The increase in income inequality that we've heard so much about has been driven by gains in the top quintile. The trends of stagnant income and growing inequality are obviously long standing. However, the Great Recession has exacerbated these challenges. The housing market crash, the foreclosure crisis, the near halt in construction and the loss of manufacturing jobs hit our metropolitan areas especially hard. The Congressional Budget Office reports that employment rates have recovered much more slowly than they did in any of the four previous recessions. By the end of 2013 there were approximately six million fewer jobs than would have been expected. While all demographic groups were impacted by the recession, the increase in unemployment was not distributed equally among all workers.

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Job losses were felt most acutely by minorities, by individuals under the age of 25, by those without a high school diploma, and initially by men.

The growing concentration of poverty is another major factor of urban poverty's persistence. Nearly half of the people living in poverty, live in census tracts where poverty is concentrated or extreme. Between 2000 and 2009 the population living in census tracts with a poverty rate of 40 percent or more grew by a third.

One of the ways that concentrated poverty takes hold is through the corrosive impact of low expectations. I was reminded of this five years ago when my oldest son was entering kindergarten. My wife and I are committed to public education, probably like many of you in the room. We decided to enroll him in a local school with our eyes wide open.

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We hoped to make public education work both for our kids and all the kids in our neighborhood in South LA. So, as a father of a kindergartener at my first parent meeting, the school governance committee was reviewing the data, the school test scores from the previous year. For third graders, only 27 percent were proficient in English language arts. In math only 29 percent were proficient. Half the fifth graders were leaving the school without proficiency in English; unprepared for the critical transition to middle school.

As the agenda quickly moved on, I felt compelled to intervene. I said, "These numbers, they're devastating. As a father of a child here they break my heart. What is our plan to turn this around?" And one of the teachers very quickly responded, "Mr. Parks we need to remember who these kids are and where they're from."

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"Yes, we need to remember that this is my son and these are his friends and this is our community and these results do not meet our expectations. They must be changed." That has started a kind of side career of organizing parents and, unfortunately, alienating school administrators. But I think that it speaks to the impact of low expectations in neighborhoods of concentrated poverty, not just in schools, but in every institution. Low expectations exact a heavy price on children.

Patrick Sharkey has pointed out that over 70 percent of African-Americans who live in today's poorest, most racially segregated neighborhoods are from the same families that lived in the ghettos in the 1970s. To understand why the children of the Civil Rights era have made such minimal progress toward racial equality, he writes, [00:41:37] We need to consider what has happened to the communities and their cities in which they have lived over the last four decades. Today, urban children literally inherit the ghetto.

I think it's important to note that a person doesn't wake up in the morning and decide, oh, you know I am not going to go live in that wealthier neighborhood with better schools and public safety." Rather,

social stratification is something that is imposed and it triggers a cascade of negative impacts that again, fall especially hard on children.

Thirdly we look at to discrimination. Racial and ethnic discrimination reinforces poverty through their impact on education, employment, housing opportunities and sentencing. There are many examples that we can look at.

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We'll turn first to education. I found this one particularly compelling. There are two maps here. The one in the left shows the distribution of income in Los Angeles County. The lighter areas are lower income. On the right, the map shows the distribution of neighborhood racial composition by the percent of Black and Latino neighborhoods. The dots in the left showed the location of middle schools. The dots on the right show the location of high schools. On both maps, red dots represent schools with 21 percent or more teachers with one to two years of experience. You'll notice that the red dots are almost exclusively on poor minority communities.

Now, we layer on a public policy of laying of teachers by seniority--last in, first out--and you quickly see where the budget acts fell.

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LAUSD like school districts across the country balanced their budget on the backs of low income minority children who could least afford those cuts. My son's school across the street lost over 60 percent of its teaching staff while schools in wealthier neighborhoods on the West Side lost almost none.

Discrimination manifests itself in a whole variety of areas including unemployment. Research shows the Blacks are less than half as likely to be considered for a low wage position as similarly qualified White candidates. The Department of Labors also found pervasive differentials in the earnings of minorities relative to Whites.

In the area of housing, minorities experience discrimination in almost every aspect of the housing process ranging from the units presented and the financing offered.

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Discrimination also impacts sentencing and justice outcomes. For example, though Blacks and Whites have similar drug use rates, Blacks are more likely to be arrested and are generally given longer sentences. And the list of course goes on. In so many ways, both subtle and overt, discrimination by race remains an all too pervasive factor in perpetuating poverty.

Next we turn to incarceration. While employment rates for young White men with a high school diploma decrease from 98 percent to 91 percent between 1973 and 2007, for Black males, it decreased from 96 percent to 73 percent due in large part to increased numbers experiencing incarceration.

There's a substantial research that suggest that the stigma of having a criminal record, the lost years of labor force participation, and the low levels of average education among the incarcerated have a significant negative impact on incomes.

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In fact, between 1980 and 2004 it's estimated that the poverty rate would have decrease by 2.8 percentage points if mass incarceration had not occurred.

Finally we look at family structure. In 2011 the poverty rate for children and married coupled families was 10.9 percent by contrast the poverty rate for children in female headed families was 47.7 percent. This difference is especially troubling because the percentage of American children who live in female headed families has been increasing for the last 50 years. Hillary Hoynes has shown that these changes account for 3.7 percentage point increase in poverty rates.

To summarize, hurricane-force headwinds in the economy, the concentration of poverty, discrimination, mass incarceration, and the change in family structure have all contributed to poverty.

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The American dream remains a powerful myth in our culture reinforced by anecdotes and stories. However, it is not supported by the data. Joseph Stiglitz winner of the Nobel Prize in economics notes that the chances of an American citizen making his way from the bottom to the top is less than those of citizens in other advance industrial countries. We often talk about rags to riches the stories. Patrick Sharkey writes in his excellent book, Stuck In Place that the most vigorous recent work on economic mobility in America suggests that rags to rags and riches to riches are the norm. Our American dream has hit a wall. What is different now is that poverty's impacts are much more pervasive.

Poverty is affecting us all. Income had declined for the bottom 80 percent of Americans since the start of the Great Recession. [00:47:53] Nearly a third of Americans have experienced episodic poverty over the last couple of years and more than one and five American children are growing up in poverty. These statistics raise important questions. Can a house so divided still stand? Can we be safe in a society where the rewards of work accrue only to the wealthy and where urban poor children inherit the ghetto? Can we afford to continue to forgo the latent talents of those who are poor?

Given that the American Dream has hit the wall and that urban poverty affects us all, clearly our current state of affairs is an urgent call to action.

We have important work to do together over the next day and a half. Our hope is that together we will make progress in defining a new urban agenda; one that restores the American Dream and rekindles a fierce national resolve to end urban poverty.

[00:48:57]

Raphael and I are delighted to be on the journey with you. Let's get started.

[00:49:03]
[Applause]