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Thank you for that warm introduction, Professor Selden. And thank you for inviting me here today.

I am honored to speak to you at this wonderful institution, a true flagship of the University of Maryland System.

In particular, I am delighted to speak at this remarkably distinguished event. I am humbled by the opportunity to follow the intellectual and inspirational giants who have stood here to share their wisdom and knowledge at this colloquium, as they addressed some of our nation's most critical issues.

I can also assure you that I'm under no illusion that my great fortune and my incredible privilege to be the president and CEO of the Annie E. Casey Foundation provides me with some unique wisdom, perspective or insight, especially when compared to the impressive speakers who you've asked to give this lecture over the years. So why was I asked to speak with you today?

I believe that I was invited to talk with you today because the Foundation's annual report on child well-being, KIDS COUNT, tells a disturbing and profoundly troubling story. Kids Count has been tracking the well-being of children for 22 years, comparing states against each other, and tracking state and national trends over time. Our most recent KIDS COUNT report documents the worrying effects of the recession and lingering high unemployment rates on children, and offers some recommendations on how to get us back on track.

And so my appearance here isn't about me, and it isn't even about the Annie E. Casey Foundation.

It is about the people and places that our founder, Jim Casey, charged us with helping when he started our Foundation in 1948.

Children living in stressed families...

Families struggling to provide basic needs for their children...

And the disinvested neighborhoods that are in desperate need of resources that support a family's success, such as quality schools, good jobs and transportation to those jobs.

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 volume, and on and on. 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'd love to see us spend even a fraction of that obsessive energy on the well-being of kids and families. Wouldn't that be something? If every week, or even every month, there were analyses of national trends in childhood educational, physical, emotional, behavioral and social development? With a sense of urgency to do something if the trends were headed in the wrong direction, or if it looked like the U.S. was falling behind other countries in any of these areas?

It turns out that we are falling behind, and it seems to be at an accelerating pace.

In a recent study of 31 developed countries, the U.S. ranks 27th in measures of equal opportunity and in measures that predict whether our children will have the life chances necessary for them to thrive and mature into contributors to a better future, a future that sustains the American dream of ever-expanding opportunity.

The study looked at measures such as:

- Poverty prevention, education, unemployment, income inequality, health, and overall social mobility—the odds that where you end up on the economic ladder depends on where you start out—arguably the single most important difference between a free-market democracy and rigidly class-frozen oligarchies, monarchies and dictatorships.

Most of these measures are greatly affected by the investments we choose to make in children. Which leads to a stunning question for all of us: Exactly when did it become acceptable for us to trail most of the world in providing our children with opportunity?

As many as half of all American children are growing up with risk factors that predict they will not succeed in the world they will inherit—and as a result, this country will become increasingly less able to compete and thrive in the global economy, thereby affecting the standard of living and 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 fiber of our social fabric, not just economically, but politically and socially as well.

I'd like to spend my time with you delving into some of the reasons we seem to be falling behind, and what we can do about it.

Even though I said my talk isn't about me, I'd like to start by sharing a little about my own childhood neighborhood, in a relatively low income working class area near Camden, New Jersey. My dad worked for the county highway department, eventually promoted to road inspector, which meant he no longer had to do manual labor. Beginning when I was a teen, my mom worked selling cheap clothes in the local farmer's market, and then became a clerk in the town's tax office. We weren't deprived by any means, but we always knew money was very tight. Eight of us—my five brothers and sisters and parents lived in a three bedroom rancher, built as part of a sprawling development of 200 some odd identical houses in the fifties.

Al Roberts, down the street, worked at the Navy Yard in Philly as a machinist. He had a good paying job, so they were able to modify their three bedroom rancher into a two story five bedroom. Billy O'Neill drove a truck, a union job; he expanded the basic rancher too, doing all the work himself, adding a bedroom to make more room for his six kids. Tom Davies sold shoes in Philly, and he usually wore a tie to work, one of the only fathers that did. They had seven kids in the same three bedrooms, which was considerably easier than Joe Sheehan, who had nine. Joe worked as a mechanic, and somehow managed to feed them all. Pat and Marge Caldarulo only had three kids; he worked in the local cement factory. Johnny Fenton's dad also worked in a factory a couple of towns over.

And so it went: some of the parents had high school degrees, some didn't; none had a college degree. But they were all able to buy a home with their veterans benefits and low-cost mortgages—granted, a really cheap home—and they were all able to support their families on a single salary, sometimes supplemented by a second. Everyone had a car, a TV and a barbecue, and everyone had big dreams—for some, bigger jobs and salaries down the road, and for everyone, a better life for their kids.

And that's how it was for the great majority of American families from the fifties through the seventies and into the early eighties. It was no easy life without a high school degree or some college, but you could find a job that paid enough to support a family if you were willing to work hard, put in some overtime, and especially if you could pick up a good skill. That is, if you were white.

If you were black, you were much more likely to be not just low income, but truly poor. The best paying and most secure jobs were not available to you. Even if you were a veteran, you were unlikely to be approved for a low cost mortgage, and even if you had the means, your housing choices were limited by either explicit or implicit racial restrictions on where you could live. While the emerging post-war middle class was accumulating trillions in increased assets, African Americans were shut out of most of the opportunities to build wealth and security even with comparable skills and education. And most were denied the chance to develop comparable skills, and to access comparable education. Educational opportunities and opportunities to join

unions and secure well-paying blue collar jobs were so limited as to keep the majority of African Americans in multi-generational poverty.

If I were growing up in that same neighborhood now, and if all those families I knew so well had the same skills and education today as they did then, we would have lived a very different childhood. Unemployment among the fathers would have been very high, and chronic rather than occasional. Incomes would have been much lower, while the costs of raising family would have been higher.

The world shifted, as we all know. Over time, it became impossible for a single earner to make enough in a low-skill job to support a family, due to a combination of three factors: increased productivity—that is, the ability to produce more with fewer workers; plus globalization of the labor market—such that jobs now flow easily to the lowest paid workers anywhere in the world, and a billion more low wage workers have been added to the worldwide labor market; and the ever-growing reliance on technology in most spheres of the economy, requiring higher levels of education and skills.

These fundamental shifts were largely ignored for decades, because families adapted. The huge expansion in the number and proportion of American women in the labor force meant that families were much more likely to have two earners rather than one, thereby replacing some of the income lost as low-skilled jobs paid proportionately less over time.

Increased productivity led to decreased costs for some consumer goods.

Easier credit enabled families to buy more and more of those goods even as low and middle income earners were taking a smaller share of the overall economic pie. And the heavier debt load was backed by a seemingly inevitable increase in the value of the average home, turned into home-equity loans.

The deep recession, housing market collapse and credit melt-down that hit in 2008 simply accelerated and made more apparent many of the trends we have been experiencing for the last 30 years, trends that had been masked by the shift to two-earner families, by cheap consumer goods, and by an ever-increasing debt load for families. Well-paying low-skill jobs have virtually disappeared, placing a huge premium on education. Income and asset inequality has grown exponentially. Social and economic mobility—the odds that you can move up the ladder—is now lower in the U.S. than most other economically developed countries. And there is an almost palpable anxiety and worry in the country, as people increasingly believe that their children are less likely to end up better off than their parents.

Let's look at how the recession and its aftermath of high unemployment and the housing crisis are affecting child well-being.

As we look at the best predictors of success—of children doing well in school, completing high school and post-secondary school, finding employment at a wage good enough to raise a family, avoiding teen parenthood, avoiding involvement with the criminal justice system, long term health and mental health, and so on—three factors seem to be critical. I'd like to talk about each, because understanding the dynamics of these three factors is critical to building the political will to deal with them aggressively and effectively.

- First: Growing up in poverty is the single best predictor of rotten outcomes. On almost every measure, children who experience chronic and/or deep poverty face tougher developmental and social barriers to success. Moreover, even temporary and relatively short-lived experiences of poverty can have lifelong impacts on health, education, employment and earning power.
- Second: Many children grow up poor and do just fine. Why do they beat the odds? Because they have a strong, nurturing, stable family with the emotional and social capacity to help the child build a sense of security, attachment, resilience and self-confidence, despite some level of deprivation. And children who have a sense of permanent connection to their families do much better on average, even if they experience poverty, as compared to those who are removed from their families due to abuse, neglect, or criminal behavior, or who grow up disconnected from one or both parents.
- Third: Where you grow up can make a huge difference. A poor child living in a supportive community, with good schools, safe streets, positive role models in the neighborhood, and connections to opportunity is more likely to thrive and succeed. That same child living in a community of concentrated poverty, high crime, poor schools and other services, all the environmental hazards associated with poor housing—such as lead paint, mold, asbestos—is much more likely to get off track in school, to become involved with gangs or delinquent peers, and to fail to attach to a good job.

One way to remember these three factors is to think of the three P's: poverty, permanence (a permanent connection to a strong family) and place. These factors are of course interconnected: poor kids are more likely to experience family disruption, and more likely to grow up in neighborhoods with high concentrations of poor families. And they are cumulative in their impact—the more risk factors, the tougher the odds.

So how are America's kids doing? What do we know about these leading indicators for the nation's social health and future productivity? Let's look at each.

Poverty

Poverty is a pernicious social problem that too often stifles development and opportunity for children, while eating away at the very fabric of the bonds that hold democratic societies together. And, unfortunately, poverty in this country is growing, with a very disturbing increase over the last decade.

- In 2010, 15,749,000 children lived in poverty, in households with incomes below \$22,050 for a family of four. That represents 22 percent of all children, or more than one of every five kids in the United States. And one in four children under 6 lived in poverty, during a time when human development is most sensitive to environmental stressors.
- From the year 2000 to 2010, child poverty increased by almost 30 percent, according to the Census Bureau's standard poverty measure. The additional 3,540,000 children who fell into poverty over the last decade nearly match the entire population of the city of Los Angeles.
- In 2010, 32,166,000 children in the United States lived in low-income households—that is, they live in families whose income was less than twice the poverty rate. That means almost half this nation's children—44 percent—live in families that are one or two paychecks away from economic crisis. That number is roughly the combined total population of Florida and Illinois, the 4th and 5th largest states.

Research from the Brookings Institution shows us that poverty undermines child well-being in two basic ways:

- The stress created by living in poverty undermines a parent's ability to devote time, energy and attention to the job of being a good caregiver.
- The lack of income prevents parents from meeting children's basic food, housing, health and other needs and providing resources to help their children develop.

The impact is staggering for children. Consider:

- Only three of every four children from birth to age three were in excellent or very good health when living in with family with incomes less than \$10,000 a year, according to an analysis of data from the National Health Interview Survey (1997-2003). By comparison, more than 90 percent of children with family incomes greater than \$100,000 a year were in excellent or very good health.
- Low-income children are at greater risk of experiencing chronic health conditions than children in higher-income families. Data from the 2000 Census show that the disability rate for children in the poorest families (10 percent) was more than twice the rate for children in the most affluent families (4 percent)
- Depression rates are double for low-income mothers compared to the general population, according to research. We know that mothers who are diagnosed with clinical depression or depressive symptoms engage in less nurturance and more punitive discipline. In turn, their preschool children have more behavioral problems, and are less likely to read proficiently by the end of third grade.
- Children of low-income families are more likely than other children to have low birth weight – Princeton researchers confirm that low birth weight children are at greater risk for cognitive and school performance problems than their normal birth-weight peers.

It's important at this point to note that poverty is not some random occurrence, or that it is inevitable that we will have so many children in poverty. In fact, more sophisticated measures of poverty recently released by the Census Bureau enable us to see the impact of various government interventions that address poverty directly, and they show that these programs effectively reduce child poverty by as much as 30%. Before discussing the policy options for addressing poverty, however, let's take a look at the data on permanence—or lifelong connections to a strong family—and place—the impact of community.

Permanence

We all know the power of family, and the power of that special sense of belonging and connection that comes from our earliest experiences. And research consistently confirms the importance of a secure, permanent connection to a strong family—a family for life.

Family structure and cohesion are among the most important influences of a child's prospects for long term success. Teen pregnancy has declined significantly over the last two decades, by 37% since 1991. At the same time, the US teen pregnancy rate is still nine times higher than the average for other economically developed nations.

Teen parenthood, like poverty, is associated with many risk factors for children, including poverty itself. Two-thirds of families begun by an unmarried teen mother are poor; in fact, 64% of children born to an unmarried teen mother who did not complete high school are poor, compared to just 7% of children born to non-teen mothers who are married, and who have completed high school.

The Centers for Disease Control and Prevention is conducting one of the most ambitious, far-reaching longitudinal studies ever of the impact of adverse childhood experiences—or rotten things that can happen to a child—and their impact on physical health and social well-being over time. While not yet complete, findings to date draw direct correlations between poor long term outcomes and childhood experiences of abuse, neglect, exposure to violence in the home, parental substance abuse or mental illness, separation from a parent and incarceration of a parent. These bad experiences correlate with increased odds of a host of bad outcomes, including alcohol and drug abuse, depression, suicide attempts, teen pregnancy, and a variety of health problems, including heart and liver disease.

The Casey Foundation has a special focus on the most fragile, troubled families, including those whose children are at risk of abuse and neglect, or have been removed from their homes. We also work extensively in the field of juvenile justice, and in both these areas, we work to decrease the likelihood that children will be separated from their parents and the community, when that can be accomplished safely. When children cannot live with their birth parents, we promote policy and practice that help these children live with their extended families, and if that's not possible, in family-based foster care until adoption or other lifelong connection to family can be arranged.

The good news, which is rarely highlighted, is that the actual incidence of physical and sexual abuse has in fact fallen dramatically since the early nineties, by as much as 35 percent. Of those children in out of home placement, more than three-fourths came into care due to neglect.

As a result of the decline in the incidence of physical abuse and neglect, together with policy and practice changes that emphasize family preservation, the number of children in foster care continues to decline steadily. In 2000, about 544,000 children were in foster care. On September 30, 2010, that number was down to about 408,000. In other words, if the field had continued its overreliance on out-of-home placement, an additional 135,000 children would be living in foster care instead of with families.

As for the juvenile justice system, the United States locks up kids at approximately seven times the rate of Great Britain and 18 times the rate of France.

The public's perception of juvenile offender is driven by news coverage of the most violent cases. Most children, however, locked up in juvenile facilities are there for nonviolent offenses or technical violations of the terms of their probation.

Studies show that when we incarcerate children for nonviolent, youthful indiscretions, we increase the likelihood that they will become hardened criminals. And a very long and shameful history demonstrates that juvenile incarceration centers often are places where children are housed in unsafe, dehumanizing conditions, abused by staff and exposed to violence.

Twenty years ago, the proponents of increased incarceration had two major arguments. First, we were supposedly confronting an explosion in juvenile delinquency, with a wave of “super-predators” marauding through the streets. Instead, we’ve seen an almost constant, steady reduction in delinquency on every measure, from arrest rates to self-reported acts of delinquency. Nevertheless, we also saw a huge wave of increased incarceration.

The second argument was that even if incarceration fails to rehabilitate, alternatives to incarceration don’t work either, so we may as well lock young criminals up to protect the community. The last twenty years has seen the development of strong evidence of the effectiveness of several non-institutional alternatives—more effective in preventing recidivism, more effective in putting young people on a path to success, and more effective in protecting the community.

As public policy has begun to turn away from the over-reliance on incarceration, the number of youth in secure care facilities has dropped by more than 20% nationally, down to less than 80,000 on any one day, and by huge numbers in some states: 85% drop in California, more than 50% drops in Alabama and Louisiana.

In short, we are now moving in the right direction, and we should redouble our efforts to replace these outmoded, expensive, ineffective institutions with community-based services that work.

Place

Although areas of high-poverty declined during the 1990s, those numbers are up again. The 2009 American Community Survey reported that the number of high-poverty census tracts has increased since 2000.

- In 2009, 17 million children – nearly one in four of America’s kids – were living in census tracts where 20 percent of households or more are poor.
- Three million of those children were living in census tracts where at least 40 percent were poor.
- Forty-three percent of families in concentrated poverty face food hardship, double the rate for all families. In the poorest communities, one in five is unable to pay their rent – double the rate for all families.

- Children living in the highest poverty communities are almost twice as likely to lack health insurance, despite programs such as Medicaid and the Children’s Health Insurance Program. Over 17 percent of children from the poorest communities are uninsured, compared to about 10 percent of all children.
- These children also experience more severe mental and emotional problems than children in the general population. Parents report that their young children living in high poverty communities are twice as likely to suffer severe behavioral and emotional problems as other children.
- Students in predominately low-income schools have lower test scores than students who attend predominately higher income schools, regardless of the family income of the students themselves. They also are much more likely to drop out.
- When children drop out, you can see the results on our streets. Children in poor neighborhoods are 85 percent more likely to become “idle youth” – out of school and unemployed.

So it is clear that growing up in a high poverty neighborhood undermines a child’s chances of adult economic success, even if the child’s own family is not poor.

Black and Latino children are more likely to live in concentrated poverty. African-American children are four times as likely as white children to live in high-poverty census tracts. For Latino children the risk is more than three times that of non-Hispanic white children.

I must note that although most people think of urban neighborhoods when they think about poverty, poverty is not confined to places like Baltimore, Atlanta, or Detroit. Research shows that rural areas of America actually have the highest poverty levels.

Urban areas account for nearly three of every four children living in concentrated poverty, but children in rural areas (31 percent) were more likely to live in high-poverty communities than their urban (24 percent) and suburban (17 percent) counterparts.

Policy Options

After that somewhat discouraging summary of available data and research on the impact of poverty, struggling families and communities of concentrated disadvantage, I’d like to turn now to the potential for public and private action to address these issues.

TWO GENERATION APPROCH TO OPPORTUNITY

In all our public policy efforts to improve outcomes for kids, it is essential to emphasize two-generation strategies. We have to help put adults on a path toward economic success while

we simultaneously enhance their children's social, emotional, cognitive, and physical development from birth.

Children will have more opportunity if their parents get the help they need to succeed. Families need support to weather temporary economic hardships, such as job loss, high medical bills or family breakup, to decrease the level of parental stress and support their capacity to nurture and to attend to the developmental needs of children.

There's a widespread conviction that government programs to address poverty have been disappointing failures. As Ronald Reagan once said, "We fought the war on poverty, and we lost", and again "Government isn't the solution, government is the problem."

So it's important to point out again that governmental supports make a real difference in the odds that children will experience deep poverty just as public policy made a huge difference in the thirties and again in the sixties on the odds that seniors would live in poverty.

Let's look at the evidence that public policy makes a difference for child poverty.

As noted above, the Census Bureau released a Supplemental Poverty Measure recently, the first time the Bureau has used a more sophisticated measure that takes into account the real expenses associated with raising a family, regional differences in the costs of food, housing, child care and transportation, and the impact of governmental income supports such as the Earned Income Tax Credit (EITC), Child Tax Credit, and food stamps.

This index provides a more accurate gauge of poverty than the traditional federal measure of poverty used for decades.

Using this measure, the data show that the Earned Income Tax Credit reduced the poverty rate from 22.4 percent--the rate if there were no EITC--to 18.2 percent. In other words, without the EITC, the number of American children living in poverty would be 23% higher than today. At the same time, the EITC rewards and encourages work. For that reason, we think the EITC is one of the best poverty-fighting arrows we have in our quiver.

Similarly, Supplemental Nutrition Assistance Program (SNAP) benefits – formerly known as food stamps – cut the percentage of children in poverty by 3 percentage points; without food stamps, more than 21% of children would be in poverty rather than slightly more than 18 percent. SNAP helps families meet their most basic needs and fights poverty—while also providing a needed stimulus to the economy, as research shows that families immediately spend their food stamps, boosting consumption.

Similar analyses, with similar results, are now possible for other government programs, such as housing subsidies and Medicaid.

In short, when it comes to child poverty, public policy matters – a lot.

EARLY START FOR CHILDREN

As I've said, we need to focus on a two-generation strategy, so in addition to fighting poverty by helping young parents provide for their children, we need to ensure that every child is on a pathway to educational success. And that means starting early, and taking advantage of every stage of child development.

A critical benchmark for ensuring kids are on a path to success is their ability to read proficiently by the end of third grade. Studies show that if children are not reading at grade level by third grade, they are unlikely to catch up to their peers. Poor children, however, often start at a deficit and then fall farther behind during elementary school, particularly during the summer. Meanwhile, their wealthier peers move forward.

We need to rethink the developmental pathway that gets a child to be able to read proficiently by the end of third grade. We believe we need to eliminate the artificial membrane that separates early childhood education, preschool, kindergarten and the early years of elementary school, and see the period from prenatal care through age 8 as the critical developmental period it is.

First, we need to recognize that we can never start too early to assure that children are born healthy and have parents who are able to care for them.

Teen pregnancy is one of our KIDS COUNT indicators for obvious reasons. When teens have children, their own health may be jeopardized and their chances to build productive lives are often diminished.

Compared to women who postpone childbearing until they are older, teenage mothers are more likely to drop out of school and to live in poverty. At the same time, their babies are more likely than other children to be born at a low birth weight, face health problems and developmental delays, perform poorly in school, and experience abuse or neglect. As they grow older, these children are more likely to drop out of school, become teen parents themselves, and experience homelessness, juvenile delinquency, and incarceration.

Research and Casey experience point to a number of effective strategies to prevent teen pregnancy, including.

- Helping parents succeed in their role as sex educators

- Broadening the scope of pregnancy prevention efforts and addressing shifting social norms about pregnancy and parenting among unmarried women
- Creating community-wide action plans for teen pregnancy prevention, including reproductive health services that are available and welcoming for adolescents

For pregnant women, we must promote high-quality prenatal health care to ensure that children are born healthy.

Next, after children are born, and when families struggle because of stress, poverty and related issues, we must make available the supports that young parents need.

Among those supports are

- home visiting, with trusted family support workers going directly into the home to link families to health and human service supports,
- high quality child care that stimulates cognitive, social and emotional development and
- comprehensive preschool services to ensure every child enrolls in school ready to learn and thrive.

The best of these services have solid evidence that they change the lifelong trajectory for children, saving both money and futures. The challenge going forward is to take these evidence-based interventions to large scale, so they make a difference for entire populations of children and families.

In focusing on reading proficiently by the end of third grade, we can unite behind this critical goal to align a wide range of efforts, supporting cognitive, social, behavioral, emotional and physical development from prenatal health through infancy and early childhood, preschool and the early years of elementary school.

Community Change

Over the years, the Casey Foundation has worked intensively in a wide range of neighborhoods of concentrated poverty to build resources that can help families succeed. A major focus has been on the young mothers and young fathers in those neighborhoods who are not connected to the workforce and do not have a high school degree or the equivalent. The period from mid-teenage years to the 20s is a critical time for young people to begin building successful lives. When they are parents, their success or failure are likely to become their children's.

We have invested in community change work for two decades through initiatives such as Making Connections and Rebuilding Communities that addressed concentrated poverty in sites across the country.

Our current investments in Atlanta and Baltimore, called Civic Sites, represent places where Casey implements neighborhood-based strategies designed to increase economic, educational, and housing opportunities for families.

In addition, we have pioneered the Center for Working Families as resource centers to help low-income families reach financial stability and move up the economic ladder. The Center offers an innovative framework for how families can increase their earnings and income, reduce their financial transaction costs and build wealth for themselves and their communities.

We have called that approach Earn It, Keep It, Grow It.

The Center for Working Families bring together a full range of essential economic supports and partners in one convenience location where families can tap into services that help them weather setbacks.

We have also learned the importance of connecting to anchor institutions, such as universities and hospitals, as resources and economic engines for jobs. And we've also learned the importance of taking advantage of physical redevelopment to ensure that the current residents of poor, disinvested communities benefit directly and in real terms from the new investments. For example, when neighborhood revitalization requires relocating residents, we need to ensure they end up better off, by their own standards, than before the revitalization effort, and they need to be assured of a right to return to the neighborhood if they so choose.

COLLABORATIVE EFFORTS

We know the politics in Washington are bitterly divisive right now, and with elections next year, the atmosphere isn't likely to improve. With the unemployment rate stubbornly holding at around 9 percent, nothing is more critical than creating jobs. And it will take cooperation to make that possible.

It will take collaborative public-private efforts.

While the private sector drives the economy, we believe the government has a critical role.

There are some things that only the private sector can do. There are some things only government can do. And there are some things that take public-private partnerships.

We all know that there is less of a demand for low skill physical labor jobs in the 20th century, and at the same time, we have a skills gap – employers are finding it hard to fill higher skill positions because too many young people coming into the workforce are not prepared for today’s private sector jobs. The private sector can provide guidance as adult education institutions develop skills programs that train or retrain workers for 21st century jobs.

And as we struggle with high unemployment, let's not forget that we have huge needs to replace outdated and crumbling infrastructure. We have critical needs to rebuild roads, bridges, dams, levees, wastewater systems and other parts of our infrastructure that are at risk of failing in many places.

I would argue that the combination of very cheap bond financing right now--the lowest in many decades--the high need to invest in infrastructure if we are to stay competitive, and a large group of unemployed and underemployed workers adds up to a good time to make the public investments that will have to be made sooner or later.

This would put people to work rebuilding our infrastructure for a stronger America, so we can strengthen the nation’s very foundation while providing jobs that lift people out of poverty.

In addition, the public and private sectors need to cooperate on strategies.

- Tax code and regulatory reform are needed to encourage job creation
- On one hand, regulation is critical if we are going to protect consumers or passengers flying on aircraft
- However, regulations must be reasonable so that they protect the public without impairing economic growth.

We need sensible, pragmatic solutions to compete globally as a nation while improving the well-being of our children at home.

At the Casey Foundation, we look at the nation’s most critical needs through the eyes of a child because that is our focus. We focus on children of today and promote a two-generation strategy because we realize that children are depending on our generation. Put another way, however, our focus is on tomorrow’s adults.

When we invest time and resources into children and their families, today’s elementary school kids will become strong and self-sufficient a generation from now. And if we get it right, they will be able to raise smart, healthy children without our help.

Thank you.

