

Opening Remarks of Patrick McCarthy, President & CEO
The Annie E. Casey Foundation
Spotlight on Poverty and Opportunity: The Politics of Economic Opportunity Forum
Kaiser Family Foundation, Washington, D.C.
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Good morning, everybody. My name is Patrick McCarthy; I'm president and CEO of the Annie E. Casey Foundation, and I want to thank Spotlight on Poverty for the invitation to speak with you briefly this morning. And thanks also to the core group who worked so hard to plan this morning's forum.

Spotlight on Poverty has done a remarkable job over the years in bringing together diverse perspectives to find solutions for the economic hardship that now face millions of Americans. The purpose of today's forum is to explore how the increasing struggles of American families to make ends meet — particularly the lower one-third of American families — how their troubles are affecting the debates during the election of 2012.

As many of you know, Spotlight on Poverty was launched during the 2008 presidential election with the purpose of getting candidates to stake out what their positions are on increasing the middle class by improving opportunity and reducing poverty. This initiative was cooked up at a Council on Foundations meeting where Casey's [Director of Policy Reform and Advocacy] Mike Laracy got together with a number of other foundation folks and tried to think about how they could influence the debate in 2008. Since then, more than 20 foundations across the country have contributed to what has become a one-stop shop for ideas, for news, for research, opinion and more.

I want to especially thank the W. K. Kellogg Foundation, which funded this forum. Later today you'll hear from Kellogg's president, Sterling Sperin, who will share a taped message with you. Unfortunately, Sterling had a prescheduled board meeting that prevented his attendance today.

I also want to thank the Kaiser Family Foundation for this beautiful venue that has been provided to us today.

You know, when it comes to the economy, we are a nation obsessed with statistics. We measure, report and worry about leading economic indicators, unemployment rates, consumer confidence, the gross domestic product, spending, borrowing, home values, housing starts, the trade deficit, commodities, markets, several different stock market indices, inventories, sales volumes — and on and on and on. And these are all critical measures of the strength of the economy, of course, and they are indeed important to measure and to try to understand.

At the same time, I would love to see us spend even a fraction of that obsessive energy on the well-being of kids and families. We are in the midst of a great national debate about this country's future. Yet, if you look back at the many debates that have already been held, you'll see that precious few minutes of those hours upon hours of debate have focused on the most important determinant of that future; the extent to which our children are prepared to contribute to our social, economic, military and, indeed, our moral strength.

Imagine if every week, or even once a month, there were analyses of national trends and childhood educational, physical, emotional, behavioral and social development. And imagine if we had a collective sense of urgency to do something if the trends were headed in the wrong direction or if, heaven knows, it looked like the U.S. was perhaps falling behind other countries in any of these areas.

If we did attend as much to the condition of our children and our families and to the prospects for our children's future, we would or should be very worried indeed. It turns out that our children are falling behind, and it seems to be at an accelerating pace.

As many as half of all American children are growing up with at least one risk factor that predicts they will not succeed in the world they will inherit, and, as a result, this country will become increasingly less able to compete and to thrive in the global economy, thereby affecting not only the standard of living but also the strength of the nation for all of us.

We simply can't allow half of our human capital to sit on the sidelines, marginalized and bitter. I promise you, this is a kind of cancer that will eat away at the very fabric of our social fiber — and not just economically, but politically and socially as well.

So what are some basic facts about child poverty? Child poverty increased since 2000; from the year 2000 to the year 2010, child poverty increased by almost 30 percent. In 2010, almost 16 million children — 16 million children — lived in poverty in households with incomes that were below \$22,000 for a family of four. That represents 22 percent of all children.

And even more troubling: More than 25 percent of all children under 6 were living in poverty. The time from birth to age 6 is a time when human development is especially sensitive to environmental stressors.

In 2010, over 32 million children in the U.S. lived in low-income households. That is, they lived in households where the income was less than half the poverty rate. That means almost half of all America's children — 44 percent — live in families that are just one or two paychecks from an economic crisis.

And we need to remember why child poverty is not just bad for kids, but why it's bad for the country as a whole. We've long known the correlation between growing up in poverty and rotten outcomes for kids. We know that they are less likely to be ready for school, to have lower vocabulary when they enter kindergarten, that they have problems in reading. There is more retention in school. They have more emotional, behavioral problems. They're more likely to drop out. They're more likely to become pregnant as teens, more likely to become involved in delinquency and subsequent adult crime, more likely to be unemployed as adults, more likely to be dependent on government programs.

We know correlations between those kinds of bad outcomes and poverty are very strong. We are now learning more and more every day from brain science and from public health research about the specific mechanisms that make this happen.

The studies on adverse childhood experiences, studies on brain development, show the effect of stress on development of the executive function and resiliency necessary to learn and succeed. We know that lead poisoning and other environmental hazards impact learning and attendance, and those are both associated with growing up in poverty.

All of these add up to barriers that mean far too many American children start out behind their more advantaged peers and then fall even farther behind through the accumulated consequences of these stressors and barriers. And, as a result, the odds are heavily stacked against a child who's born into the lowest fifth, never moving up into that top third of income.

Perhaps most troubling of all: A recent study of 31 developed countries ranked the U.S. 27th in measures of social mobility, of equal opportunity and in measures that predict whether our children will have the life chances necessary for them to thrive and to mature and to contribute to a better future for themselves, and a future that sustains the American dream of ever-expanding opportunity.

In short, it's become less the case that you can look your child in the eye — regardless of your income, regardless of your wealth — and say, “If you work hard, if you use all the talents that you have, if you play fair, you're going to be better off than I was.” That is becoming less and less the case.

So, we need to ask what the candidates are saying about these challenges. We hope that all candidates for not only national office but for state office will make these issues a key part of their platforms as they make their case to voters, and that they will stake out their priorities and their solutions.

We should expect them to tell us their position on safety-net programs such as unemployment insurance and the Supplemental Nutrition Assistance Program, or food stamps. We need to know their positions on work-promoting, family-supporting policies such as the earned income tax credit and the child tax credit.

We need to know where they stand on early childhood, where they stand on early elementary. We need to know where they stand on making sure every single child is reading proficiently by the end of third grade. Where do they stand on skill development, post-secondary access for low-income kids and their parents?

What will they present as strategies to raise revenues to address the needs of struggling families, and how will they redeploy the limited resources we have from less effective to more evidence-based interventions?

It's clear that no one party and no one ideology has all the answers to these kinds of challenges. In my view, the most important aspect of this morning's forum — and, in fact, of the work of both the Spotlight on Poverty and Opportunity Nation, and other such organizations more generally — is that they are showing that in this time of bitter partisan bickering, there are still many people, important people on both sides of the aisle, on all sides of the ideological spectrum, people who

care and who care deeply about promoting economic mobility and opportunity, and about improving the conditions of our nation's poor families.

I recently attended the Opportunity Nation summit this past fall, and I saw Michael Gerson and Arianna Huffington on the same stage, and I was ready for a good fight. But they agreed far more than they disagreed. And I would say when Rick Santorum and President Obama agree about using the tax code to support families struggling to raise children, well, maybe even if the lion will never lie down with the lamb, they can exchange the occasional tweet.

So, I think that this morning's discussion of how growing poverty will affect the national debate really offers an extraordinarily important opportunity. I look forward to a stimulating and lively discussion. And again, I want to thank the organizers of the event and all the panelists for their work in preparing this morning's conversation.

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