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So-Called “Welfare Reform”: Let’s Talk About What’s Really Needed to Get People Jobs*

Peter B. Edelman**

It is so important, with all of the controversy over welfare reform going on out there, to be positive and to figure out what we are going to do to move ahead, not just to lament what did happen.

And, of course, it is really important that we are having this conversation about a systemic approach to welfare reform under the sponsorship of an entity called the “Institute on Race and Poverty.” We need to bring out into the open that this conversation about welfare is so much a conversation about race. The fact is that you cannot talk about poverty in this country if you do not talk about race. Why is it that African Americans, that Latinos, that some groups of Asian Americans, that Native Americans, are poorer at so much higher rates than White Americans? There is something going on that we are not confronting. It is so disappointing that the President is having a national conversation about race and he can not bring himself to mention the word “poverty.”

We are talking about the biggest change that has happened in public policy for low-income people in our country since the Social Security Act of 1935 was enacted. And, of course, it is the one with the biggest negative potential of any change in social policy for poor people that we have ever had. The states, to whom the responsibility has been devolved, can do real damage. They are free to make things worse than they already are—which was not too great to start with. And too many of our states are headed in that negative direction. Yet, the fact is that this legislation—I hope I will never be heard calling it “welfare reform” because it is not—also makes real welfare reform possible if a state will do it. It makes that possible if the states will put in money and if the politics and the advocacy are there. The problem is that it also makes

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possible, as Jason DeParle of *The New York Times* has written, a policy where a state simply gives people a bus ticket out of town and is perfectly in compliance with the law.

Real welfare reform means real help to people to get jobs—jobs that get them out of poverty—and real protection for children and real prevention of the need to go on welfare in the first place. That is the sort of welfare reform we needed and still need. Instead of protecting children, the limited safety net that we had has been destroyed. And instead of really promoting work, too many states have accepted the invitation to do a bumper sticker—“get a job.” That is our jobs policy.

Of course, all of this is not just about welfare. This law does great damage to legal immigrants in our country and to food stamps and childhood disability. Other legal changes have cut heavily into SSI [Social Security Income] for people who have problems with alcohol and drugs, and budget cuts have severely damaged low-income housing and a whole lot of other programs. And then, in addition to the war on the poor, we have a war on lawyers for the poor. We have had deep cuts in the federal budget for the Legal Services Corporation and in the kinds of cases that the legal services lawyers can take on. That, of course, is very deliberate because if we are going to say to poor people, “you have to behave exactly the way we want,” the last thing we want is for them to be able to get a lawyer and get some help in complaining back. We need to shut that off at the same time if we are going to be successful in our negative response to poor people.

And so, one of the very important challenges is to figure out ways to get state money into legal services. It is happening in a number of states. In New York, for example, there is pending in their legislature a proposal for a \$40 million appropriation out of civil filing fees to pay for legal services for poor people. It has been endorsed by the Bar Association of the City of New York and by the Democrats. If that goes through, they will end up with more money in legal services for the poor than they had before. Not enough, but more than they had before. This is the kind of creative thing that we need to be talking about. And we need to be getting the private bar involved—but that is a whole separate speech.

I said we have to be positive; we have to look to the future. This is a fortuitously good time to have to face this challenge, because you pick up the paper and you see the news that unemployment is down to 4.6%. So even though there is a lot of spatial mismatch between where people are and where jobs are, now is a time

when a person who is told to get a job at least has a chance of finding one. If we were having this conversation five or six years ago and they had done the same thing, it would have been a lot more difficult.

The current prosperity also means that the states actually have money to spend. Because the welfare rolls have gone down a lot, the states have extra TANF [Temporary Assistance to Needy Families] money. There is extra TANF money in just about every state, and we need to be taking a careful look to see what is being done with it. Plus, the states are running surpluses generally. They really do not have any excuse to be mean—at least no fiscal excuse. They do not have any excuse not to do it right or to say “we can’t afford it.”

There are three categories of states. The smallest group are the states that are doing it right. Maine and Vermont, for example, are doing a pretty good job. If you go into the welfare office in Maine and Vermont, the line workers are supposed to say, basically, “How can we help you?” Now that is a pretty unusual question for the welfare office. “How can we help you find a job? How can we help you get the things that you need to be able to keep that job?” They are pushing people to go to work, which I think is a good thing for people who are in a position to work. But it is not a “work at all costs” thing. They want to help people to find work that pays enough to get them out of poverty and they are willing to supplement incomes in various ways to make that happen. I think this is the right policy. I think it is good for children growing up if their parents are working, or their mother is working, provided the child care is there and all the rest. But I think people usually feel better about themselves when they have a job. On the other hand, not everybody is in a position to do that, and so in Maine and Vermont they’re also trying to deal with people as individuals, and not push them out there if they would be better off at home to care for a disabled child, for example.

Then you have Idaho. Idaho has a two-year lifetime time limit. Two years. You know the federal welfare reform says five, but since you are permitted to do a bus ticket out of town, you are permitted to do less than five if you want, and Idaho does two with very few exceptions. There is no exception if you can not find a job after the two years. That is not one of the ones they allow. Plus, they have very tough sanctions. They say by the third time you do not cooperate in the way they want you to, the sanction is a lifetime ban from benefits for your whole family. And they have got a list of all the different “you do this, you get that” scenarios. For

example, if you can not find the father within a year and it is no fault of the state, half your benefits are cut—that's Idaho. That is at the other extreme.

Most of the states are somewhere in between. An awful lot of states, in fact, have not done very much, which is good news and bad news. That is to say, they have not made things that much worse than they were, except now there is a time limit. Most of them are not considering putting in their own money after the time limit. What that means is that in those terrible states and in those mediocre states, we are looking at a big crunch coming not very far down the road for either of two reasons: either because a recession comes, or people will run into the time limit, or both. If the serious effort has not been made to help people get ready to work, to help them find jobs, to help them become truly self-sufficient or at least employed in a job with some income supplementation, then when the time limit comes, we are in trouble. That is what we are headed for. And children, of course, are in trouble the most. Children are not protected, and that is what it means when we say that we have destroyed the safety net. That is the bigger picture of what we are looking at.

It is the responsibility of everybody here to do everything we can to change all that, and it is a complicated responsibility. We need to see the whole picture. We need to understand that the issues are not just welfare. It is not just the implementation of this law in the best possible way. The issue is poverty. We need to become advocates for change at all levels—national, state and local. Devolution multiplies the number of places where you have to be an advocate. It makes the advocate's life much harder, even though the state legislator is more accessible than the Congressperson. It is not just about politics. It is about organizing. It is about, ultimately, building a movement. It is all of that, if we are going to change what is going on here.

Let me start with the so-called "welfare reform" itself. The first thing that I need to talk about is the hype. Don't you love the hype? It's all over the place. They say, "This thing is working, it's beautiful." The President goes out and he says, "It is great. A year later and I have solved the problem. It's all gone." Just so we know the facts: We had 10.8 million people on AFDC, moms and kids and dads, in the late '80s, in about 1989. Then we had a recession, and the welfare rolls went up in the early '90s. Maybe there was a little bit of bureaucratic laxity, too. The welfare rolls went up a lot. They went up to 14.3 million people by 1993. Essentially, all that has happened is that the bubble is gone. We are

now down, actually, a little below where we were in '89. We are down close to 10 million.¹

So that is a little over a million adults who have gone off. But this law expects that of the three-plus million adults who are still on cash public assistance—mothers with children, basically—80% of them have to be gone from the rolls within five years after its enactment. That is the way it works. Now who are those people who are left? We all know that a million are gone—and it is great that they are gone if they got jobs. We do not really know precisely what happened to them. Our best guess is that somewhat over half did get jobs. We also do not know whether they got out of poverty, but that is a different question that people do not want to ask. Anyway, a lot of them obtained jobs, but those are people who cycle on and off anyway.

There are also some people who stay on for a long time and that is one of the causes of this big public policy debate. The three million who are supposed to get jobs are people who often have personal problems of one kind or another and do not have a lot of work experience or a high school education. The next three million present a much tougher challenge. One million down, three million to go. In and of themselves those numbers are not all that encouraging. And the next three million are a lot harder. We need to understand, to keep saying over and over again, in every way we can, that the heavy lifting has not even started. The hard effort has not even begun. It lies ahead. Our country has been sold a bill of goods about this thing.

Did they fix the law earlier this year? That is another piece of hype. The President signed that bill and he said, "I'm going to fix it." You wanted to say, "Well, what did you sign it for if you were going to fix it?" If you listen carefully, he never did say he was going to fix the welfare part. All he ever said in the fine print—he's so good at that, you know, it sounds so nice and then you look at the fine print—was that he was going to do something about the immigration and the food stamps portions of the bill. All they did in the Congress this year—and this is great for every individual person it helped (I do not make light of it)—is that they continued SSI eligibility for legal immigrants who were in this country as of the day the law was passed. For those people, it is life-saving. But if you are an immigrant who comes to this country after that, you still never get SSI. And if you are an immigrant no

1. The welfare rolls shrank below 9 million people in mid-1998.

matter when you come, you never get food stamps.²

So, did they fix it? In numerical terms, they put back in about 30% of the budget cuts that were in the 1996 law. That means that 70% is still cut, and it is still true that the \$54 billion over five years that they cut in the 1996 law was the only multi-year budget cut that the Congress effected. After all of the back and forth about how we were going to balance the budget, and Speaker Gingrich complained about being forced to go down the back steps of the plane, and they shut down the government and so on; the only people in the end who got their budget cut were the poor. The defense contractors didn't take a cut. The highway people did not take a cut. Just the poor people.

Then the poverty numbers came out last September for the year 1996, and with this huge prosperity that we all know is out there, the poverty needle did not move. It went down by 0.1%, not really even statistically significant. So it is still 13.7%—no movement. What does that tell you? Even more important, the number of people who are trying to survive with incomes below half the poverty line—below about \$6500 for a family of three—went up, from 13.9 million to 14.4 million. It went up in the middle of all this prosperity by half a million people, and that is statistically significant, very much so. In other words, 40% of the poor in this country are actually double poor, are actually trying to survive at that extremely low income. Did we read about that? Did we hear about that? No. It was buried in the reports. And, of course, if it is buried in the reports, nobody asks why it is that people are getting jobs and yet, with the economy doing so well, the money is sticking to the fingers of the people at the top. What about people getting jobs that are so low-wage that they can't get out of poverty? Those are the real issues. So we have to keep pointing all of that out. Everybody should be writing op-eds and getting our pastor or priest or rabbi or imam to talk about it in sermons and educate the public in every way we can.

Jobs. We want people to work. I know you wonder when you pick up the paper and you see that 4.6% unemployment number, and you know people in your neighborhood who cannot find a job no matter how hard they try. The employers say, "We can't find anybody to take these jobs." They say this over and over again. But where is the job located? Is it geographically accessible? Is it a job that is really relevant to people in terms of the kind of job

2. In 1998 Congress partially restored food stamp eligibility for legal immigrants who were in the United States when the welfare legislation was enacted in 1996.

that they are prepared to do? Is the employer really prepared to hire people of color? People from the inner city? The fact is that we have never had enough jobs in this country for all the people who want to work. We still do not. The fact is that in every major city in this country and in every isolated rural area in this country there is still a spatial mismatch.

I got into an argument on television with [Wisconsin] Governor Tommy Thompson. I said there was a study done by the University of Wisconsin-Milwaukee that showed that for every low-wage job in Wisconsin there were about two people who wanted those jobs. He interrupted. He said, "That is a bogus study." So I said, "No, it is not. It is based on very conservative assumptions, and I have looked at it very carefully." That was true, but I got a letter about two weeks later from a man at a sister-center at the University of Northern Illinois who said, "Not only are you right, but we have some new numbers. We have updated that study. We do these things in conjunction with one another across a consortium of these centers." The real numbers in Wisconsin, state-wide, are two to three job-seekers for every low-income job. In Milwaukee County it is seven to one. In Chicago it is six to one. State-wide in Illinois it is three to one. In East St. Louis it is eight to one. Ohio state-wide is three to one. These studies just confirm our experience. It is just common sense.

There was a piece by Rachel Swarns—a wonderful young reporter for *The New York Times*—last August 31. She looked at a job club in the Bronx and she looked at fourteen women who had gone out and looked for jobs. Remember, these are the easiest folks, the cream on the top of the bottle. Of these fourteen people in this job club, one had a bachelor's degree, two had two-year associate degrees, and only one had not graduated from high school. There were pictures and there was a nice little racial point, too. *The New York Times* wanted to make sure you understood that White people had problems, too, so there was a very well groomed White woman who had her picture on the front page. How many of the fourteen women had gotten jobs with all of the effort that they were making? Three. Indeed, the Goodwill Industries that was running this job club had a performance contract with the city that said they would get paid if they found jobs for three out of the fourteen. So the city understood from the outset that finding jobs was going to be a problem. Ms. Swarns' piece is a powerful snapshot of what is going on, what this is really like. It is a great piece of journalism. These were women who really wanted to work, really were going out and trying. They were, as I said, the easiest part of the cream. Still, only three out of the fourteen found work.

That is what we have got to explain. It is what people just do not understand.

We need to be talking about a living wage for everybody. We do have the earned income tax credit, which has been improved, and I need to acknowledge that as really important. And the minimum wage has been raised a little bit. But basically, there are millions of people who have played by society's rules and have been working right along at jobs that are not getting them out of poverty. They do not have health coverage, they struggle with their child care and yet they see welfare recipients as sitting home and not working. That makes them angry. That creates a very nasty, very destructive politics that we should not have. Whatever we think and know about people who are on welfare and the struggles that they have and how hard it is, we should understand that the anger is quite real. It has been egged on by politicians, but it is quite real. It is just like what George Wallace and all the other politicians did in the South to divide low-income Whites from African Americans and take their attention off where the real problems were.

We need to be pursuing a living wage for everybody. There is a fundamental politics of fairness in that. This is an important step because the struggle that people have to make ends meet involves a major chunk of the population. Here in Minnesota, and it is true across the country, half the jobs pay below \$21,000. You cannot make ends meet and be even arguably middle-class without having two earners in the family. That is what has happened to our economy. That is the disparity between that \$21,000 and \$34,000 or so which is the family median income. There should be a constructive politics in that. In fact, it is a mystery to me why we have really never had a serious debate about all of that. Living wage campaigns are starting now around the country. They are taking place in many places over what local government pays, over what contractors with local governments pay, and over what people who get tax abatements from local governments will pay the people that they hire. That is all terrific and needs to be proliferated and multiplied.

If we are talking about a living wage, we should be thinking about all of its components. For example, the child care help that people get so they can make it—that is real income and should be included, both for people who are already working as well as those coming into the labor market. And health coverage. We should say to each other that we can still believe and work for the day when we have what we ought to have, which is national health in-

surance. That is all part of a living wage strategy.

We also need to be looking at a real jobs program. Now that is very hard to talk about in the middle of our current prosperity. It is just a real consciousness-buster to go out and say to the American public when there's 4.6% unemployment that we need a real jobs program. But there is not going to be 4.6% unemployment in perpetuity. There are not enough jobs and we need to invest in real jobs for those who cannot find work in the existing economy.

What we do have in many places is workfare. Workfare is not a real jobs program. Workfare is "you go out and do something that makes the rest of us feel better, work off your welfare, six months, a year, two years, and at the end of that time . . . adiós." It just delays the day of reckoning. You're just back where you were when you started. That is workfare. In fact, in many places they do not provide basic safety equipment. They had to have a lawsuit in New York City to get basic safety equipment for people who were in their workfare program. There is an interesting inconsistency here. They say, "You've got to go out there and work. Everybody has to go out there and work." And then they say, "But this workfare, it's actually not a real job, so we don't want to pay the minimum wage; we don't want the earned income tax credit to attach; we don't want OSHA to attach; and we don't want workman's compensation to attach. But we want you to go out there and work, so you have got to go out there and work." We need to do a better job of helping people understand what workfare really is.

The real way to do that is to articulate what a real jobs program is that helps people get into permanent work. It is about using the public dollar to put people to work getting things done that we want done, with decent labor standards and a strategy to help them find permanent employment. But that is just the beginning of the conversation. We have to go through the whole list of what is necessary to help people keep those jobs once they get them. The basic idea is a job that pays enough to get people out of poverty, but some supplementation of the wage may be necessary. I should say, though, that if a state uses TANF money to do income supplementation for low-wage workers, the federal five-year time limit clock will be ticking, and it will be counterproductive because at the end of that time they will have used up their lifetime eligibility. That is not good. We should be talking about earnings disregards, income supplementation—you can keep some of your welfare—but we should be talking about it as an initiative apart

from TANF that is part of a living wage policy. That is not being done anywhere, so far as I know.

Then we go on to how to help people keep jobs. Child care is absolutely fundamental. One of the potentials in the child care issue—and it is one of the major reasons why I know you did this conference—is for people who are doing community building in neighborhoods to work on creating the child care that has to be in place if people are going to move successfully from welfare to work. Minnesota has made a commitment, as I understand it, to end waiting lists for child-care access not just for people coming off welfare but also for those who are out working. That is great. It is one of the few states that has done that, along with Illinois. California, surprisingly, has also made a big commitment to child care. But that does not mean that the child care is going to come into existence. To actually get good child care to come into existence in the ways that we need is a tall order. The *Milwaukee Journal and Sentinel* did a series about whether child care was actually available in Milwaukee and they found a woman certified by the county to do what they call “provisionally licensed child care” who was taking care of thirty-four children in her house. She had been certified for three and she was getting paid by the county for every one of the thirty-four kids.

Bringing adequate child care into existence needs to be bottom-up. It needs a grassroots or community-building part. People who are in the community-development business who want to get new enterprises started should be thinking about child care as a business. To make this happen, community development corporations will need to forge new partnerships with lawyers and bankers and people in the universities who can be enlisted to provide the expertise and training. All of that has to happen, but it is possible. There is money out there to pay for it, which was not the case in the past. In fact, next year the Children’s Defense Fund and others are going to be pursuing a major national effort to increase the funding and improve the fragmentary child care systems that we have. Everybody should be involved in that. It is very important.

There are many aspects to the child care issue. Typically around the country the new welfare plans say that mom has to go back to work when the child is twelve weeks old. How much infant and toddler care is there out there? Almost none. Women who are getting jobs very often are getting the lowest-rung jobs that nobody else wants, [from] midnight to eight [o’clock a.m.]. How much so-called “odd hour child care” is there out there? What happens

when the child gets sick? How much child care exists specifically for the child who is sick? All of these things have to be there. It is not some frill. If we want everybody out there working, it is not some frill. It is absolutely vital and it illustrates that the challenge is much more than getting enough money.

The list of things that we need to have to make welfare reform work goes on and on. All of these are potential activities with which community-based organizations can be involved. The question of transportation, which we all talk about over and over again, can be the basis of an enterprise. In southwestern Virginia—not a state that I would point to as being great overall with its two year time limit—a couple of counties experimented with two things. One is they have gotten surplus state cars, reconditioned them and sold them at bargain basement prices to people so that they can get to work. But more importantly, they have gotten some vans and they have turned them over to some local women and gotten them into a micro-enterprise where they are running the transportation for other women to get to work. Neat idea. If we are going to be positive about this, if we want to make this happen in the best possible way even as we struggle to change it, that's the kind of thing that we need to be looking at.

Coaching is also so important. What do I mean by "coaching"? You take somebody who has not had a lot of work experience, who does not have a lot of confidence, and we know that she is going to tend to bomb out of that first job. Toby Herr, who works at the Cabrini Green public housing project in Chicago, started some years ago with a group of women who really wanted to get out and work. Seventy-one percent of them lost their first job by the end of the first year. But they had this project which stayed there and said, "You can do it." In addition to being supportive it would give a little nudge—even pushing a little bit. I would not call it a stick, but it was not simply blowing kisses. Anyway, by the end of five years, 54% of the women were working all year long. That takes an investment of money. The TANF surplus that I was talking about can be invested in things like that. But it also takes people out in the community who can do this best, people from the neighborhood, people who have that sort of understanding. But it has got to get organized. Somebody has got to make the contract with the county to undertake that effort. I think it would be done better by a non-profit than it would be by the county itself. So people out in the community need to be looking at that as something that needs to be done, advocate that it be done and then be ready to do it. There is a long list of things like that.

Because you will never get enough jobs inside the neighborhood for everybody there, even with the best community development, the whole question of how to connect people to jobs outside [the neighborhood] must be raised. It is not just the transportation but everything that goes into it—building those bridges, helping find the jobs, and so on. Again, this is an effort that organizations in the community can take on. I have a feeling that community development corporations have neglected the connection that they could and should have with the human resource and services world. If we could reach them with the abilities that they do have in terms of starting small businesses and working on low-income housing, and say to them, "Welfare reform is an opportunity and a responsibility for you," this could be very constructive.

The list goes on. The question of health coverage is vital if you are going to go to work. Minnesota has been a leader in getting health coverage for all children. Indeed, Minnesota was a model for the Congress and \$48 billion that was enacted this year in Congress for the next ten years for child health coverage nationally. So we need to make sure that is done right here and across the country.

Education is also an issue. A deeply troubling situation is the number of women on welfare who have been forced out of community college around the country. They are doing what we wanted them to do, trying to make things better for themselves, and the welfare officials have come along and said, "That does not count for work participation. You have to quit college and come do something else." That is a perfect illustration of what is wrong with block grants. It is a perfect challenge to advocates to rise up locally and say, "What are you talking about? This is absolutely perverse." Seven thousand women in the city of New York have been forced out of City College by the city of New York. These are people who were working to improve themselves, who were doing everything that we as a society want them to do, and were told, "No, no, no, that doesn't count as work participation. You have to go pull weeds in the city park."

The list goes on and on. I do not have to tell you that we need to treat people as people in this process—that a mythology persists that one size fits all and everybody can get out there. Substance abuse and mental health services also have to be there. Some moms are home taking care of chronically disabled children; they are doing real work. They are taking care of elderly and infirm parents; they are doing real work. Just to put it in cost-benefit terms, it costs more for that child or that elderly parent to be in a

public institution. And, let us be real, we are talking about people who have an accumulation of personal problems of one kind or another. We are talking about severe incidence of violence against women. These need to be handled in a very personal and sensitive way. We are talking about a whole lot of depression that is out there that may not qualify somebody to be on SSI but sure makes it tough for them to just get up and go out and work. We are talking about an incidence of learning disability which is surprisingly high, which, by the way, is also surprisingly high in our prisons and in our juvenile institutions. [It is] unremediated, unidentified, creating a lifetime of frustration, anger and so on, and then we are saying, "You are instantly ready to go to work." Not so. Not that the person [is unwilling to] go to work. Sometimes they desperately would like to. In Washington state, they have tried to identify and study this question. Several counties have initiated efforts to specifically help women who have been identified as learning disabled. I have talked to a couple of women who were in that effort. They had not been able to hold jobs ever in their life. It was mysterious to them as to why. They desperately wanted to work. They were doing everything that anybody asked, but it is not something that simply happens automatically overnight, and we have to invest the effort to make it happen.

Many people out there have such simple notions about all of this welfare reform. They just think that this is so easy and it just can happen like that. To any of us who say, "It's harder," their instant response is "Oh, you're defending laziness. You are defending the old system." I had a student, a very earnest student, who came up to me after a speech I gave in Cleveland a couple weeks ago, and she said, "So, you mean you are in favor of somebody being able to stay on welfare for their whole life?" And I thought to myself, "I've really got to learn to communicate better." But that is what people hear when you try to say to them, "Look, we want people to go out and work, but it is harder than you think, and there is all this stuff that you have to do, and you cannot just do it by bumper stickers, and you have to invest, and there [are] some people who are not in a position to go to work." Their eyes glaze over. It is a challenge to us to keep on talking, to educate.

And then, of course, there is the bigger picture. I am trying to get this effort away from body counts of the people who have gone off welfare, and to get back into the conversation the things that are not on the table. If we want to do something about poverty in this country, we better talk about what has happened to the distribution of income. Twenty years ago Arthur Okun, who was a great economist at Brookings, wrote an essay called "The

Leaky Bucket.” In doing the research for that essay he had found, to his shock, that the income of the top 1% of Americans equaled the income of the bottom 20%. That was twenty years ago. Now the income of the top 1%, the top 2.6 million people, equals the income of the bottom 35%. Eighty-eight million people have the same income as 2.6 million. Is this a democratic result?

Surely economics are as much a matter of democracy as politics. We should be talking about economic justice, racial justice, social justice, all of that is part of a democracy. But then when we have a 4.6% unemployment rate, the Federal Reserve says, “Oh my God, it is time to raise interest rates!” [Federal Reserve Chairman Alan] Greenspan is like Jaws, you know. He is quiet for a few months, and just when you think it is safe to go back in the water, there he is. I do not mean to say that we can get on national television like Greenspan—that is a tough one. We even got to the point where Clinton put a man called Alan Blinder—he is a fine economist from Princeton—on the Federal Reserve Board, as the vice-chairman. Alan Blinder stood up and said, “Excuse me, do you know that it’s part of our statute that we are supposed to take the effects on employment into account when we make changes in monetary policy?” It was like he had advocated dropping the nuclear bomb. They just came down on him. It gets in the way of pro-employment policy when they want to raise interest rates when there is not even a speck of inflation on the horizon.

The budget is also part of the bigger picture. It is partly our responsibility when Congress gives the President \$12 billion for defense that he did not even ask for. And now we have—and this really is something where we have got to figure out how to have our voices be heard—now we have this new situation. We have a surplus. That should be an opportunity. It certainly means the excuse I pointed out earlier—that we do not have money—is not there. And they are all lining up, they are talking about cutting taxes. They are talking about reducing the national debt; they are talking about increasing defense; they are talking about fixing the national infrastructure. If they want to rebuild the crumbling schools, that is okay with me. I would put some money into that. But there are people out there. We should be investing in people and children and families.

And we have to get the issues about race and gender back into the discussion. As I said in the beginning, this whole thing is about putting women to work. I think it is great to put women to work under the proper premises, but if you think about it, nobody talks about young men anymore. I have been doing some reading

for a book that I am trying to write about the '60s. Robert Kennedy and others spoke out in the context of the violence and the civil unrest of the '60s and said, "You know, it's not too hard to figure out. There are no jobs out there for these young people." In fact, with the eyes of 1997 you look at it and it is actually sexist because they talked about young men; they did not talk about young women. That was wrong, too. But now it is as if we have given up on young men. We have a policy for young men, and it is called prison. So we have 1.5 million people, mostly men, under lock and key. And you know what has happened to African American men. Almost a third of African American men between the ages of 18 and 34 are either locked up, on probation or parole, or awaiting trial. That is unacceptable. It's a national tragedy. It is wrong. So we need to be talking about men and we need to put all of this in the context of community.

What is community responsibility? We have to have public resources and public money in this, which is a challenge in and of itself. This is not either/or. But even if we can get all the money, if we do not have the strength and the capacity and the confidence and the ability to spend the money wisely in the community, we do not have anything. So "community" is really a word that has to get back in our vocabulary in a serious, concrete way about all of this, including how we restructure the schools so that we get the best teachers into the worst schools and how we get place-based policies that address the needs of the people where they live, especially with what has happened to concentrated poverty in this country. The number of people with incomes below the poverty level who live in census tracts with over 40% poverty has doubled between 1970 and 1990. So concentrated poverty is a particular problem in all of this. We need place-based policies. We also need to be looking at what to do about the violence that is out there and about the housing problem. We really need to be strategic and figure out how we are going to get these things done.

We need to build a movement and change the political equation. I know there are people here who are organizers. I think that what you are doing is the most fundamental thing that anybody can be doing right now—that is, changing the equation at the base, getting people who are not active to be active, and changing the attitudes of some people who are voting. What is happening in the trade unions with John Sweeney at the AFL-CIO is encouraging. What is happening in so many congregations and coalitions of congregations around this country is encouraging. I talk about SPEAC (St. Paul Ecumenical Alliance of Congregations) and the Inter-Faith Action Council in Minneapolis wherever I go around

this country. I tell people about how they have worked together to secure \$68 million from the state legislature to clean up brown-fields and create 2200 jobs. That's the kind of thing we can do around the country.

We have to have passion and we have to have conviction. We should not be ashamed to feel strongly and let people know that. We need to be out there saying that we do believe and that it makes a difference and that it is important.

I want to end with a quote from Frederick Douglass in 1857 that most of you know, but that speaks to us so strongly down to this moment. "If there is no struggle," Frederick Douglass said, "there is no progress. Those who profess to favor freedom and yet deprecate agitation are men who want crops without plowing up the ground, they want rain without thunder and lightning. They want the ocean without the awful roar of its many waters Power concedes nothing without a demand. It never did, and it never will."