

CHILDREN:

IT'S TIME TO INVEST IN OUR FUTURE

PRESENTED TO THE ANNUAL MEETING

OF THE

CHILDREN'S DEFENSE FUND

REMARKS BY

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The topic assigned to me -- the relationship between the business community and our children -- is both intriguing and ironic.

It is intriguing because society seems to be looking toward the business community for greater leadership and involvement in social issues.

It is ironic because in the strictest sense of the word, the health and welfare of children are not central to American business and never have been.

Many companies manufacture, distribute and sell products geared to children or a children's market. Primerica, for example, owns and operates chains of retail music and record stores. By some standards, that qualifies us as a company to whom adolescents are of central concern.

But that's not the reason we are here today. The issue before us is how to provide every child in this country with an opportunity to grow and develop in an environment that is healthy and secure.

Many business leaders and their employees are disturbed that children in this country are poor, hungry, ill-housed or homeless. They try on a personal level to do whatever they can to alleviate this pain, suffering and injustice.

In institutional terms, however, which means in terms of recognizing and acting upon a mutual, long-range interest that one sector of society shares with another, corporations are still far removed from the concerns and needs of children.

Despite the movement toward corporate involvement in social issues during the past several years, we continue to think of ourselves as economic entities only. The idea that an organization with a business mandate also can play an active and assertive role in social issues has not really taken hold.

In short, we seem unable to come to terms with activities that do not show up in a profit-or-loss statement and that have no impact on our bottom line.

I cannot quarrel with any company that is concerned about its bottom line. In today's economic climate, a chief executive officer would be remiss if he or she ignored the bottom line. Stock market volatility and drops in profits have created economic uncertainty for thousands of companies. The growth of conglomerates, mergers and acquisitions -- to say nothing of

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absentee ownership -- has made it difficult for many corporations to sustain ties that once existed between themselves and their local communities.

But I can quarrel with an almost relentless and myopic obsession with the bottom line. The bottom line is important, but corporate America cannot allow the bottom line to become the only standard by which we judge ourselves and our role in society.

We cannot afford, and society cannot afford, to dismiss increases in infant mortality because they do not affect the corporate bottom line.

We cannot afford, and society cannot afford, to dismiss hunger and poor health among children because they do not show up in the corporate profit and loss statement.

We cannot dismiss, and society cannot dismiss, the problems that the children who will enter the labor force in the year 2000 are facing today because our immediate need is to show a profit in the next ninety days.

The current state of affairs, however, does not have to become the permanent state of affairs.

Corporations can become more deeply involved in social issues, and particularly children's issues, without sacrificing their economic base or their profit margins.

Social activism and economic growth are not by definition incompatible or mutually exclusive. If anything, they are just the reverse -- compatible and mutually inclusive.

A recent report by the Committee for Economic Development came to much the same conclusion.

The report, which focused on the educational needs of disadvantaged children, received considerable attention because it viewed the educational needs of children within the larger context of everything else children need for healthy growth and development. The CED Report concluded that changes will have to occur in the way that schools are organized and structured and in the ways that children learn. But these changes will be of limited value if a broad range of early and sustained childhood intervention programs are not first available to the child, and if there are not programs at the other end of the spectrum that try to work with those children at risk of dropping out.

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That such a comprehensive and sweeping set of recommendations came from a group with such a heavy business component -- the CED is composed of more than two hundred business executives and educators -- also was considered notable.

The most powerful message in the CED report, however, was contained in this paragraph:

"This nation cannot continue to compete and prosper in the global arena when more than one-fifth of our children live in poverty and a third grow up in ignorance. The nation can ill afford such an egregious waste of human resources. Allowing this to continue will not only impoverish these children, it will impoverish our nation -- culturally, politically, economically."

I know what I think this means.

It means that our future, both as corporations and as a society, depends upon the strength of the economic and social fabric that will exist in the future. That in turn will depend upon how children are raised today.

Yet too many of us rarely make that connection. We fail to fully recognize the extent to which our social foundation shapes our economic future, not just in terms of the workforce that will be available to corporate America in the next fifteen to twenty years, but in terms of the strength of our society and the unity of our society.

I feel somewhat foolish telling a group like this that local involvement and activity is one way to improve the lives of children and the range of opportunities available to children. Who knows that better than you? You keep children's issues alive in this country day after day -- and I dare say keep many children alive in the process -- while others who should be playing leadership roles continue to abdicate and ignore their responsibilities.

Nevertheless, I encourage you to seek out local corporations and local business leaders who might with a little persuasion share your point of view. They are often not easy to find, but they are out there, and we need to do all we can to bring each and every one of them into the process so they can add their voices to ours.

What we need most of all, though, is something we never have had in this country: a serious national effort to actually improve

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the social and economic status of children instead of just talking about it.

Among the items I would list on this agenda include but are not limited to:

1. Ending childhood hunger in America.
2. Full participation in the WIC program and similar state programs.
3. Access to prenatal care.
4. Effective teenage pregnancy prevention programs.
5. Expanding Head Start and Chapter One to all eligible children.
6. Making quality day care accessible to children of parents who must work.
7. Immunizing every child against infectious diseases.

Not a radical proposal in the bunch, but a package of proposals, which, if implemented would represent a major national commitment to improve the lives of children.

This is especially true for the children of poverty.

Rapidly increasing numbers of children today not only live in poverty; they live in a poverty that is unlike any we have seen before.

It is a poverty that threatens to reverse the traditional American dream that the child's future holds greater promise than the parent's past.

It is a poverty that, as University of Chicago sociologist William Julius Wilson points out, might not change very much if such factors as racial discrimination were eliminated.

It is a structural poverty whose outlines and persistence are only becoming apparent to us as the manufacturing economy of the post-war period finally disappears and people who once were hidden in tedious, dead-end jobs don't even have those anymore.

Those of us who argue on behalf of a major national effort that we hope will allow today's children to shape their own future will be told that it's a nice idea, but, given the twin problems of the deficit and the trade imbalance, an idea we just cannot afford at the present time.

I'm an economist by training, and I'm not willing to buy that argument.

This nation has struggled with the relationship between the child and the political system for a long time. Now it's time to set the record straight. The children of poverty did not create the deficit. They should not be the ones who are asked to pay for it.

Let's get our priorities in order once and for all. The child is not supposed to serve the political system. The political system is supposed to serve the child.

Thank you.