

ADDRESSING 21ST CENTURY POVERTY

TRANSFORMATIONAL STRATEGIES FOR TALKING, THINKING AND ACTING ON
ISSUES OF POVERTY

A FRAMING PAPER FOR THE NORTHWEST
AREA FOUNDATION



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***Addressing 21st Century Poverty – Transformational Strategies for Talking, Thinking
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**1. Introduction: Addressing 21st Century Poverty – Transformational
Strategies for Talking, Thinking and Acting on Issues of Poverty**

The U.S. has experienced a prolonged period of economic insecurity, which is impacting many communities, families, individuals and even our institutions. Poverty is steadily increasing while economic opportunities are on the decline.¹ At the same time, income and wealth inequalities are widening.² As these signs of economic instability grow, many troubling barriers to opportunity are devastating marginalized groups. Meant to be the great engine of equal opportunity, our education system is growing more racially and economically segregated, transferring and expanding inequality across generations.³ Predatory lending, an uneven credit market, depreciation in the housing market and foreclosure are reducing the utility of housing in stabilizing personal finances and neighborhoods.⁴ Although many of these issues first appeared in communities of color in inner cities, they are now well known on Wall Street, and threaten both low- and middle-income families. The ability to remain healthy in American society is threatened by a surge in uninsured people and rising health care costs.⁵ As with many of the challenges facing our society, marginalized communities – racial and ethnic populations and the disadvantaged – are disproportionately burdened. These new challenges should embolden our efforts to address poverty and promote access to opportunity in the U.S. and across the world.

¹ From 2000-2004, the number of American children living in poverty rose 12.8% (over 13 million children live in poverty). Extreme child poverty (a family of three living with an annual income under \$7,610) rose 20% between 2000 and 2004. The increases in extreme poverty were highest among Latino and Black children. (Statistics from The Children’s Defense Fund, *The State of America’s Children 2005*.)

² For example, the Brookings Institute Report “Getting Ahead or Losing Ground: Economic Mobility in America” noted that although adults who were children in 1968 have seen their incomes grow over that of their parents, “median family income in the top quintile grew by 52%, compared to only 18 percent for the bottom fifth.” (See chart and text on page 16.) Report available at http://www.brookings.edu/reports/2008/02_economic_mobility_sawhill.aspx

See also the report by the Children’s Defense Fund, which notes that “On average [over the last 30 years], the income of the top 20 percent of households was about 15 times greater than that of the households in the bottom 20 percent—the widest gap on record based on an analysis of U.S. Census Bureau figures.” CDF, *The State of America’s Children 2005* (page 4). For an accessible, wide-ranging discussion of inequality today, see James Lardner and David A. Smith, editors, *Inequality Matters: The Growing Economic Divide in America and Its Poisonous Consequences*. New York: The Free Press (2005).

³ For schools consisting of 90%-100% Latino or Black students, 87.7% are poor. Students in minority schools are 16.3 times more likely to be enrolled in a school with high concentrations of poverty. See the report by Orfield et al. “Deepening Segregation in American Public Schools: A Special Report from the Harvard Project on School Desegregation.” *Equity and Excellence in Education*, 30:2 (1997): pages 11-12.

⁴ Joint Center for Housing Studies of Harvard University, *State of the Nation’s Housing 2002*: pages 4-5.

⁵ Between 2004 and 2006, the number of uninsured non-elderly Americans increased by 3.4 million. The most determinant factor in this increase was the decrease in employer-sponsored insurance, as premiums outpaced wages. See the full report by Holahan, John and Allison Cook, “The U.S. Economy and Changes in Health Insurance Coverage, 2000-2006.” *Health Tracking: Trends* (20 February 2008). <http://content.healthaffairs.org/cgi/content/full/hlthaff.27.2.w135/DC1>

How can philanthropic organizations make transformational investments to eradicate poverty and social exclusion? As challenges grow, resources to address economic insecurity will be stressed, requiring effective strategic investments that can increase opportunities for individuals and communities. This position paper offers new and insightful ways to talk, think and act around poverty and race that can impact the NWAFA agenda.

Addressing the economic challenges of the 21st century will require us to reframe the discourse on poverty and change how we “talk” about critical policy solutions. Our ability to transform the future of economically marginalized people and communities requires building broad public support for expanding access to opportunity. We also must change how we “think” about solutions to address poverty. Poverty is a symptom of a broader disease, the structural arrangements that deny access to opportunity, wealth and power for marginalized groups, while limiting opportunity for the non-poor as well. Instead of focusing on welfare models of poverty reduction, we must first understand the critical structural arrangements that produce poverty and increase the anxiety and stress in the middle class. Finally, we must “act” more deliberately and strategically to locate the precise interventions and leverage points needed to expand opportunity for all. Our growing economic insecurity presents one of the greatest challenges to the future of our communities and our nation. Only a society, which allows for true membership can be a truly functioning and representative democracy. By assuring access to opportunity for marginalized groups, we expand opportunity for all.

2. Anti-poverty Is Not Enough: A Call for a Transformative Vision of Society

a. Linking Individual Good to Community Advancement

I advocate for poverty reduction strategies that are guided by a transformational paradigm. Transformative thinking requires creativity, vision, and persistence. Transformative approaches restructure the very institutions and inter-institutional relationships that result in inequalities. Transformative solutions are those that produce sustainable, significant changes in our society. I would like at this point to introduce a useful and inspiring transformative vision, inspired by the work of anthropologist Ruth Benedict. Dr. Benedict was an early advocate for a relational view of “culture,”⁶ and she observed that some societies seemed to do better than others at arranging social institutions such that individual advancement was linked to social betterment and the common good. She called this a society with “high synergy.”⁷ In a high synergy society, $1 + 1 > 2$. The whole is more than the sum of its parts, but the individual is not an invisible cog in the machine. Each person is encouraged to elevate both themselves and their community. In a low synergy society, individual advancement occurs *at the expense of* another individual and society as a whole (in other words, a zero-sum game).

⁶ “Her goal...was ‘a world made safe for differences.’” Rosenblatt, Daniel (2004). “An Anthropology Made Safe for Culture: Patterns of Practice and the Politics of Difference in Ruth Benedict.” *American Anthropologist* 106 (3): 459-472.

⁷ This concept was articulated in a set of unpublished lectures. In 1970, the journal *American Anthropologist* published excerpts from these lectures. See Maslow, Abraham H. & Honigmann, John J. 1970. “Synergy: Some Notes of Ruth Benedict.” *American Anthropologist* 72(2): 320-333. Benedict observed in these lectures “There is no problem about which we need more enlightenment than about concrete ways in which synergy is set up in societies” (page 326).

In a high synergy society, institutions support a healthy individual and a healthy community. The transformation to a high synergy society requires that our institutional arrangements reflect our individual and collective values. It recognizes that many problems cannot be adequately solved solely at the individual level.

It is useful to distinguish between a transformational approach, which calls the work of institutions and their arrangement into question, and a transactional approach. A transactional approach assumes that the institutions are appropriately arranged and the individual needs to negotiate better that structure. Consider schooling as an example. A transactional approach will focus on helping the individual family find the right school for the child and prepare the child for the school setting. A transformational approach, in contrast, would question the structure of the school system itself. If there are a limited number of “good” schools, this cannot be addressed by simply focusing on the student. There may be competition for the limited number of slots in a good school. The transactional approach may help get a particular child one of those slots, but it does nothing to increase the total number of slots. When problems require a transformative intervention, a focus on only the transactional will not address this need; in fact, it can make it worse.⁸

When we are talking about institutional arrangements and transformation, we are drawing on a systems approach that examines the interrelations and interactions of different domains (i.e. housing, health, education, etc.). This approach is intended to avoid the reductionist understanding of causation. Causation is multiple, mutual and cumulative. For example, in the social science literature, there is substantial agreement on something called the “neighborhood effect” on life outcomes. A neighborhood is not just a house on a block, but a social cluster of resources that support or retard health outcomes for families and children. In a high synergy society, those various domains are deliberately brought together to support healthy outcomes. This perspective tells us not only that people and institutions work in concert, but that people and institutions must work together deliberately to make change. Policy advocacy intended to change the very relationship of institutions requires organized, collective action across racial lines and across various domains.

Currently, we are largely a low synergy society. Consider the example of our public school system and how it is connected to our housing markets. The real estate adage “location, location, location” means first, to families with children, the location within the local public school district. Competition to get into the best school district drives up (and shores up) home values in that district. Given that there are a limited number of homes in that district and that their value is high, people have to work more jobs (i.e. both parents work full time) to afford this home, or one parent has to work long hours at a high-paying job, like a law firm. Soon, all the attorneys in the law firm start working on Saturdays to bill more hours. They endure longer commutes and later nights. They are, in this zero-sum game, making “rational” decisions. This rational decision, however, may negatively impact their health, their time with their family, and their time to participate in the civic

⁸ It is possible to pursue transactional strategies in a manner that is consistent with transformation. If this is not done, the scarcity of good schools can have a negative effect on social capital, as insecure people compete. Addressing issues of climate change as well as health care are other examples of problems that clearly require a transformational approach.

life of their community. Meanwhile, as each person tries desperately to solve a public problem (grossly unequal education opportunities within public schools) with private effort, they are sacrificing not only their health, but also the health of the whole community, because the zero-sum game goes along unchecked. For every person who buys a house in that high-performing district, another person loses that opportunity for his or her children.

Low synergy societies could be said to exacerbate inequality -- as every parent with resources retreats to a few affluent school districts, families with few resources are clustered in under-performing districts. Affluent families will likely try to protect what is seen as a limited resource. This situation can encourage hostility, hoarding and fear. Structures that support high synergy, on the other hand, promote greater participation and less inequality.

Gross inequalities, particularly durable and cumulative ones, harm individuals and communities in several ways. First, great numbers of people lose the capacity for self-advancement and civic contribution. In simple terms, people who do not graduate from high school do not become doctors. Their ability to contribute to society as workers and as citizens is likely to be truncated. Second, gross inequalities inflate the need for mobility to a desperate level: people will do anything to get ahead, because the cost of losing is so high. (A 2006 study found that more than half of surveyed graduate business students nationwide admitted to cheating on MBA exams.⁹)

Greater equality, however, makes mobility less salient, because the floor is not as far to fall. The union movement, for example, supported a compression of income and solid middle-class advancement. However, we might ask whether unions make manufacturers less competitive. In fact, economist Chris Tilly points out that “the CIO union drives in U.S. mass production industries in the 1930s and 1940s provide much of the *explanation for* the superb productivity growth of the 1950s and 1960s,” due to what is known as “pressure effects.”¹⁰ The pressure effect occurs when economic elites are forced to find ways to boost productivity, since they cannot cut wages below a certain level. Tilly summarizes recent research on inequality which finds, among other things, that (1) countries, and regions within countries, with more equal incomes grow faster; (2) more worker rights are associated with higher rates of economic growth; (3) in a study of 85 U.S. cities and their suburbs, regions that had the largest income gap between those in the suburbs and those in the cities also had the slowest income and job growth for everyone.

If reduced inequality leads to faster growth, Tilly asks, why do the rich typically resist redistribution, given that they would benefit from increased growth as well? In short, if a country is very unequal, the increased share of productivity that would be captured by the very rich is actually less than what they can gain by resisting redistribution. Therefore, Tilly writes, “Once the gap goes beyond a certain point, the wealthy have a strong incentive to restrict democracy, and to block spending on education which might lead the poor to challenge economic injustice – making reform that much harder.” Although

⁹Fitzgerald, Mary Jo. “Rutgers Study Finds Cheating on MBA Exam Very Prevalent.” September 25, 2006. <http://www.nytimes.com/2006/09/25/nyregion/25mba.html>

¹⁰ Tilly, Chris. “Geese, Golden Eggs, and Traps: Why Inequality is Bad for the Economy.” *Dollars and Sense: The Magazine of Economic Justice* (July/August 2004). <http://www.dollarsandsense.org>

increased income compression and redistribution is important to economic security, this is a means to expanding democracy, not an end in itself. The goal is not simply to have people be economically secure, but also be more active members of society as workers and as citizens. Institutions need to be arranged and people need to be prepared for this more robust participation. This would change the way we think of schools -- not just for low-income families, but also for all families.¹¹

So what are the necessary conditions for change from a low synergy to a high synergy society? First, we must see that structural change to support high synergy can be done concretely and successfully. We must re-think and re-frame our commitments to one another. To continue with the public school example, a high synergy solution would envision structuring the conditions for excellence in *every* school. In concrete terms, this could mean a countywide consolidated school district that does not allow any school to have a concentrated poverty level or test failure rate over a certain percentage, both of which depress overall student outcomes.¹²

Second, we must begin to re-define the self away from being in isolated opposition to an “other,” toward being in relation to that other. This helps make the link between individual and community well-being. If “you” are a part of “me,” then “you” are not expendable. Recently, Presidential hopeful Barack Obama spoke of this extended self when he remarked:

I can no more disown him [Rev. Jeremiah Wright] than I can disown the black community. I can no more disown him than I can my white grandmother – a woman who helped raise me, a woman who sacrificed again and again for me, a woman who loves me as much as she loves anything in this world, but a woman who once confessed her fear of black men who passed by her on the street, and who on more than one occasion has uttered racial or ethnic stereotypes that made me cringe. These people are a part of me. And they are a part of America, this country that I love.¹³

Although Senator Obama is speaking literally about his family, he is also speaking metaphorically: how different communities and perspectives exist in this country and are related to one another.

One of the key roadblocks to enacting a high synergy society is closing ourselves off from one another, at both an individual and community level, by race. Racial segregation was historically legislated into the very fabric of our communities, and its legacy continues to undermine our individual and communal capacities to elevate ourselves and our neighborhoods. To continue with the school example, racially segregated schools are irrefutably not equal: last June, a 5-4 Supreme Court majority wrote that there was a compelling governmental interest in righting past racial segregation, promoting diversity, and avoiding the harms of racial isolation in schools.¹⁴ Racially and socio-economically segregated school districts suppress the potential of their students, deplete their capacity

¹¹ For a more complete discussion of membership, see powell, john a. “The Needs of Members in a Legitimate Democratic State.” 44 *Santa Clara Law Review* 969 (2004).

¹² i.e., Wake County, North Carolina, which set goals of (a) no more than 40% of students on free and reduced lunch (b) no more than 25% performing below grade level in reading and (c) a strong magnet school system.

¹³ Transcript from speech in Philadelphia on March 18, 2008. Accessed from *The New York Times* online.

¹⁴ *Parents Involved in Community Schools v. Seattle School District No. 1 et al* (No. 05-908, decided June 28, 2007).

to contribute to their communities, and distort privileged students' views of hardship in America and around the world. Yet segregated schools are widespread, because they reflect segregation in housing markets. Racially segregated housing markets and public schools contribute to racially segregated labor markets, reinforcing the segregation that is no longer overt and legalized, but embedded in many metropolitan regions.

Because of the unevenly distributed pathways to opportunity, a commitment to a high synergy society must not fall into the trap of "universalism." Universal programs are often defined with respect to an unarticulated particular: the recent experience of western, White males. For example, consider the definition of "work." Based on a White male experience, this connotes year-round work outside the home for pay and defined benefits in a specific occupation. This excludes seasonal, part-time and migratory work; it excludes women caring at home for children or elderly parents; it excludes informal economic exchange.

In fact, Ira Katznelson argues that many New Deal social policies provide examples of 'universal' policies targeted to *Whites*.¹⁵ Many of these programs had the intended effect of excluding non-Whites, what Katznelson called "discrimination by design." For example, the G.I. Bill ostensibly provided education and housing benefits for all G.I.s. Given the realities of limited African American admittance to the military, segregated colleges and a racially discriminatory housing market, however, White veterans benefited greatly from the Bill compared to African American veterans.

This affirmative action for Whites was compounded by increased state and local authority to administer such programs, authority that Katznelson argues was intended to accommodate Southern resistance to African American economic advancement. Recognizing that racial equality and economic parity were intertwined, many hostile Southerners pushed back on one initiative to retard progress on the other. Segregationist Jim Crow policies suppressed economic advancement, while undermining labor power (for example, through support for the Taft-Hartley Act) slowed racial equity. Civil rights advocates recognized as well as segregationists did that the "labor issue" and the "race issue" were, in effect, the same issue for Southerners: slavery was, after all, the institutionalized combination of racist dehumanization and enforced penury. Further, civil rights advocates feared, rightly, that undermining labor power and racial equity would hurt society as a whole. For example, a weak or racially discriminatory union movement depresses labor outcomes for everyone. (Pundits today decry competition from outsourced manufacturing, but the first "outsourcing" was U.S. manufacturers' move from Northern industrial cities to Southern "greenfields" hostile to labor organizing.)

Social security emerged as another White affirmative action program. Social security was also described as a 'universal' program, but it separated aid into two "tiers": social insurance programs (Tier 1) and public assistance programs (Tier 2). Because it historically excluded domestic and agricultural workers from the purportedly universal social insurance, or Tier 1 programs, it forced many African Americans into Tier 2 public assistance programs.

¹⁵ Ira Katznelson, *When affirmative action was white: an untold history of racial inequality in twentieth-century America*. New York: W.W. Norton, 2005.

Even today, many refer to these New Deal programs as universal, ignoring that they were targeted to benefit Whites. However, we should not confuse this discriminatory use of targeted universalism with what I am calling for in this paper: a universalism that is targeted to benefit the most marginal. Dona and Charles Hamilton point out that civil rights advocates have long tried to redress the painful consequences of the two-tiered, exclusionary social welfare system through a call for universal social welfare, federal authority, and jobs for all in the regular workforce.¹⁶ Because Tier 1 programs like Social Security excluded roughly two-thirds of the working Black population at the time of its inception, and because of continuing discrimination and unequal education opportunities, a great many people have been excluded from Tier 1 economic security. Second, by separating out benefits for the employed (like retirement and unemployment insurance programs) from those for the unemployed (like AFDC), people in Tier 2 programs are stigmatized, politically weakened, and as a result of being forced out of Tier 1 benefits, have no stake in the system. People in Tier 2 programs are characterized as lazy and unwilling to work when in fact, the authors argue, there are not enough Tier 1 jobs to accommodate all the people who want to work.¹⁷

The Hamiltons argue for a continuation of the civil rights movement's "dual agenda" of affirmative action programs, which remedy discrimination, and targeted social welfare programs, which remedy economic discrimination across class lines. The "targeted" aspect of social welfare programs is that of recognizing differences in need. Social welfare programs are extended to everyone, but when resources are limited, they argue, aid should go first to those with the highest need.¹⁸ To build from this discussion, when resources are robust, a targeted program might provide universal benefits, but with an additional "bump" for those most in need. A hypothetical example is that of, say, universal health coverage with a \$25 co-pay. Everyone would get this coverage, but those who could not afford the co-pay would get it waived.

Another targeted application comes from my own experience as a member of the African American Forum on Race and Regionalism. In Cleveland, Ohio, an emerging conversation on "regionalism" was redefined to include the perspective of the African American community. Concerned that a "universal" move to regionalism would define regionalism with respect to suburban, largely White interests (whose interests were largely understood to be cost savings and efficiency), the African American local leadership intervened in that discussion. They argued that regional efforts that did not take into account the differential position of the African American community in metropolitan Cleveland would only exacerbate racial and socio-economic inequalities. Commissioning research on various attempts at regionalism, they advocated for an approach to regional cooperation that included improving public school performance, connecting affordable housing to areas of high opportunity, growing minority businesses, and instituting targeted revenue sharing. This approach would benefit the African American community, but also the region as a whole. We termed this robust, multi-

¹⁶ Dona Cooper Hamilton and Charles V. Hamilton, *The Dual Agenda: the African-American struggle for civil and economic equality*. New York: Columbia University Press, 1997.

¹⁷ *Ibid.*, page 265.

¹⁸ *Ibid.* page 260.

indicator, targeted universalism “equitable regionalism.”¹⁹ This work will require coalition building not only among groups concerned with Cleveland’s economic decline and racial inequalities, but across groups working in multiple domains, including public school reform, housing advocacy, municipal efficiency and environmental stewardship.

Targeted universal programs recognize that life is lived in a web of opportunity. For some this web will support positive outcomes. For others, this web creates mutually reinforcing constraints that retard healthy outcomes. Poverty-reduction programs, welfare reforms and the like are often based on the temporary poverty cycles of Whites, despite the fact that the experiences of poor people of color can be very different – intergenerational and cumulative across domains. Universal programs are often defined by a single indicator, like “poverty rates” or “graduation rates” without allowing for the fact that people can have very different experiences in labor markets and schools. When ‘universal’ programs are implemented without this consideration and recipients experience different outcomes, the lesson learned is not that the program’s assumptions were too narrow, but that certain people failed because of their lack of motivation or because of their “cultural inferiority.”

Amartya Sen makes a similar observation. He notes that it is not sufficient to focus on the resources that an individual or a community has to determine if society is organized fairly. It may appear that two people have similar resources to command, but what this does not tell us is how these resources can be translated to outcomes. A woman with the same financial resources as a man will not be able to buy the same quality car because of discrimination and the arrangement of institutions; the woman on average will pay more for a car. The point is that one must be aware of these societal dynamics and adopt appropriate responses. This is the goal of targeted universalism.

It is important, when possible, to have universal approaches. This makes it easier to build support for such programs and create a sense of community. It is also important to avoid programs that are just targeted to marginal groups. This is especially the case when those groups are stigmatized by the larger society. Nevertheless, policy design should be informed by the conditions and experiences of the most marginal in our society. We should not build a program and then try to tack on the needs of the more vulnerable; this is likely to stigmatize them. Their situatedness should inform the structure from the beginning. Lastly, because we are talking about the needs of people in complex systems, it is not enough to design a system; it must be monitored to see if it is doing the work we expect and should demand of it.

The history chronicled by the Hamiltons rectifies the assumption that the civil rights movement separated economic rights from racial equality. A targeted universalism attempts to continue to knit issues of race and class together in public policy advocacy. We are concerned that “race” or a “class” based movement alone will not be effective in reducing poverty. To the extent that “race” is defined narrowly – i.e. only about the grievances of non-Whites -- Whites will be alienated from the broad-based coalition needed to push policy changes through. On the other hand, class-based initiatives deny

¹⁹ The entire report (*Regionalism: Growing Together to Expand Opportunity for All*) can be downloaded from the Kirwan Institute website, publications page: <http://kirwan.gripservers.com/publicationspresentations/publications/index.php>

how racial meaning, identity and practices have shaped and limited our class consciousness. In addition to artificially separating itself from race, a class-based approach is not necessarily transformative: it attempts to move people up on the ladder of inequality, without restructuring institutions to bring the steps on the ladder closer to each other, promoting outcomes that are more equitable for more people. I cannot overstate the need for coalition building to bring about transformative change, not only to reflect the multiple populations affected by inequitable institutional arrangements, but also to acquire the political heft needed to push policy change forward. Change will engender significant resistance. These coalitions must not only recognize the interrelatedness of class and race, but to be truly transformative, they must work across multiple domains, such as housing and neighborhood advocacy, community development, environmental stewardship, public health and human-capacity building initiatives.

It is important not to lose sight of the importance of individual effort, entrepreneurship, and progressive individual capacity-building initiatives. However, recent policy reforms and media discourse has swamped us with the importance of individual commitment and slighted the importance of context: of how institutional arrangements affect individual action. It is not my intent to deny the importance of individual effort and sacrifice, but to balance this discussion with an understanding of the social and institutional effects on those actions.

b. Re-defining Poverty

poverty²⁰

—noun

1. the state or condition of having little or no money, goods, or means of support; condition of being poor; indigence.
2. deficiency of necessary or desirable ingredients, qualities, etc.: *poverty of the soil*.
3. scantiness; insufficiency: *Their efforts to stamp out disease were hampered by a poverty of medical supplies.*

The formal definition of poverty is that of a lack or insufficiency of material goods, particularly money. In everyday speech, we refer to a poor person as someone without a job, someone who needs money, perhaps someone without a home. However, many people **with** jobs experience poverty in the U.S. today. More than seven out of every ten poor children in 2004 lived in a family with at least one employed relative.²¹ Moreover, a full-time minimum wage job does not even ensure the ability to rent an apartment, much less buy a home. The National Low Income Housing Coalition reported in 2006 that “minimum wage earners are unable to afford even a one-bedroom home anywhere in the

²⁰ poverty. Dictionary.com. Dictionary.com Unabridged (v 1.1). Random House, Inc. <http://dictionary.reference.com/browse/poverty> (accessed: March 05, 2008).

²¹ The Children’s Defense Fund, *The State of America’s Children 2005*: page 1.

country, and 88% of renters in cities live in areas where the FMR [fair market rent] for a two-bedroom rental is not affordable even with two minimum wage jobs.”²²

It is important to recognize that ‘insufficient income’ is devastating enough. However, poverty means more than lack of income. It means lack of wealth, which enables us to withstand intermittent job loss, pay for health emergencies, and help our children with college tuition or a down payment on a first home. It often means racial and economic segregation, and confinement to areas of crime and disinvestment. It can mean illiteracy, civic disenfranchisement, and painful social isolation. Poverty is thus more than insufficient income. Sen argues that poverty is the deprivation of basic capabilities.²³ At its most basic, it is a lack of capacity to live the life that one has reason to choose. Sen also points out that *where* you are poor matters. Being poor in a rich country can come with a great “capability” handicap, because you may not be able to afford things (such as your own car) that many people depend on to be a productive member of society. Being poor is also affected by what type of social policies your government has. Free, universal health care assures that even poor people can have a doctor. On the other hand, a lack of health insurance can result in avoidance of care or, if the person does seek care, personal bankruptcy.

Poverty results in not being an equal member of society. Basic human inequalities and depressed freedoms threaten the very fabric of a democracy. Therefore, working to achieve sustainable poverty reduction is an investment in people and communities, but also in an enhanced democratic society.

Cultural attitudes and narratives of poverty determine our ability to build support for addressing systemic discriminatory structures. One could argue that this is partly due to differences in the organization of various nation-states. For example, John Rawls in *Justice as Fairness* differentiates between a “welfare capitalist society,” and a “property-owning democracy.” In a welfare capitalist society, the role of the state is to ensure that no person falls below a decent minimum standard of life. This preserves the order of the state, so that capital can flourish. However, this after-the-fact income redistribution strategy allows for long-term cycles of poverty. And while it protects against starvation, it does not protect against marginalization. In a “property-owning democracy,” on the other hand, the aim is to realize, in and through societal institutions, a fair system of cooperation between citizens regarded as free and equal. Rawls suggests that protection of private property and capital expansion should be in the service of democracy, not the other way around. The Rawlsian role of the state is to support full societal membership.²⁴ We advocate for this Rawlsian conception of a property-owning democracy, in which the focus of the state is not preserving order for the benefit of capital, but supporting full democracy, equity, and justice.

²² NLIHC, “Rental Costs Continue to Climb, Pricing Millions of Working Americans Out of Their Own Housing Markets.” December 12, 2006. Available on-line at http://www.nlihc.org/detail/article.cfm?article_id=3711&id=48

²³ Amartya Sen, *Development as Freedom* (New York: Alfred A. Knopf, 1999).

²⁴ For a fuller discussion on Rawls and others’ conceptions of societal membership, citizenship, and freedom, please see Powell, John A. “The Needs of Members in a Legitimate Democratic State.” 44 *Santa Clara Law Review* 969 (2004).

Alberto Alesina and Edward Glaeser argue, in *Fighting Poverty in the US and Europe – A World of Difference*, that American institutions are “ultimately the product of an eighteenth-century constitution, which was crafted by men of property” whereas European constitutions “were often written by representatives of the socialist left, in the wake of labor-led uprisings.”²⁵ These, however, are not “first causes” of different approaches to poverty. These institutional differences “are themselves the result of the profoundly different geographies and ethnicities of America and Europe.” European nations are far more homogenous than the U.S., smaller, and have experienced devastating twentieth-century wars on their soil. By contrast, America’s vast geography and diversity allowed for geographic and social mobility and differentiation. This and the predominant American ideology of self-improvement allowed for the continuation of conservative institutions.

Jeremy Rifkin, in *The European Dream*, picks up on this theme, noting that in Europe (until recently), most people, including the poor, were White. The poor in the U.S., however, have been disproportionately people of color, and it has been easier for Americans to interpret poverty as the mark of an “other,” or the result of an “oppositional culture.” But are they oppositional? The very process of marking some as “other” helps to create an oppositional stance. A difference is not just ‘there,’ but becomes significant when society marks a difference as significant. And in our society, being raced and being poor became two significant markers of difference. (It is important to note that this was not the case during the earliest colonial period.²⁶)

Partly due to this socially salient difference, Rifkin argues, Europeans have a shared sense of “inclusive space” in their embedded communities, whereas Americans locate their security in autonomy, mobility, and privacy, or “exclusive space.” The racialization of poverty plus a cultural emphasis on exclusive space blames and (metaphorically and literally) isolates poor individuals and communities. As Paul Krugman wrote recently in *The New York Times*, “Living in or near poverty has always been a form of exile, of being cut off from the larger society. But the distance between the poor and the rest of us is much greater than it was 40 years ago...To be poor in American today...is to be an outcast in your own country.”²⁷ Indeed, Krugman has argued recently, in *The Conscience of a Liberal*, that the exploitation of racial tensions supported the ascension of modern conservatism. This political movement exacerbated economic inequalities: in short, political structural change intervened in market forces to reward the affluent. Krugman argues that “institutions, norms and the political environment matter a lot more for the distribution of income” than any “invisible hand” of the market.²⁸

Krugman’s deep concern is with rising inequality over the last 30 years. These days, Krugman notes, 1 percent of families receive about 16% of total pretax income, while median family income has risen only about 0.5% a year – an increase mostly due to

²⁵ Alberto Alesina and Edward Glaeser, *Fighting Poverty in the US and Europe – A World of Difference* (2004); pages 217-218.

²⁶ For a full discussion see, for example, Theodore W. Allen, *The invention of the white race*. London: Verso, 1994; and Steve Martinot, *The rule of racialization : class, identity, governance*. Philadelphia: Temple University Press, 2003.

²⁷ Paul Krugman, Op-Ed column in *The New York Times*, “Poverty is Poison.” 2/18/2008.

²⁸ Paul Krugman, *The Conscience of a Liberal*. New York: W.W. Norton & Co., Inc. 2007. Page 8.

wives working longer hours.²⁹ This astonishing concentration of wealth at the top is why, Krugman argues, the U.S., “for all its economic achievements, has more poverty and lower life expectancy than any other major advanced nation.”³⁰ Krugman is doubtful that globalization and technological change can themselves account for these massive inequalities. He notes that some economists are now investigating the role of social norms in setting limits to inequality. One hypothesis is that social norms expressed by the New Deal programs supported a large and growing middle class, but these norms fell by the wayside in the 1980s and 1990s, leading to the extreme concentration of wealth at the very top of the income scale.³¹ In addition, Christopher Jencks notes that if globalization were indeed the driver of inequalities, we would see increasing inequality across many advanced democracies. However, the Luxembourg Income Study, which tracks how household income is distributed in most wealthy democracies, shows that since the 1970s, inequality has grown in the U.S. and Britain, but hardly changed at all in Canada, France, Germany, and Sweden.³²

All of these thinkers are pointing to a structural approach to understanding poverty and all are finding structural racialization (in both historical and contemporary times) to be key to producing and maintaining poverty. Therefore, any transformational intervention into poverty requires that we both re-think and re-frame the concept of poverty, keeping racial processes center stage. In today’s media-driven markets, framing and communications strategies are critical for building support for successful interventions, especially those that significantly shift existing public policy strategies.

Drew Westen has recently argued in *The Political Brain* that without strategically framed messages on race that appeal to the conscious mental process, unconscious racist attitudes will prevail.³³ (It should be noted that these attitudes are not personal, but social. As Martinot notes, individual prejudice can only exist where there is a social system that acknowledges, sorts and gives meaning to this difference.³⁴ Prejudice is what the individual does with this social information.) This is problematic because racial bias tends to rest more deeply in the unconscious than in the conscious. According to Westen, research on unconscious networks finds that, “irrespective of what we may feel and believe consciously, most White Americans—including many who hold consciously progressive values and attitudes—harbor negative associations toward people of color.” The challenge is to tell coherent narratives about issues like poverty and access to opportunity that will resonate with a public that is already internally conflicted. However, even if an individual can become de-biased, without corresponding changes in

²⁹ Paul Krugman, Op-Ed column in *The New York Times*, “For Richer.” 10/20/2002.

³⁰ Ibid.

³¹ Ibid.

³² Jencks, Christopher. “Why Do So Many Jobs Pay So Badly?” in *Inequality Matters: The Growing Economic Divide in America and Its Poisonous Consequences*, eds. James Lardner and David A. Smith. New York: The New Press (2005). See page 132.

³³ Westen, Drew. *The Political Brain: The Role of Emotion in Deciding the Face of the Nation*. New York: Public Affairs, 2007.

³⁴ Steve Martinot, *The rule of racialization: class, identity, governance*. Philadelphia: Temple University Press, 2003.

our institutional arrangements and social meaning, such efforts will likely prove ineffective.

Clearly, how we “talk” and how we “think” about poverty are intertwined. UCLA psychology professor Bernard Weiner studied how perceptions of poverty lead to different emotions, and thus, different degrees of willingness to help.³⁵ Weiner identified four primary explanations for poverty: “internal controllable” (i.e., the person is lazy); “internal uncontrollable” (i.e., the individual has a chronic illness that prevents them from work); “external controllable” (i.e. government policy punishes and rewards people differently); and “external uncontrollable” (i.e. fate -- pests destroyed the farmer’s crops). Weiner found that when poor people were perceived as not responsible for their poverty (the internal uncontrollable or external uncontrollable explanations), people felt pity, and were more likely to want to extend help to them. However, if poor people were perceived to be responsible for their own poverty, others felt disgust and distaste and did not want to extend aid. It is difficult to be poor in the United States. To be among the “undeserving” poor is to be pushed to the boundary of being despised and experiencing a social death.

Martin Gilens’ work, in *Why Americans Hate Welfare*, shows that the emotions people feel towards aid programs are racially charged. Gilens argues that the media representation of African American welfare recipients has led the public to believe, erroneously, that African Americans dominate and exploit the welfare system. Alesina and Glaeser have argued similarly that conservatives have built large coalitions against welfare policies by convincing non-wealthy Whites that redistribution favors minorities, who are assumed to be lazy and non-deserving. Similarly, Rebecca Blank observed that while the mental image of poor families is often that of African Americans in urban neighborhoods of concentrated poverty, only 12% of poor families live in these concentrated poverty tracts.³⁶ Blank makes two important interventions into the poverty debate. First, she notes that while half of poor people (in absolute numbers) are non-Latino White, Whites are more likely to experience poverty intermittently. African Americans, on the other hand, are more likely to suffer the cumulative effects of prolonged poverty, such as long-term, inadequate health care and lack of access to and experience in the mainstream labor market. Second, she argues that single-issue policies (such as school reform or welfare reform) do not adequately address the multiple oppressions of poverty, and are therefore rarely effective alone. There must be a systems approach that is transformative. The cultural meaning that society imposes on the poor (and especially the racial other that is poor) makes constructive intervention very difficult on behalf of “those people.”

Schneider and Ingram make the point that policy decisions send messages not only to the policy “target groups,” but also to the wider population – messages that convey judgments regarding citizenship and self.³⁷ If you are part of a target group that is

³⁵ Bernard Weiner, “When Poverty is a Moral Failure.” Paper presented at the 2007 Soka Symposium on Social Issues (2007): pgs. 4-5. (On file with author.).

³⁶Blank, Rebecca M. *It Takes a Nation: A New Agenda for Fighting Poverty*. New York: Russell Sage Foundation (, 1997).

³⁷ Schneider, Anne, and Helen Ingram. 1993. Social Construction of Target Populations: Implications for Politics and Policy. *The American Political Science Review* 87 (2):334-347.

positively viewed and politically powerful, your problems are "important public problems." If your group is viewed negatively and politically powerless, your problems are "your own personal responsibility." In fact, the researchers argue, policy tools for powerful, positively constructed groups are often capacity building and voluntary, whereas policy tools for powerless and negatively viewed people are coercive and involve sanctions, force, and death. When beneficial policies *are* directed to negatively perceived groups, they attempt to change the person, rather than attack the structural problems underlying the problem. In addition, the authors note, governments have to answer why democracies sometimes concentrate wealth and power in the hands of the few. They do this through rationales that try to explain how policies serve the common good. In the U.S., such rationales link positive groups to important public purposes, such as national defense and economic competitiveness.

It is here that the debate on policy solutions must be transformed, and the rationale for poverty alleviation linked to important public purposes, such as full democratic participation. To bring about action, we must move public and policy discourse away from individualistic framing. Rather, we must illustrate poverty's structural causation, solutions and impacts. We must also make the point that structural marginalization does not just harm the poor. We must emphasize the universal connectivity of all our communities, and illustrate how opportunity isolation for some people and neighborhoods harms entire communities. Lastly, people will support strategies to expand access to opportunity more than they will support redistributive (welfare) strategies -- which require a shift in dialogue and how we frame policies.

Rather than subscribing to racist and erroneous narratives, we must frame poverty as an outcome of a structural deficiency – of the interaction of institutions that function effectively to close the doors of opportunity to huge swaths of people. Although individual efforts to rise above poverty matter, poverty must also be understood as reflecting structural disinvestment and marginalization on a global and a local scale. It must be emphasized that this systemic denial to the levers and pathways of opportunity is highly racialized and gendered. For example, about 35% of the people in poverty in the United States are children. In 2004, roughly 15% of all White persons under 18 lived in poverty, compared with 33% of all Blacks under 18, and 29% of all Hispanics under 18. Note that the rates for child poverty for Black and Latino children are roughly *double* those of Whites (despite Whites' greater total numbers).³⁸ Poverty rates are also highest for families headed by single women.³⁹ This structural story must be told with a human face, not just number and figures. The story must in the end be about "us," not them. In this interrelated interconnected world, there is no "them" in the way the old narrative suggests. This does not mean an end to pluralism, but a new understanding of race and poverty.

Further, U.S. poverty must be located in a web of mutual connection on a global scale. As an example, international female migration has become one of the most prominent features of the latter half of the 20th century: women now make up roughly half of the

³⁸ CDF, *The State of America's Children 2005*, page 5 (chart).

³⁹ "The poverty rate for people in households headed by single women is significantly higher than the overall poverty rate." National Poverty Center at the University of Michigan. Accessed on-line at <http://www.npc.umich.edu/poverty/>

international migration population.⁴⁰ The impacts of the increased globalization of people and markets are not fully manifest, but one measure is alarming: the gap between the richest and poorest nations has increased exponentially.⁴¹ Migration patterns affect U.S. domestic policy as well: Soroka et al. argue that there is a link between increasing immigration rates and decreasing social welfare expenditures.⁴² Since the 1990s, a number of jurisdictions have made policy changes that deny or delay eligibility for welfare programs to immigrants. Moreover, as immigration levels rise, support increases for conservative political parties.⁴³ In the U.S., welfare policy has come to be increasingly racialized, particularly in regards to African Americans.⁴⁴ Racism has been recast as a neutral, logical aspect of globalization, rather than as historically specific to and embedded in global capitalism.

The other limitation to the “personal responsibility” approach of some anti-poverty strategies is that unjust exclusions can depress life chances, regardless of individual promise – or even negatively interfere with that promise. The American Association for the Advancement of Science meeting in Boston in February of this year included reports from neuroscientists on the effects of poverty on children. Children growing up in very poor families with low social status experience unhealthy levels of stress hormones, which impair their neural development.⁴⁵ Other recent studies have shown that in high-poverty communities, children have levels of lead in their blood that are nine times above the average.⁴⁶ High levels of lead are linked to attention deficit disorder and irreversible loss of cognitive functioning.⁴⁷ Poverty and racism can harm children even before birth: Black and Hispanic women are more than twice as likely to receive late or no prenatal care as White women are.⁴⁸ (Prenatal care prevents low birth weight that may lead to mental disabilities, vision problems, and neuromuscular disorders.⁴⁹) In the United

⁴⁰ 2004 World Survey on the Role of Women in Development: Women and International Migration. United Nations, New York, 2006. Available on-line at <http://www.un.org/womenwatch/daw/Review/documents/press-releases/WorldSurvey-Women&Migration.pdf>

⁴¹ The gap in wealth between the richest and poorest nations was 3:1 in 1820, 35:1 in 1950, and 72:1 in 1992.

⁴² Soroka et al. “Immigration and Redistribution in a Global Era.” *Globalization and Egalitarian Redistribution*, Princeton University Press and Russell Sage Foundation (2006):262.

⁴³ Soroka 266

⁴⁴ Soroka 278-79.

⁴⁵ Cookson, Clive. “Poverty mars formation of infant brains.” *Financial Times.com* 2/16/2008. (The biggest negative effects were found on language and memory.)

⁴⁶ Richard L. Canfield, Ph.D., Charles R. Henderson, Jr., M.A., Deborah A. Cory-Slechta, Ph.D., Christopher Cox, Ph.D., Todd A. Jusko, B.S., and Bruce P. Lanphear, M.D., M.P.H. (April 17, 2003). “Intellectual Impairment in Children with Blood Lead Concentrations below 10 µg per Deciliter.” *New England Journal of Medicine*. Vol. 348, no. 16: 1517-1526.

⁴⁷ Joel T. Nigg, G. Mark Knottnerus, Michelle M. Martel, Molly Nikolas, Kevin Cavanagh, Wilfried Karmaus, Marsha D. Rappley, “Blood Lead Levels Associated with Clinically Diagnosed Attention-Deficit/Hyperactivity Disorder and Mediated by Weak Cognitive Control.” *Biological Psychiatry* Vol. 63, Issue 3: 325-331.

⁴⁸ CDC National Center for Health Statistics, 2000. Prenatal Care. Available online at: <http://www.cdc.gov/nchs/fastats/prenatal.htm>

⁴⁹ Barbara J. Stoll, MD; Nellie I. Hansen, MPH; Ira Adams-Chapman, MD; Avroy A. Fanaroff, MD; Susan R. Hintz, MD; Betty Vohr, MD; Rosemary D. Higgins, MD. “Neurodevelopmental and Growth

States, we have seen overall mortality rates decline since 1960. However, increasing socio-economic and racial disparities have led to higher mortality rates for children of color.⁵⁰ For example, in 1950, a Black child was 1.6 times more likely to die before his or her first birthday than a White child was; in 2002, they were 2.4 times as likely. Poverty depresses adult mental and physical health outcomes as well, and in complex and unexpected ways. Studies have found that vast disparities exist in health care depending on the patient's gender and skin color -- even among patients with the same insurance plans.⁵¹ Krieger and Zierler write, "Even in rich countries like the United States, poor women find themselves without access to health care more often than men from the same social group."⁵² As another example, Black women have a lower incidence of breast cancer than White women do, yet they have higher mortality rates from the disease.⁵³

These worsening inequalities account for the United States' relatively low health rankings compared with other wealthy democracies. In 2001, the U.S. had the second highest per capita GDP in the world, and spent the highest percentage of its GDP on health care. However, the U.S. did not even rank in the top twenty countries measured by life expectancy and infant mortality rates. Across developed nations, the ones with the least internal inequalities are largely the healthiest. Within the U.S., studies show that, for example, metropolitan areas with the least inequality have lower mortality rates than those with more inequality. Researchers have concluded that inequality and poverty combine to place a "burden of mortality" on the poor. As shown in a new documentary, *Unnatural Causes: Is Inequality Making Us Sick?*,⁵⁴ poor health is associated with high inequality in terms of income, but also with a lack of power and a sense of control.

The multi-faceted systematic oppressions of poverty – dilapidated schools, sporadic health care, stress, exclusion and increased exposure to crime -- force us to recognize poverty as more than just a lack of money. Rather than understanding poverty in terms of an "income-to-needs" ratio (the current U.S. policy measure), we must consider poverty as a lack of what Nobel Laureate Economist Sen characterized as the "Five Freedoms." These freedoms include political freedoms, economic facilities, social opportunities, transparency guarantees, and protective security. The UN has already moved away from an income proxy to a "Human Development Index" that takes into account the ability of people to live healthily and safely, to build knowledge, and to access resources.⁵⁵

To enhance this ability to escape poverty in all of its aspects, we can readily enumerate specific strategies. Universal healthcare, guaranteed childcare, and accessible pre-K

Impairment Among Extremely Low-Birth-Weight Infants With Neonatal Infection." *National Institute of Child Health and Human Development Neonatal Research Network*. Vol. 292 No. 19 (Nov. 17, 2004).

⁵⁰ The following paragraph is drawn entirely from David R. Williams and James Lardner, "Cold Truths about Class, Race, and Health." In James Lardner and David A. Smith, editors, *Inequality Matters: The Growing Economic Divide in America and Its Poisonous Consequences*. New York: The Free Press (2005).

⁵¹ Institute of Medicine, 2002.

⁵² Krieger, N. and Zierler, S. "Accounting for the health of women." *Current Issues in Public Health* Vol 1: 251-256 (1995). See also Zierler, S. and Krieger, N. "Reframing women's risk: social inequalities and HIV infection," *Annual Review of Public Health* Vol. 18: 401-36 (1997).

⁵³ US National Institutes of Health, 1992.

⁵⁴ <http://www.unnaturalcauses.org/>

⁵⁵ The index measures of life expectancy, literacy, and GDP per capita.

education would better prepare children for success in school. Of course, the K-12 system would have to be of high quality to prepare students to go on to higher education and to be competitive in the global community. The two-year community colleges could become a greater asset, if crisp enough to prepare people for the workforces, particularly in areas beyond manufacturing. We would also need to support the working poor by increasing the minimum wage, expanding the earned income tax credit to individuals who do not have children, and ensuring that the child tax credit is refundable. Smart policing and a movement from incarceration to crime-prevention would offer many a second chance to participate in the political process. While Kirwan supports these and other poverty reduction strategies, I argue that they will be effective only insofar as they are part of a larger systemic approach aimed at strengthening opportunity structures across domains. Without this connection, these strategies will remain transactional rather than transformational.

Thinking about poverty in such a robust way means that we must look at the socio-political, institutional, and spatial systems and structures that produce impoverished outcomes. What are the primary impediments to capacity building and political power? What mechanisms can help eradicate poverty by altering the structural arrangements producing disparate outcomes? The impoverished (or those who are structurally marginalized) lack wealth and the access to power, influence and choice which wealth provides, at both the individual and collective level. The goal should be making structures work for marginalized populations, changing their relationship to wealth and power (thus producing more choice). The critical role of institutions to social cohesion and health is highlighted in work by Sousan Abadian. Writing on collective trauma, Abadian notes that events that damage “vital reparative institutions,” such as a community’s child rearing, educational, and spiritual institutions, are particularly devastating.⁵⁶

The importance of institutions – and of the ability to create and rearrange these institutions – is also underscored by legal professor and theorist Roberto Mangabeira Unger. Unger argues that in any democracy, an individual must have the power to both participate and dissent. We could include in our definition of poverty a denial of these basic abilities. Unger also argues that our current political institutions are not broad or innovative enough to organize contemporary life in a way that is compatible with a vision of anchoring economic growth in “a great broadening of opportunity.”⁵⁷ Similar to Rawls’ distinctions between a welfare capitalist society and a property-owning democracy, Unger argues that on a global scale, free trade should be a means to a pluralism of democracies, not an end in itself.⁵⁸ Global multi-lateral institutions should support “the emergence of difference”⁵⁹ and institutional experimentation. While Americans developed from a revolutionary spirit, Unger argues, they have become afraid to experiment, have become too enamored of self-reliance (at the expense of community),

⁵⁶ Lambert, Craig. “Trails of Tears, and Hope.” *Harvard Magazine* (March-April 2008): 39+.

⁵⁷ Roberto Mangabeira Unger, *What Should the Left Propose?* London: Verso (2005). See Ch. 1, “The dictatorship of no alternatives,” p. 9-10.

⁵⁸ Roberto Mangabeira Unger, *What Should the Left Propose?* London: Verso (2005). See “Globalization and what to do about it,” p. 137.

⁵⁹ *Ibid.*, p. 141.

and have frozen the interplay between institutions and ideals.⁶⁰ For Unger, this lack of imagination of an alternative way of doing things is particularly true of the “Left.” Unger’s emphasis on the need to reorganize inter-institutional arrangements is the mark of a transformational (as opposed to a transactional) way of thinking.

3. Conceptual Strategies: An Opportunity-Oriented Model to Address Inequity

In much of my work, I stress that racism, poverty and social exclusion have a spatial dimension,⁶¹ one that increasingly can be modeled quantitatively and communicated to wide audiences. To apply this concept, we at the Kirwan Institute have pioneered the use of Geographic Information System (GIS) in service of social justice analysis, communication, and problem solving.⁶² The GIS-produced maps often display the opportunity confinement of the majority of a region’s communities of color. This bold visual aid gives us a clear understanding of opportunity segregation – and where to begin to fix it. For example, a map might show that poor Latino families lack public transportation options to a regional hospital. Another analysis might pinpoint the lack of affordable, healthy grocery stores in economically depressed communities.⁶³

These maps and analyses are built from a conceptual understanding that poverty is a result of lack of opportunities, and that lack of opportunity is highly racialized. However, it does not support a “zero-sum” answer, where one community is encouraged to “take” from another. Various communities in a region depend on one another for an economically strong, vibrant, sustainable economy. All of these communities must be able to lend their voice to a regional development strategy, and all must be encouraged to grow. An expanded sense of opportunity for all must guide our collective action. In addition, racial and socio-economic integration must only occur with opportunity – for example, clustering affordable housing in economically depressed neighborhoods does little for either the neighborhood or the new residents.

In addition to framing, I argue that we can adopt strategies to open up access to the “levers” of opportunity for marginalized individuals, families and communities. The Kirwan institute works out of a *Community of Opportunity* model, which is an opportunity-oriented, spatial model of intervention designed to open the pathways of opportunity to more people. The Community of Opportunity model is an inclusive model, regional in scope, positing that every household should have equal access to opportunity.

⁶⁰ Ibid. p. 144.

⁶¹ powell, john a. "Opportunity-Based Housing." *Journal of Affordable Housing and Community Development Law*. Vol. 12. No. 2 (Winter 2003). See also, "Urban Fragmentation as a Barrier to Equal Opportunity" with Kathleen M. Graham (Chapter 7 in *Rights at Risk: Equality in an Age of Terrorism* published by the Citizens' Commission on Civil Rights, 2002; "Achieving Racial Justice: What's Sprawl Got To Do With It?" *Poverty and Race* Newsletter. Volume 8, No 5; and "Addressing Regional Dilemmas for Minority Communities" (Chapter 8 in *Reflections on Regionalism* edited by Bruce Katz, foreword by Al Gore, published by the Brookings Institution, May 2000).

⁶² The GIS supports an analysis of basic unfairness in investment across a region: it can map home values, crime, neighborhood educational resources and the like to show which areas are well served and prosperous, versus those that lack basic infrastructure and development capacity. These maps are then overlaid with demographic maps, showing the residential patterns of, for example, African Americans and Whites.

⁶³ Please see *The Geography of Opportunity: Austin Region*, downloadable from <http://kirwan.gripservers3.com/publicationspresentations/publications/index.php>

The model advocates that increased opportunity for all should be a measure of the health of the entire region. The model embraces geographic diversity, and moves beyond traditional dichotomous explanations (i.e. “city vs. suburb”) in examining regional disparities. It emphasizes leveraged opportunity for all citizens, and is not narrowly confined to integration per se, although this is one of the model’s critical objectives. Transformative changes occur when communities actively pursue increased access to opportunity for all citizens. Thus, the model relies upon engagement of a region’s officials, stakeholders, and citizens. The Community of Opportunity model also incorporates quantitative assessments, such as the robust GIS “opportunity map,” which is useful for multiple real-world applications.

The *Community of Opportunity* model, while providing a multi-factor assessment of opportunity, is centered on the availability of fair, affordable housing throughout the region. Housing determines a household’s access to various opportunity structures, such as good schools, safe parks, and quality healthcare, and therefore the location of housing can affect people’s life chances. By examining the relationships among housing and the other opportunity indicators, different resources can be targeted, amounting to institutional and structural change. This change can be achieved in two ways: initiating opportunities in areas where there are few, and providing people more access to those areas that are already opportunity-rich. In determining which areas are opportunity rich, the model uses several indicators: housing, education, employment, schools, healthcare, civic participation, and transportation. The degree to which these components exist within an area, and support each other, will determine the stability and advancement potential of that area and its residents. However, these indicators do not exist in a vacuum, and are not naturally occurring. Rather, they are shaped by history and current policies, some of which are discriminatory and segregative, or have racially discriminatory impacts (e.g. exclusionary zoning, housing discrimination, inequitable public investments).

The pathways to opportunity involve three areas of focus: people, places, and linkages. The degree of connection among these three areas determines the opportunity potential of a neighborhood. The quality of a neighborhood has significant implications for the life chances of its residents, which in turn affect regional performance and health. Low opportunity neighborhoods (or communities) do not allow for development of human capital, a factor that is becoming increasingly important in today’s global, service-sector economy. Thus, the decreased capital for a particular community affects regional competitiveness at the national and global levels, resulting in a socially and economically inefficient society. However, the extent to which a region can develop successful pathways to opportunity will result in increased social and economic health.

Supporting people is achieved through investments in human capital whereby everyone has the opportunity to reach their creative potential. This can be generated through wealth creation, educational attainment, sustained employment, and political empowerment. Examples include affordable homeownership programs, leadership and job training, community organizing and assisted housing where needed.

Supporting places is achieved through support of community development initiatives and growth management practices that support and empower neighborhoods. This can be generated through neighborhood redevelopment, support of neighborhood anchors,

including schools and museums, increasing employment opportunities to jobs providing living wages, and equal provision of local services, including high-performing schools. Examples include brownfield and vacant property development, minority and small business development, improved school conditions, and housing and infrastructure investments. Anti-gentrification strategies such as rent control are also necessary.

Supporting linkages is achieved through providing the connections between people and places. This concept revolves around the mobility and degree of access for people to high opportunity areas. Examples through which this can be achieved include fair share and inclusionary (or opportunity -based) housing, public transportation, and school integration. Without these linkages, support of people and places is less effective.

One may notice that in any area there will be very high and very low opportunity areas based on this approach. This would push us back to the problems of trying to get everyone into a limited number of good schools. However, there is more to the model than just the ranking of very high and very low. The goal is to create a substantial vibrant space. The problem is not that there is very high and very low, but the distance between them – the institutional and social disconnects. This takes us back to the discussion of growing inequality and compression. A healthy region would have not only a connection between the very high and very low, but the social and economic distance between the very high and low would be consistent with equity, health and full societal membership. Our institutions would be arranged to reflect our interconnections. There would also be institutions to socially connect people, especially the most vulnerable and marginal, to opportunity and to each other.

By adopting an opportunity-oriented model of development and empowerment, we can address the systemic and structural barriers that cumulatively work to deny opportunity and advancement to the marginalized. The model is not a welfare-oriented model of support, but focused on empowering communities by reorienting the levers and pathways of opportunity, in essence reorienting the structures that produce disadvantage and making them work for marginalized populations. By allowing a creative space for individuals and communities to achieve their potential, we can produce a healthier and more robust democratic society. Healthy regions would be structured to be high synergy regions. It is clear, then, that the racialization process functioning through individual and institutional arrangements is antithetical to a healthy society.

4. Strategic Actions: Initiatives to Move an Opportunity-Oriented Model of Development

Conceptual models are useful for setting broad programmatic goals, but promoting an opportunity-oriented model of development requires specific initiatives for marginalized groups and communities. The following are broad policy interventions and actions that deliberately focus on utilizing the community of opportunity model of development.

a. Framing and Communication: Regional Equity to Support Expanding Opportunity for All

Collective action is required to target aggressively the structural barriers that limit access to opportunity. To support collective action, appropriate communication and framing is needed to build the public support and ultimately political support to reform institutions

and structures. As discussed earlier, building support for eradicating poverty (especially if the majority population sees poverty in racial terms) can be difficult in the U.S. Traditional U.S. narratives toward poverty are not conducive to build the political will needed to radically reform structural arrangements. Instead of presenting initiatives as a form of welfare and charity, initiatives must be framed in terms of expanding access to opportunity for all. Clear connections must also be made between fruits and benefits of greater equity, abolishing disparity and expanding opportunity (or benefits) to all.

The regional equity movement can provide an example of how to reframe initiatives designed to confront racial, social and regional disparity. Because regional dynamics and regional fragmentation are so powerful in producing or denying regional and racial equity, many equity advocates have focused on regional solutions as the primary means to achieving equity and reducing racial disparity in our metropolitan areas. As summarized by Policy Link in *Regional Equity and Smart Growth: Opportunities for Advancing Social and Economic Justice in America*:

In response to these patterns of regional growth and investment that have severely disadvantaged many families and communities, regional equity has emerged as an important goal or concept to organize advocacy and action to promote social and economic justice. At its core, regional equity seeks to ensure that individuals and families in all communities can participate in and benefit from economic growth and activity throughout the metropolitan region – including access to high performing schools, decent affordable housing located in attractive neighborhoods, living wage jobs, and proximity to public transit and important amenities, such as supermarkets and parks. In today's economy, the region is the backdrop against which opportunity and exclusion play out in America. When regional equity is prioritized as a goal, development and investment choices facing a community are evaluated in terms of how growth can create opportunity for all residents, helping to build a strong, healthy region.⁶⁴

The goal of regional equity is to produce more balanced investment in people and neighborhoods throughout the metropolitan region. Regional equity, in practice, means connecting more people to better opportunities in housing, education, workforce training, and economic development. Regional equity means more than just reducing disparities: if properly executed, regional equity will produce widespread gains for the entire metropolitan region. Thus, building support for the regional equity movement requires communicating the broad benefits to eliminating disparity and reducing poverty, and expanding access to opportunity. All residents and communities within metropolitan areas share a linked fate, and challenges impacting one community will eventually prove detrimental to the entire region. Regional equity respects this interrelationship between communities and supports collective solutions. As stated in *Reflections on Regionalism*:

Instead of calling upon each locality to take responsibility only for itself, regionalism recognizes the entire area as a system of interdependent parts. The whole will prosper only if all parts are able to function. Allowing richer parts of the region to externalize their social responsibility creates resource-starved, poorly functioning communities at the core. When one part becomes dysfunctional, the entire system is compromised. This is what is happening with the inner cities and their older suburbs – difficulties are negatively affecting entire regions.⁶⁵

⁶⁴ Policy Link, *Regional Equity and Smart Growth: Opportunities for Advancing Social and Economic Justice in America*. 2004. Funders Network. Translation Paper #1, Edition #2. Pages 3-4.

⁶⁵ John A. Powell, *Addressing Regional Dilemmas for Minority Communities* in Bruce Katz, ed., *Reflections on Regionalism*. The Brookings Institution, Washington D.C. 2001. Pages 226-227

How do racial, social and regional inequities create challenges for the entire region? Inequities create lost productive and creative capacity for the region's population, create artificial impediments to economic development and affordable housing, and drive sprawling growth, all of which harms the quality of life for all residents. These obstacles to economic health produce a less competitive region, which can be disastrous in today's extremely competitive global economy, where regions fight for increasingly mobile business, residents and investment. As stated by Richard Florida in *The Flight of the Creative Class*:

Rising inequality is a deadweight drag on our economic competitiveness...The basic formula is simple: Those companies, regions and countries that reduce waste and effectively harness their productive assets have a huge advantage in the Darwinian competition that powers creative capitalism.⁶⁶

By addressing poverty and its related racial, social and regional inequities, regional initiatives can improve conditions for all residents, by making the region a more vibrant, competitive and economically thriving region. Thus, advancing regional equity and sustainability can provide a significant point of collaboration for the region. Regions must abandon isolated decision-making and look for more collective solutions to their greater challenges. The regional equity movement provides an example of how successful anti-poverty initiatives must be framed to gain public support. Initiatives must clearly illustrate and communicate the benefits of addressing persistent poverty to the larger city, region, state or community. Initiatives must illustrate that eradicating barriers to opportunity allows individuals to reach their potential and will provide long-term benefits to all.

b. Supporting Linkages: Opportunity -Based Housing

Housing provides more than just shelter. Housing is the primary conduit to accessing opportunity and building wealth and economic stability in the U.S. Housing location is the critical leverage point to determining access to education, employment, childcare and health care or in determining the likelihood of developing assets/wealth through home equity. Housing can be either an impediment or conduit to opportunity depending on its location. Exclusionary housing policies and practices actively work to disconnect marginalized populations from opportunity by concentrating affordable housing options into extremely distressed and segregated neighborhoods. The Community of Opportunity model promotes disrupting this discriminatory dynamic by utilizing an opportunity-based housing approach.

The central premise of opportunity-based housing, borne out of research and applied experience, is that residents of a metropolitan area are situated within an interconnected web of opportunities that shape their quality of life. Opportunity-based housing affirmatively and deliberately connects affordable housing to communities of opportunity. Ideally, housing policy should deliberately connect affordable or assisted housing to regional opportunities, such as high performing schools, meaningful

⁶⁶ Richard Florida, *Flight of the Creative Class: The New Global Competition for Talent*. Harper Business. 2005. Page 194

employment, viable transportation, quality childcare, responsive health care, and other institutions that facilitate civic and political activity.⁶⁷

The specific principles to guide an opportunity-based housing model include the following:

- Preserving the supply of existing affordable housing and expanding the supply of decent housing for low- to moderate-income families in opportunity rich neighborhoods across the metropolitan area.
- Ensuring that all residents can buy or rent homes in the neighborhoods of their choice that are racially and economically integrated, and that feature a rich set of social, economic, and educational opportunities.
- Providing subsidies to make housing more affordable to low- and moderate-income families in mixed income, racially integrated neighborhoods.
- Increasing wealth opportunities through homeownership for all families in neighborhoods where homes' values are rising rather than falling.
- Planning for the development of affordable housing on a regional scale that intentionally connects housing to quality schools, plentiful employment opportunities, and an accessible transportation infrastructure.
- Promoting a more balanced type of metropolitan growth that promotes the health of the region as a whole and connects all communities to opportunity.

The location of housing is a powerful impediment to or asset for accessing these opportunities, and as such, housing policies should be oriented towards providing this access wherever it may exist.

We should note that racial segregation results in segregation from opportunity for marginalized groups and this isolation inflicts significant harm. Bruce Katz and Margery Turner synthesized the impact of this opportunity segregation in the 2003 Brookings Institute research brief *Rethinking Affordable Housing Strategies: An Action Agenda for Local and Regional Leaders*:

Residential segregation denies families of color full and free choice about where to live, while often denying minority neighborhoods the services and resources they need to thrive and grow. As a consequence, minorities' access to quality schools, jobs, and economic opportunity is limited. The most extreme consequences of residential segregation are found in the central cities' large urban areas. Because communities of color experience higher poverty rates than whites, the concentration of minorities in inner-city neighborhoods also concentrates poverty and compounds its social costs. As jobs, wealth and economic opportunities have migrated to the suburbs, poor minority communities in the central city have become increasingly isolated and cut off from access to the mainstream of our society and economy. Thus, housing segregation helps sustain economic inequality and contributes to the persistence of urban poverty.⁶⁸

⁶⁷ John A. Powell, "Opportunity-Based Housing," 12-Wtr. *J. Affordable Housing And Community Dev. L.* 188.

⁶⁸ Bruce Katz and Margery Austin Turner (2003). *Rethinking Affordable Housing Strategies: An Action Agenda For Local And Regional Leaders*. Research Brief, The Brookings Institution. Available on-line at: <http://www.brookings.edu/dybdocroot/es/urban/knight/actionbrief.pdf>. (Page 7.).

Residential location plays a determinative role in life outcomes and social, physical and mental health.⁶⁹ As stated in the findings report of the Congressional bi-partisan Millennial Housing Commission: “Neighborhood quality plays an important role in positive outcomes for families. Stable housing in an unstable neighborhood does not necessarily allow for positive employment and child education outcomes.”⁷⁰

A variety of policy tools can be used to meet the goals of the opportunity -based housing approach. Inclusionary housing policies can incentivize new developments to provide affordable units. The longest running inclusionary housing ordinance in the nation is in Montgomery County, MD, which has produced over 13,000 units of affordable housing in the last three decades.⁷¹ Housing trust funds or employer assisted housing programs can open up new streams of revenue for the construction of affordable housing near neighborhoods of opportunity.

Finally, subsidized housing programs (such as Section VIII or the Low Income Housing Tax Credit Program) can deliberately reorient the use of housing vouchers and the location of site based assisted housing development into areas of opportunity. Mobility programs for subsidized housing recipients prove that accessing higher opportunity communities improves family social, economic and educational well being. Experiences from previous mobility programs also illustrate that the programs must provide support services and counseling for recipients, be fully integrated into regional opportunities, be race-conscious and recognize the constraints of the regional housing market.

An opportunity-based housing strategy for subsidized housing is currently being proposed in the *Thompson v. HUD* U.S. District Court Case in Baltimore, MD. *Thompson v. HUD* is a fair housing case impacting more than 15,000 public housing residents in the Baltimore region. In response to the U.S. District Court’s finding that the U.S. Department of Housing and Urban Development had failed their duty to affirmatively further fair housing, the Court is considering a remedial proposal to create fair housing opportunities in the Baltimore region. The current proposal being considered by the Court will create 7,000 affordable housing units in neighborhoods of opportunity (those with good jobs, stable/safe environments and excellent schools) in the Baltimore region.⁷² If successfully implemented, this housing intervention could prove transformative not only to public housing residents who volunteer to relocate, but to the entire Baltimore region.

c. Supporting Places: Neighborhood/Community Revitalization

Housing mobility alone will not address the challenges facing marginalized populations. Deliberate efforts must also be made to direct resources and cultivate opportunities in distressed neighborhoods or communities. A balance between in-place strategies (neighborhood and community revitalization) and mobility-based strategies (opportunity -based housing) is needed to make a transformative impact. Neighborhood and

⁶⁹ The Millennial Housing Commission was a bi-partisan federal commission assessing national housing policy and needs. The commission released their final report in 2002. (Hereinafter Meeting Our Nation’s Housing Challenges). Available on-line at: <http://www.mhc.gov/MHCReport.pdf>

⁷⁰ Millennial Housing Commission. Meeting Our Nation’s Housing Challenges (2002). Page 11.

⁷¹ The American Planning Association. *Practice Inclusionary Housing*. Part One. Zoning Practice. September 2004.

⁷² For more information please visit the Thompson v. HUD resource site sponsored by the Maryland ACLU at: http://www.aclu-md.org/aTop%20Issues/Fair_housing.html

community revitalization is an important but challenging goal. Revitalization is a complex, dynamic and long-term challenge. Successfully intervening to bring positive and transformative change to distressed areas requires a long-term commitment, extensive collaboration, in-depth community engagement, a multi-faceted approach and the ability to leverage initiatives with public policy and private dollars.

Based on the community development literature and on original research conducted by the Kirwan Institute, the following strategies have been identified as the best practices to guide, spur and support neighborhood and community revitalization.

- Define success before intervening. A shared vision of a successful neighborhood or community is needed to convene and effectively engage the various stakeholders. The goal should be focused on promoting sustainable community revitalization, not gentrification, which would displace existing residents. Neighborhoods should be communities of choice and opportunity, accessible to a wide spectrum of residents, and contain the critical opportunities to be livable, healthy and safe. The exact measures for this broad goal will vary by community and should be guided by local residents and stakeholders.
- Make equity, “fairness” and inclusion explicit goals. Equity, fairness and inclusion must be explicit goals for neighborhood and community revitalization. Without explicitly planning for and maintaining a focus on inclusion in revitalization activities, existing residents could be excluded from the benefits. Revitalization must seek to produce mixed income communities and infuse neighborhoods with a variety of housing options. Efforts should also reinforce existing social networks and organizations in the community, while attempting to connect marginalized and impoverished residents to opportunities.
- Adopt a long-term approach. Neighborhood distress did not occur quickly in marginalized communities, but represents decades of disinvestment, segregation and decline. Therefore, successful community revitalization will require a long-term approach and strategy. Interventions must give initiatives time to mature. (Grant cycles and planning should recognize this need.)
- Adopt a multi-faceted approach. A number of impediments and challenges converge to systematically disadvantage urban neighborhoods or neglected rural communities. Efforts to mitigate these challenges must be multi-faceted to address this reality, targeting critical intervention points. For example, targeted revitalization may require intervention and simultaneous support for education, housing and economic development initiatives. The need to think in a long-term and comprehensive manner was summarized by Jonathan Fanton, President of the MacArthur Foundation, at a recent Local Initiatives Support Corporation (LISC) National Leadership Conference.

...sustainable neighborhood improvement requires long-term, simultaneous investment in all the issues -- schools, housing, health, jobs, economic development, safety, community cohesion, and more -- that must improve together in a reinforcing virtuous circle.

Practically speaking, this may mean applying a comprehensive lens and working first on the few interventions with the greatest potential to stimulate further change.⁷³

- Engage critical stakeholders. Universities, urban hospitals and major employers have tremendous resources, influence and linkages to nearby communities. The investment of these partners (and the ability to leverage their considerable assets) can significantly increase the likelihood of successful revitalization effort.
- Focus on “turning point” neighborhoods or communities. Many communities have resources and attributes which give them great potential for revitalization, where strategically placed investments can effectively spur revitalization. Initiatives to promote revitalization must first target communities who are “on the brink” of revitalizing.⁷⁴
- Bring small success to scale: Revitalization strategies should seek out small-scale, successful initiatives and bring these initiatives to scale. Many small-scale interventions have proven locally effective, but are not producing significant results because of their limited scale or scope. An assessment of which potential small-scale models are working within the Foundation’s service area would be useful. Revitalization will require seeking out these potential model initiatives that have the best potential to be brought to scale.
- Address specific macro-level issues. Supporting initiatives to address systemic problems in marginalized communities can also aid both targeted “turning point” communities and communities who are least likely to redevelop. For example, addressing macro-level issues, such as discriminatory public investment policies, will produce benefits for many communities.
- Support establishment of anchor institutions. Successful revitalization initiatives often involve anchor developments in the community. Highly visible and targeted investments can spur nearby private investment and provide a positive physical sign of reinvestment to encourage the private sector. Revitalization efforts must seek out these potential highly visible, targeted investments for distressed communities.
- Make catalytic investments. It is necessary to align actions with public policy, public agencies, non-profits investment and private capital. Community revitalization requires significant capital investment -- public sector or non-profit funds alone will not be sufficient to spur revitalization. Activities must seek out projects and investments that have the potential to attract private investment, be coordinated with large-scale public investments and policy or encourage nearby private investment. The best strategy to promote catalytic investments is to geographically target investments.

⁷³ Remarks made by Jonathan Fanton at the Local Initiatives Support Corporation (LISC) National Leadership Conference, October 3 2007. Full, full remarks available on-line at: <http://www.macfound.org/site/apps/nl/content2.asp?c=1kLXJ8MQKrH&b=1137397&ct=4498087>

⁷⁴ For more information on turning point strategic investments, please reference the “Neighborhoods in Bloom” policy example provided through the Local Initiatives Support Corporation online at: <http://www.lisc.org/content/publications/detail/902>

d. Supporting People: Educational Initiatives and Leadership Development

The Community of Opportunity model also targets investment toward people, expanding educational capacity and leadership potential for marginalized groups and communities. The following are model policies/principles for expanding educational opportunities and leadership capacity for marginalized populations and communities.

Expanding Educational Opportunities:

- Create new educational opportunities in distressed areas. New outlets for educational opportunity are needed in distressed communities. One strategy to achieve this goal is to support more magnet schools in inner-city areas. Another opportunity to expand educational opportunity in distressed areas is to target the highest quality teachers into schools with the highest need students (for example, schools with the highest poverty rates). Similar programs have proved successful in Baltimore and San Antonio.
- Eliminate high poverty schools while promoting socio-economic and racial diversity in all educational settings. Promote mobility initiatives that eliminate barriers to accessing low poverty, high performing schools. Promote more regional educational mobility and policy.
- Address early education issues for children in poverty. Many of the educational obstacles facing children in poverty occur prior to primary school. Inadequate pre-school access and other challenges related to child poverty limit educational outcomes for students. Neighborhood revitalization initiatives should consider collaborating with child poverty and early education initiatives to identify opportunities for improving educational outcomes.
- Work on in-school reforms to promote positive educational outcomes. These reforms could include service learning; school-to-career programs; de-tracking students, curriculum reform, linking P-12 programs to University to ease students' transition between secondary and post-secondary education.

Leadership Development and Capacity Building:

- Network and support existing local civic organizations. One primary community challenge is the critical need for more financial, logistical and technical support for neighborhood and community organizations. Engaged and invested local organizations and residents are critical if revitalization will occur. Unfortunately, most local civic organizations and organizing efforts are volunteer based and do not have the resources or time to fundraise or hire permanent/paid staff. As a result, organizations struggle to provide full-time, dedicated and trained experts to deal with the complex number of local issues related to revitalization. In addition, efforts must be made to unite and encourage collaboration and communication between various community organizations to share best practices and to address common challenges.
 - Assist neighborhood organizations in their attempt to “scale up” to an efficient, well-resourced organization with trained and dedicated staff. (Example: Provide technical assistance to volunteer organizations.)

- Support an intentional, inclusive networking effort among existing organizations, so that they can share best practices and cut costs by minimizing the learning curve for new community groups.
- Sponsor convenings that bring various partners together to brainstorm, communicate with one another, and set a shared vision for success. Set an agenda to discuss particular issues that affect multiple communities. Fund initiatives that promote collaboration among partners and reduce competitive pressure between organizations.
- Provide data and analysis to support decision making by local organizations. Provide support to monitor the results of any intervention. Support market analysis of community conditions and prepare analysis that advocates for business investment, with clear data to indicate where market opportunities exist for economic development. Provide support for community organizations to engage the public through participatory research methods to gain input (and build community support) on strategies to promote community development. Many programs led by community organizations are begun without dedicated support to monitoring the efficacy of investments. When programs are monitored transparently, they can be appropriately guided, scaled-up, or corrected.

While it might be overwhelming to consider the various factors that contribute to poverty and the myriad of measures needed to reduce it, a systems approach does not require that we deal with all of them at once. Rather, we must remain aware of their interrelatedness and recall what we know already - that incremental changes can fit into larger transformative schemes. If we focus on a small cluster of interactions, we can foster changes across different domains. We only need think of how the federal government's interest rate regulation can have a marked effect on a complicated problem, leading to altered buying and lending behavior, increased future earnings, and higher stock prices. Investors and economists alike view lower interest rates as catalysts for expansion. In terms of poverty reduction, we learned from the Gautreaux Assisted Housing Program that if we focus on the housing piece by moving low-income families to opportunity-rich areas, we can improve life outcomes across multiple indicators. At the same time, we know that community redevelopment within the opportunity-poor areas can also improve life outcomes. What I am suggesting is that with an eye towards restructuring all areas into communities of opportunity, we can begin with smaller, strategic interventions. These initial interventions can bring various groups to the table to define a shared vision of success (a transformational, inclusive one); mobilize energy around important issues; build trust among diverse people and organizations; and show that change can indeed happen.

5. Conclusion: Investing in the Levers of Opportunity

Achieving sustainable poverty reduction in a time of increasing poverty, inequality and economic instability is a monumental challenge. At the heart of this challenge is a normative vision of an inclusive transformative society – inclusive physically, socially, economically and spiritually. Sen writes, “It is not so much a matter of having exact rules about how precisely we ought to behave, as of recognizing the relevance of our shared humanity in making the choices we face.”⁷⁵ This project becomes one about the entire society, but with a focus on the marginal. Although we are often enamored of a rugged individualism, perhaps a *healthy* individualism – one in which the individual is nurtured by a sustainable, robust and diverse community – is a better indicator of a healthy society. Supporting communities to promote in turn healthy individuals and families requires investments in peoples, places, and linkages. These investments can and must be transformational, not transactional: they must interrupt a dynamic of disinvestment, isolation and structural violence to reconnect people to opportunity and to one another. For example, we must intentionally structure schools to avoid racial isolation and concentrated poverty, which depress democratic citizenship and reduce academic achievement. We need to prepare our students to be citizens and workers in an evolving, interconnected, pluralistic world where learning will be a life-long engagement. At the same time, we must intentionally structure housing to be affordable and accessible to good schools, jobs, public transportation, high quality childcare, preventative health care, and civic organizations. We must empower and connect local organizations that represent and advance the interests of residents.

Philanthropic investors can be catalytic partners with anchor institutions, private investors, and local civic organizations to advance a truly transformative approach in our robust democracy building efforts. In addition to providing financial support, grantors, with their ability to convene diverse partners and plan and monitor projects over the long term, can also contribute vitally to knowledge regarding “what works,” sharing this with other communities in need. Our models of community opportunity and regional equity, supported with GIS mapping, are powerful tools that grantors can support. These tools also provide the means by which to gauge progress over time. There is a distinct urgency to this ongoing work. We need engaged partners like never before to stem the rising inequalities that threaten not only the most disenfranchised and marginalized people and communities, but all of us.

⁷⁵ Amartya Sen, *Development as Freedom* (New York: Alfred A. Knopf, 1999): 283.

