

DEMOCRATIC LEADERSHIP COUNCIL

SOCIAL POLICY FORUM

BRINGING THE POOR INTO THE ECONOMIC MAINSTREAM

REMARKS BY

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Of all the data we have collected about poverty, the most disturbing is that nearly one of every four children under the age of six lives in poverty. In other words, one of every four children grows up deprived during the most critical developmental time in their lives. This is a national disgrace; yet our national response, by contrast, is muted.

Less than one-half the women and children eligible for WIC programs receive assistance; less than 20 percent of the children eligible for Head Start are enrolled. And the Reagan Administration wants to convert the Title I program of educational aid to disadvantaged children into a voucher system that will supposedly let poor children attend private schools.

There are many people in this country who say we can take better care of America's poor children -- just as soon as we take care of the federal deficit.

I am a businessman who was trained as an economist. I know the dangers of deficit spending. I know how important it is to sustain long-term, non-inflationary economic growth and redress our trade imbalance. I also know that this country cannot afford to put off renewing its commitment to poor children until we put our macroeconomic house in order.

The children of poverty didn't create the deficit. It is a tragic mistake to ask them to pay for it.

For the past few years, we have seen a poverty rate that has remained at historically high levels despite economic recovery. There are some year-to-year shifts in the poverty level, but when today's data is compared with data from ten years ago, we find a substantially larger group of people who are relatively unaffected by economic performance. In other words, the basic bedrock of poverty has increased. We have reached a new plateau of poverty, and instead of being lower, it is higher.

If this continues, we run the risk of becoming a society with a permanent and growing underclass, a society in which increasing numbers of people - including many of our young - have no role and with which they feel no identity or connection, a society in which it will be increasingly difficult for democratic institutions and processes to function effectively.

In my opinion, that's the issue that should be our number one priority in this country.

Thank you.

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In the time allotted to me, I would like to offer a perspective on public-private partnerships and then give you one businessman's ideas about the kind of social agenda we should be developing in this country.

Public-private partnerships have now emerged across a wide range of activities. The most common involve relatively small and time-limited projects between a private partner, such as a corporation, and a nonprofit organization. They are usually one-to-one relationships.

The New York City Join-A-School program is one example. Started by the Board of Education in 1982 and co-sponsored by the New York City Partnership we have now enlisted 50 corporations to join with public high schools to help make these schools better places to be in and to learn in. American Can's partnership with Martin Luther Jr. High School on West 65th Street in Manhattan has been an enormously rewarding and productive experience.

Some partnerships involve larger undertakings.

The Neighborhood Reinvestment Corporation begun in Pittsburgh in the early 1970s is now a national organization with local branches across the country. These branches combine federal, state and local government investments with those of private financial institutions in order to help revitalize older and decaying neighborhoods.

Other partnership programs have been active in the political arena. In both California and Minnesota, for example, business roundtable groups have successfully advocated for increased public funding for public education.

The New York City Partnership Education Committee which I chair, is becoming increasingly active in Albany.

The rapid growth of partnership programs suggests just how far the business community has come in recognizing that we cannot exist as isolated islands, walled off from the communities in which we are located and from the problems faced by those communities.

But for all their good points, I caution you not to get carried away with enthusiasm.

I don't want to minimize the contributions thousands of partnerships have made in helping to address local problems. But I am concerned that our current preoccupation with the glitter of private sector involvement may lead us to overlook or underestimate some serious shortcomings in the partnership concept.

Specifically, I think we have to acknowledge that even in their aggregate, successful partnerships are an inadequate vehicle upon which to depend for a broad scale reduction in the social problems facing this nation.

Partnerships can help us find some innovative solutions to certain aspects of those problems. They can help us set a national agenda. They can provide a new level of activity and involvement.

But they cannot eliminate, or even substantially reduce, the problem areas on which they are focused. Not even if we have 50 very active business roundtable groups and 2,000 join-a-school programs.

My point is this: poverty, hunger, homelessness, unemployment, and the problems of our inner city public schools both dwarf and transcend private sector resources. And we are not going to make much headway in these areas until we renew the capability of government to help America's disadvantaged people.

That means putting aside the notion that poverty, hunger, and homelessness are problems for everyone but government. That means making clear to the American public that government is the one social institution in this country that is best able to help the poor in a broad range of areas. Our efforts cannot be limited to government, but they cannot succeed without government.

As I said, I don't want to downgrade or eliminate partnerships. I want us to be realistic and to make the most of them. Let's not delude ourselves, their potential. And most important of all, let's not overstate it. And let's be sure that we do not let's be sure that we do not make declining public support price we pay for public purposes the increased private sector involvement.

The original idea behind the partnership concept was to involve private institutions in important social issues, not to let government off the hook. Unfortunately, too many people have the impression that we don't have to worry about government inaction or cutbacks because public-private partnerships will fill the void.

Take it from an active advocate of public-private partnerships: it can't be done.

Now to my second point.

There has been a tendency lately when looking at poverty issues to divide people into two groups: those who work and those on welfare. In fact, your invitation asked me to discuss the most promising approaches to moving poor people off welfare and into steady employment.

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I don't think poverty, unemployment and dependency are that simple, and I don't think you do either. Millions of people in this country work hard and still remain poor. Many people want to work but can't find jobs. Many other jobs go unfilled for long periods of time because people don't have the requisite job skills. These problems won't be solved by rhetoric.

And, rhetoric about self-sufficiency notwithstanding the largest group of people on public assistance programs such as AFDC, and food stamps, are children. Do we want them to find "steady employment" or do we want WIC programs, Head Start, Title I education aid and a Job Corps that will give youngsters a better chance to escape poverty's grip when they grow up.

Of course, we want everyone in this country to be self-sufficient. But in order to be self-sufficient, one must first have the personal skills and opportunities by which to become so. Our responsibility is to provide the assistance that will allow people to reach that goal for themselves.

We don't need to buy into the Reagan rhetoric about poor people. We don't need to beat up on people who need public assistance in order to prove our credentials as pragmatists.

If we feel the need to prove our pragmatism, let's at least do it with some compassion. We can start by providing assistance to people who are trying to work their way out of poverty.

The number of working poor has increased more than 60 percent since 1978. Yet these are the very people penalized the most by the Reagan budget cuts.

The problem isn't deciding how to help the working poor. The problem is whether we are going to make the commitment. Once we do that, strategies and programs will fall into place. We could adjust the Earned Income Tax Credit for family size. We could improve the minimum wage. We could provide better day care options and health insurance programs.

On a longer range basis, we can invest in programs to upgrade work skills to meet future job requirements. One promising partnership program is called Jobs for Connecticut's Future. It involves the private sector and the state government in a collaborative planning process, and the states' educational institutions and training programs in the collaborative implementation of the plans. The program has the wholehearted support of Governor □'Neill.

The model can be easily adapted to other jurisdictions.

Finally, it is essential for us to make a real and unequivocal commitment to our children.