

the  
**POVERTY**  
FORUM



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For Immediate Release

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\*\*\*\*\***MEDIA ADVISORY**\*\*\*\*\*

**Politically Diverse Christian Leaders Offer Concrete Policy  
Recommendations on Poverty Reduction**

*“Non-Partisan Approach Represents New Model to Achieving Common Ground”*

**WHAT:** Reverend Jim Wallis of Sojourners and Mike Gerson, former speechwriter for President George W. Bush, convened a select group of Christian leaders from across the political and ideological spectrum to develop practical solutions to reduce domestic poverty. At a press conference on Tuesday, February 17, 2009 at The National Press Club, these experts in anti-poverty policy, representing government, community, faith-based, and grassroots organizations, will outline common-ground solutions that focus on seven key areas (see below). This group hopes President Barack Obama and Congress will consider these recommendations as the long-term work begins for economic recovery.

**WHY:** With a deepening recession, the current debate around the economic recovery and the stimulus package and an increasing number of families who are in danger of falling into poverty, this year increases the urgency to make poverty reduction a serious national policy priority. This diverse group strongly believes that combating poverty and strengthening our economy are not mutually exclusive but complementary goals.

**WHEN:** 12:00 p.m. – 1:00 pm EST / Tuesday, February 17, 2009

**WHERE:** The Zenger Room / National Press Club  
529 14th St. NW, 13th Floor, Washington, DC 20045

**AUDIO** A link to an audio recording of the teleconference will be posted by 3:00 pm EST at: [www.thepovertyforum.org](http://www.thepovertyforum.org)



Letter to the American People  
February 9, 2009



Dear Friends,

An economic crisis is a time of suffering and strain for the poor, but often a time when the poor receive little sustained attention. Political leaders tend to focus on strengthening financial institutions and addressing the needs of the middle class – important national objectives. But individuals and families near the margins of our economy are sometimes left with little visibility or influence at the very time their needs are greatest. One of the primary callings of Christian leaders of every background is to help provide these men, women and children with a voice. “Let not the needy be forgotten,” says the Anglican liturgy, “nor the hope of the poor be taken away.”

We are at an important crossroads in the battle against poverty, both globally and in the United States. Communities of people with shared interests and expertise are gathering to make poverty a top priority with our new administration and Congress. Christian Churches Together, an ecumenical gathering of Christian leaders, recently created a Domestic Poverty Initiative. The initiative plots out specific actions the Church will take to decrease poverty. Several large churches in the Washington D.C. area have also designated the month of February as Poverty Awareness month. In that same spirit, The Poverty Forum is releasing policy proposals that cut across ideological divides in order to practically address the plight of our struggling neighbors across the United States. We hope to emulate the early church, when St. Paul met with the Jerusalem Council and was urged by St. Peter to “remember the poor.”

Since November, we have been working together with this group of highly-talented men and women to create a menu of policies that represent the common concern of our common faith – a concern for the plight of the poor. The Poverty Forum brought together 16 ideologically diverse Christian leaders and policy experts to identify concrete and effective anti-poverty policies that should garner bipartisan support. The Forum worked to build a spirit of collaboration and common ground. Participants worked in pairs to develop consensus proposals within their areas of expertise. Participants were not asked to explicitly endorse every item, and this is not a package per se, but a number of ideas and options to be explored further by our national leaders. Still, everyone did agree that a collective introduction of these ideas would help spur the kind of broad public debate we need. All the participants are eager to engage with policy makers and further the public discussion around practical solutions toward reducing poverty. From the beginning, the overarching spirit and desire of the Forum has been to work cooperatively to reach a broad consensus, a spirit we all hope is shared by our new administration and Congress.

In Christ's Service,

Mike Gerson  
Roger Hertog Senior Fellow  
Council on Foreign Relations

Jim Wallis  
President & CEO  
Sojourners





## **Executive Summary**

With the current debate around the economic recovery and stimulus package, a deepening recession, increasing numbers of families in trouble; this year presents an unprecedented opportunity to make poverty reduction a serious national policy priority.

Reverend Jim Wallis and former speechwriter Mike Gerson convened a select group of Christian leaders from across the political and ideological spectrum to facilitate a constructive dialogue about domestic poverty issues. The common ground solutions resulting from this deliberate dialogue will be shared both in the public arena and with the next Administration and Congress.

While spanning the ideological spectrum these leaders share core biblical values surrounding God's concern for the poor and the biblical imperative to address poverty. Each policy expert worked in teams with someone of a divergent political perspective to identify practical, concrete common ground policy recommendations in their given area. These proposals were then discussed and vetted by the broader group. The policy solutions that result from the Poverty Forum and subsequent meetings will enable us to conduct a deeper policy analysis and identify common ground solutions that we believe could be passed into law by the new Congress and Administration.

The Forum consists of 18 leaders with expertise in poverty initiatives and poverty policy reform, representing government, community, faith-based, and grassroots organizations. Participants included:

- Co-Chair: Jim Wallis, President and CEO, Sojourners
- Co-Chair: Mike Gerson, Senior Fellow, Council on Foreign Relations
- Organizer: Adam Taylor, Senior Political Director, President
- Organizer: Mark Rodgers, Principal, The Clapham Group

### **Asset Building**

- Mary Nelson, Founder, Bethel New Life
- Randy Brandt, U.S. Department of State

### **Community Factors (i.e. Crime and Re-Entry)**

- Angela Blackwell, Executive Director of Policy Link
- Brent Orrell, Deputy Assistant Secretary for Policy and External Relations at the Administration for Children and Family Services

**Education**

- Dr. Robert Franklin, President, Morehouse College.
- Terrell Halaska, Former Assistant Secretary for Legislative Affairs, U.S. Dept. of Education

**Family Policy**

- John Cusey, Former Special Assistant to Wade Horn, Administration for Children and Families, U.S. Department of Health and Human Services
- Kathy Edin, Professor at the Kennedy School of Government

**Health Care**

- Kathy Saile, U.S. Conference of Catholic Bishops
- Jim Capretta, Fellow in the Economics and Ethics Program of the Ethics and Public Policy Center

**“Making Work Work”**

- Dr. Ron Sider , Evangelicals for Social Action
- Chuck Donovan, Executive Vice President, Family Research Council

**Strengthening Civil Society**

- Melissa Rogers, Director of the Wake Forest University School of Divinity Center for Religion and Public Affairs
- Stanley Carlson-Thies, Director of Social Policy Studies, Center for Public Justice

Each member of The Poverty Forum participated as an individual and not as a representative of any association. Their individual support and association with any and all proposals may not reflect the agency for which they work.

## Policy Proposal Summaries

### ASSET BUILDING

**Lifetime Savings Accounts.** Many American families and communities have low or negative savings rates. The America Saving for Personal Investment, Retirement, and Education (ASPIRE) Act would create a savings account for every child born in the United States. Each account would be “seeded” with \$500 from the federal government. Households at or below 50 percent of the national median income would be eligible for a supplemental initial contribution of \$500. Additional investments of up to \$2000 per year can be made from individuals, family members, foundations, etc. Eligible income levels can receive a match of up to \$500 per year for additional savings contributions. Withdrawals cannot be made from the account until the child turns 18 years old, when their account will be governed by rules similar to Roth Individual Retirement Accounts (IRAs). These rules allow for tax-free withdrawals without penalty for select asset building pre-retirement uses, including post-secondary education and first-time home purchases. The universal nature of the accounts creates significant opportunities for financial education.

**Saver’s Bonus.** Building on existing savings incentives, this policy encourages lower-income families to save in order to create the capital necessary for future wealth creation. Lower-income families with incomes of up to 120 percent of the federal Earned Income Tax Credit (EITC) would be rewarded with a Saver’s Bonus for making a commitment to save a certain sum when they file their tax returns, which can be allocated into up to three accounts. Contributions can be made up to \$500 annually to eligible savings accounts, such as IRAs, 401(k)s, 529 College Savings Plan, Coverdell Education Savings Accounts, U.S. Savings Bonds, and Certificates of Deposit (minimum 6 months).

**Financial Services Corps (FSC).** The creation of a Financial Services Corps would help low- and middle-income households address their personal finances and plan for their future by enlisting financial experts and advisors to deliver personalized financial counseling and planning. Financial counselors would provide tools, resources, and support to local, regional, and workplace initiatives to ensure these families are reached effectively. This would include collecting and analyzing data to understand the short, medium, and long-term financial education, counseling, and planning needs of these households, and exploring new strategies and approaches to financial education and advice through an innovations fund.

**Individual Development Accounts (IDAs).** The creation of Individual Development Accounts has resulted in 8,400 new homeowners, 6,000 educational purchases, and 5,200 small business start-ups and expansion purposes. This proposal addresses the expansion and enhancement of the program for matched savings accounts that reward monthly savings of families who are saving toward a high-return asset such as a first home, post-secondary education, or a small business. The savings incentive is provided through matching funds from private and public sources. The proposal includes the expansion of the current federal Assets for Independence (AFI) Act appropriation, funding a nationwide IDA demonstration through tax incentives that offer one-to-

one credit for financial institutions that contribute matching funds to IDAs, issuing of financial education classes, and modifying the requirements for AFI assistance.

**Expand New Markets Tax Credit (NMTC) for Economic Stimulus in Low-Income Communities; Making Community Development Entities (CDEs) Eligible for Tax Credits for Job Creation.** These Department of Treasury issued tax credits primarily used by financial institutions are a proven tool for generating investments that create jobs and community impact in low-income communities. Since 2002, more than \$156 billion in credits has been requested from the Treasury, which has had only \$19.5 billion in available allocation authority. This proposal asks for the expansion of the current budget from \$3.5 billion to \$5 billion in 2009; a modification of regulations to make credit available for individual and “green” investments; an allocation of \$2 million in tax credits to create jobs in low-income communities; and the modification of use eligibility so Community Development Entities (CDEs) can use New Markets Tax Credits to improve and maintain housing stock for low-income families.

## COMMUNITY FACTORS

**Create Two Million New “Opportunity” Housing Vouchers.** This policy recommends increasing housing vouchers that allow more families to live in communities rich with opportunity. People want to live where they have direct access to high-quality schools, employment opportunities, and social networks.

**Connect Disadvantaged and Disconnected Youth with School and Work.** Through this proposal the Obama administration would play a part in encouraging business and industry groups like the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Federation of Independent Business, and others to develop innovative partnerships to link young adults to work experiences that will combat isolation and poverty. In 2005, nearly 1.7 million U.S. teenagers were unemployed and not in school. Congress is considering a series of funding decisions that would expand YouthBuild, strengthen the Job Corps program, and provide up to \$1.2 billion for summer youth employment.

**Simplify and Expand Pell Grants and Make Higher Education Accessible to Residents of Each State.** Often the poorest children and workers in this country have the fewest opportunities for education. Accessible education—from early childhood through post-secondary—is essential to increase opportunity and mobility. It has become increasingly difficult to secure a good job without a post-secondary education. Higher education must be made affordable for low-income individuals, and Pell Grants play a critical role in creating access to such an education for poor youth.

**Establish Community Empowerment and Services Integration Grants (CESIG).** This proposal recommends the establishment of a new categorical grant program primarily focused on the needs of youth and children in poor communities. Recipients of grants would be required to assess high-poverty regions based on rigorous data analysis and community consultation and create a remediation and integration plan with specific, measurable goals and deadlines. This proposal cites the success the non-profit Harlem Children’s Zone®, (HCZ®), has had fighting

poverty with a community-based approach, and urges similar federal efforts through the creation of Promise Neighborhoods.

**Establish a Lead National Organization (LNO) to Provide Technical Assistance to CESIG.**

The federal government should select a LNO to provide research support, data collection aid, and technical assistance to grant recipients and investigate and develop remediation plans. The LNO would be responsible for connecting relevant national resources (e.g. universities, government agencies, think-tanks, and other relevant institutions) with problem areas and to tap knowledge, expertise, and effective models.

**Establish Waivers to Facilitate CESIG Implementation.** In order to most efficiently utilize grant funds, state and local coalitions that develop integration and remediation plans should be able to apply for a federal waiver to permit them to realign funding between formula and block grant funding streams. This realignment would enable them to support target-specific programs to reduce already identified problems. Waivers would be approved for a limited period and would be contingent on the ability of the state/local coalition's ability to demonstrate measurable progress toward the identified goals.

**Establish a Community Empowerment Trust Fund.** Under our current paradigm, communities experiencing success at reducing poverty are often "punished" as state governments shift resources toward more needy areas. To compensate for this effect, state/local coalitions and regions that demonstrate success in achieving their community remediation goals would be eligible for additional federal funding to support the acceleration of their programs. The proposed waivers and funding would be time- and performance-bound and subject to review, suspension, or cancellation.

## **COMMUNITY FACTORS: REDUCING RECIDIVISM**

**Full Funding for the Second Chance Act.** The U.S. Department of Justice estimates that two-thirds of ex-offenders will be rearrested for new crimes within three years of release, and about 40 percent will be re-imprisoned. The fiscal impact of incarceration was estimated at more than \$50 billion last year. The Second Chance Act, which was signed into law in 2008, authorizes \$130 million for a wide variety of programs, activities, and studies. Congress has not yet appropriated funds to continue Second Chance. It is critical that the new administration and Congress provide necessary funding for states, localities, and non-profit organizations to provide assistance to the 2 million Americans currently incarcerated through programs such as the Ready4Work and Prisoner Re-entry Initiatives--joint efforts by Department of Labor and Department of Justice that have cut recidivism between 15 to 50 percent compared with national averages.

**Second-Chance Employment Initiative.** This policy proposal calls for national education and analysis on the ability of ex-offenders to remain employed under current restrictions, through a nation-wide study as to whether current restrictions and barriers are necessary and effective. This proposal also recommends a review of federal, state, and local government policies that restrict ex-offenders in applying for government jobs. It would implement grants for states to discourage private-sector employers from using simple employment questions to screen out ex-offenders

and expand efforts to help ex-offenders expunge criminal records that pose an unnecessary barrier to employment.

**Voting Rights Restoration.** Civil participation is an important aspect of reconciliation between an ex-offender and the community, yet 11 states deny the vote to those convicted of felonies. An additional 35 states keep parolees from voting and 30 states restrict voting for those on probation. Immediate steps are needed to address this problem at both the federal and state levels. This proposal recommends Congress should pass and the president should sign the Democracy Restoration Act to restore voting rights at the federal level for individuals convicted of felonies. Additionally, Congress and the president should establish a bi-partisan commission to study state laws as they relate to felons and make recommendations to reform such laws to assure fairness and consistency and promote the reconciliation of ex-offenders with their communities.

**Expansion of Employment and Training Opportunities for Ex-Offenders.** Congress should fully fund the Energy Independence and Security Act of 2007 to increase training and employment opportunities for ex-offenders in the area of “green jobs” and encourage the Department of Labor to work with states and other grantees funded through this program to develop community-based programs targeted at training ex-offenders for these jobs. The Pathways Out of Poverty Demonstration Program should continue to be developed and expanded.

## **EDUCATION**

**High School Graduation Fund.** The federal government should create an incentive fund for school districts to implement innovative programs to increase high school graduation rates. This fund would also include waivers from federal restrictions that hinder implementation of innovative models. In exchange, school districts would need to show approval and cooperation by the State Education Agency, a private philanthropic organization, an institution of higher learning, parents affected by the changes, and the community. The proposed reforms must be school-wide, evidenced-based programs. Some examples include: accelerated academic catch up, college preparatory curriculum, early warning systems that track indicators such as absenteeism, comprehensive college guidance/ student advisement, parental involvement, experiential job-based learning, access to dual credit, and teacher professional development.

**Education Savings Program.** The federal government should establish a college savings program designed to increase college attendance and success among low-income students. A savings account would be created for every child who would be eligible for a Pell Grant according to their parents’ most recent tax return or based on their eligibility for other means-tested federal income support programs. The federal government would deposit an amount into the account each year that would be based on the family’s Pell eligibility. For example, if a student would be eligible for a \$5,000 Pell Grant, the government could deposit 10 percent, or \$500, into the account annually. Families, employers, or non-profit organizations could also deposit money into these accounts. Families would receive an annual statement showing the growth of the fund. These accounts could only be used for college expenses and could not be withdrawn for other purposes. In addition to providing financial assistance for a post-secondary

education, these accounts could also significantly impact a parent's expectations of their child's ability to attend college. While most middle-class and high-income families view college as a rite of passage, for low-income families it is often seen as an impossible dream. Setting an early expectation for college helps students and families achieve this goal.

## **FAMILY POLICY**

**Strengthen and Protect the Healthy Marriage and Responsible Fatherhood Initiatives and Expand Access to Marriage Education.** Over the past 30 years, the prospects of divorce, rates of non-marital childbearing, and domestic violence have diverged sharply by class. In depth qualitative studies of low-income couples find that such couple's relationships often form by chance rather than by plan. Yet, these couples usually want to stay together and marry, yet desperately need tools to make their relationships strong. The Deficit Reduction Act of 2005 provided funding of \$150 million each year for healthy marriage promotion and responsible fatherhood. This program should continue to exist; should continue to stress the benefits of marriage over cohabitation; should continue to strengthen the marriage field; should continue to promote responsible fatherhood; and should continue to research the impact marriage has on poverty and other outcomes. The federal government should also make it a policy to evaluate current anti-poverty programs, and any expansion of anti-poverty programs, to determine how to structure them in a way that encourages healthy family formation and does not create disincentives to marriage or responsible fatherhood.

**Expand Earned Income Tax Credit (EITC) by Eliminating Marriage Penalty:** The Center on Budget and Policy Priorities reports that in 2003 the Earned Income Tax Credit raised the income of 4.4 million persons in low-income working families, including 2.4 million children, so that they were not poor. The EITC now moves more children out of poverty than any other government program. This policy proposal asks for the strengthening and expansion of the EITC by eliminating the marriage penalty while seeking to mitigate any unintended effects to discourage stay-at-home parenting. It also provides an additional credit tier for 3 or more children, rather than the current two-child maximum. Included in these changes is the creation of a new EITC for individuals age 21 and older who work at least 30 hours per week. Creating a new individual EITC would likely encourage more unskilled workers into stable formal sector employment earlier in life. It would also eliminate the perverse disincentive of the current credit, which taxes marriage (for two earners with custodial children) and work (among second earners in married couples).

## **HEALTH CARE**

**Keep the SCHIP "Unborn Child" Regulation in Place.** In 2002, the Department of Health and Human Services (HHS) improved the State Children's Health Insurance Program (SCHIP) by stating that the word "child" in the statute may include the period from conception to birth. Twelve states have already chosen to provide health care to pregnant women and their unborn children under this regulatory option. The administration should keep the "unborn child" regulation in place so states that have chosen this option can be secure in *choosing* to provide health services to needy children and their mothers. The regulation should continue to be clear in supporting the health needs of the woman during and for 60 days after pregnancy, as long as this

is consistent with the health of the child. This improvement in the bill would serve both women and children, and reaffirm SCHIP's key principle of allowing states to design children's health care programs that best serve their needs.

**Funding for the AIDS Drug Assistance Program.** This proposal calls for increasing funding for the AIDS Drug Assistance Program (ADAP) by \$175 million in 2010 and beyond, and increasing funding for the Ryan White Comprehensive AIDS Resources Emergency (CARE) Act early diagnosis grant program from \$30 million to \$50 million in 2010 and beyond. Funds should be as accessible to states as soon as possible. Low-income communities, especially African-American and Latino communities, experience high levels of HIV infection. According to the Centers for Disease Control and Prevention, African Americans in the United States have an infection rate seven times as high, and Latinos three times as high, as whites. Currently, half of people infected with HIV do not receive needed drug treatments. Federal programs provide vital support to states and localities to help detect and treat low-income persons with the disease, but federal funding needs to be expanded to meet the need. ADAP is authorized by Title II of the Ryan White Act. As of 2008, ADAP received a federal appropriation of \$808 million; however, ADAP has many people on waiting lists. Costs are expected to increase as more effective drug regimens become available. An estimated additional \$175-\$200 million per year is needed to fully fund the program and eliminate waiting lists. The Ryan White Act also provides funding for enhanced HIV testing through an early diagnosis grant program, but with an estimated 250,000 people living with HIV who have never been tested; this program also needs to be expanded.

## **MAKING WORK WORK**

**Extend the Child and Dependent Care Tax Credit.** Low-income parents with incomes below \$15,000 who work outside the home can claim a maximum tax credit of \$2,100 for two children. People earning more than \$25,000 receive a \$1,800 credit for two children. But this tax credit is *not* refundable. That means that if you owe no federal income taxes, you get no dependent care tax credit. As a result, poor people gain very little. In fact, most of the \$2.7 billion credit claimed in 2001 went to middle-income and high-income families. In addition, the credit is structured to benefit two-income families at the expense of single-income families. To address these problems and strengthen the tax credit we propose extending this tax credit to all working families, regardless of a single or two-income situation; making this tax credit refundable at least up to the employee's and the employer's share of the Social Security/Medicare tax; and increasing the amount of the tax credit by the amount of inflation since it was last raised and from now on index the tax credit to the rate of inflation.

**Increase the Minimum Wage.** Full-time work should keep a family out of poverty, not keep them in poverty. Those who work full time ought to receive compensation (wages plus tax credits) that is at least 125 percent of the federal poverty level. To move our country in this direction, we propose an increase to the minimum wage by at least \$1.00 above the \$7.25 rate (which becomes effective in July 2009) and index the minimum wage going forward to the inflation rate. Critics argue that an increase in the minimum wage will result in employers cutting back on jobs, particularly during a time of recession. However, many studies demonstrate that recent state and federal raises to the minimum wage have caused minimal job loss. The proposed increase to \$8.25 represents a modest approach that should garner bipartisan support.

**Child Tax Credit.** Starting in 1999, parents with children under 17 years of age could deduct \$500 per child from federal income taxes they owe. In 2004, this amount was raised to \$1000 per child. This is a wonderful pro-family policy, but the credit is refundable only to families whose income exceeds \$8,500. Therefore, the credit does not help the poor who earn less than the poverty threshold. This credit is scheduled to lose half its value at the end of 2010. To strengthen the credit we propose: maintaining its value at \$1,000 after 2010 or increasing it by combining it with an expanded Child and Dependent Care Tax Credit; increasing the benefit to 17- and 18-year-olds, or, alternatively, for the same age range the dependent exemption is available; adjusting the credit annually for inflation, as is done with the dependent exemption; and making the credit refundable at least up to the employee and employer's share of the Social Security/Medicare tax.

## **STRENGTHENING CIVIL SOCIETY**

**Allow Non-Itemizers to Deduct Charitable Giving. Encourage Counter-Cyclical Giving Goals to Community-Serving Organizations.** The deep economic downturn has increased the demands on community-serving organizations, while decreasing (or threatening to decrease) the resources those organizations require to assist those in need. In addition to other legislative changes, this proposal asks President Obama to work with Congress to pass a bill that would allow non-itemizers—66 percent of all taxpayers—to deduct a portion of their charitable gifts. Studies have shown that when the government gives taxpayers deductions for their charitable contributions, taxpayers contribute substantially more to charities. Alongside leaders from faith communities, business, philanthropy, and secular service organizations, President Obama should also issue a call to those sectors to engage in counter-cyclical giving and service in this time of great and increasing economic crisis and need. The President should encourage the leaders to commit to specific giving targets (e.g., per denomination or business association) and then, a year hence, host a meeting to assess how the challenges have been met.

**Launch State-By-State Benefit Bank Program.** Every year low-income Americans fail to claim millions in state and federal benefits that they are eligible to receive. The incoming administration should encourage each state to launch a Benefit Bank program that works with religious and secular communities to help people claim state and federal benefits that are often left unclaimed, including Earned Income Tax Credit, food stamps, medical benefits (including children's health insurance) and heating/cooling assistance. Benefit Banks were pioneered by religious groups, including the National Council of Churches USA (NCC) and the Jewish Council for Public Affairs (JCPA) in cooperation with several other national groups. They have seen success in several states. According to the NCC, clients who participate in the program average about \$4,500 in additional benefits annually.

**Ease the Process of Forming Community-Serving 501(c)(3) Organizations.** Government programs, corporate giving programs, foundations, and individual donors often require recipients to have IRS 501(c)(3) status in order to obtain funds and sometimes in-kind support. Houses of worship often wish to form separate 501(c)(3) organizations when they seek to serve those outside their congregations, whether they will use government funds or private funds in doing so.

However, many groups that serve low-income people find the process of seeking status as 501(c)(3) organizations to be complicated and overly expensive.

This proposal asks the federal government to hold hearings under the auspices of its Council for Faith-Based and Neighborhood Partnerships to gather information about the specific assistance community-serving groups need in obtaining this status. In these forums, policymakers should consider the creation of an “EZ application form,” creating a rule that would require the Internal Revenue Service to waive filing fees for applications from smaller groups dedicated to serving low-income people, and asking the IRS to expedite consideration of applications from community-serving groups for 501(c)(3) status. President Obama should use the bully pulpit to call upon lawyers’ associations to urge their members to include in their *pro bono* work assistance to community-serving groups seeking to obtain 501(c)(3) status



# **POLICY PROPOSALS**



## **The Poverty Forum: Asset Building**

### **Asset Building Initiatives for All of Life: Seeding, Growing, and Securing**

**Randy Brandt and Mary Nelson**

**Area:** Asset Building

**Issue:** Encouraging increased savings and community resources for asset building purposes.

**Problem:**

Many American families and communities have low or negative savings rates and limited access to financial education and capital necessary for wealth creation. This is especially true for low-income families and communities. Long term poverty alleviation strategies need to address financial asset deficits while building on family and community assets.

**Solutions:**

Leveraging individual, family, community, and governmental resources to promote savings and asset building initiatives for low-income families and communities.

**Policy Recommendations:**

(1) Lifetime Savings Accounts: The America Saving for Personal Investment, Retirement, and Education (ASPIRE) Act would create an account for every child born in America. Each account would be “seeded” with \$500 from the federal government. Households at or below 50% of the national medium income would be eligible for a supplemental initial contribution of \$500. Additional investments of up to \$2000 per year can be made from individuals, family members, foundations, etc... Eligible income levels can receive a match of up to \$500 per year for additional savings contributions. Withdrawals cannot be made from the account until the child turns 18, where their account will be governed by rules similar to Roth IRAs. These rules allow for tax-free withdrawals without penalty for select asset building preretirement uses, including post-secondary education and first-time home purchases. The universal nature of the accounts creates significant opportunities for financial education. The cost can be adjusted by modifying contribution and matching amounts if needed.

*Previous Legislation:* H.R. 3740- key sponsors include former Congressman Rahm Emmanuel and Senator Chuck Schumer in the 110<sup>th</sup> Congress. Previous Republican supporters have included Senator Jim DeMint, former Senator Rick Santorum and former Congressman Phil English.

*Political Outlook:* With prominent democratic supporters taking the lead and with the need for longer-term strategies to improve savings and investment beyond contemporary bailout and

stimulus strategies, there should be adequate space for such a proposal. The costs for such a proposal can be adjusted as needed and are modest when compared to the scope of current proposals.

*References:* New America Foundation, Corporation for Enterprise Development (CFED)

(2) Saver's Bonus: Lower-income families with incomes of up to 120% of the federal earned income tax credit (EITC) would be rewarded with a Saver's Bonus for making a commitment to save a certain sum when they file their tax returns which can be allocated into up to 3 accounts. Contributions of up to \$500 annually to eligible savings products, such as IRAs, 401(k)s, 529 College Savings Plan, Coverdell Education Accounts, U.S. Savings Bonds, and Certificates of Deposit (minimum 6 months). This proposal is feasible in light of the implementation of split refunds (the ability to designate more than one account to receive a portion of one's tax refund) by the Treasury Department in recent years.

*Previous Legislation:* The Saver's Bonus Act, S. 3372, was introduced by Senator Menendez in 2008.

*Political Outlook:* Since this savings incentive builds on existing savings incentives and encourages their use by lower income families, supporters of existing savings vehicles for middle and upper income families should also be supportive of this application.

*References:* New America Foundation

(3) Financial Services Corps (FSC): The creation of a financial services corps would help low and middle income households address their personal finances and plan for their future by enlisting financial experts and advisors to deliver personalized financial counseling and planning. Financial counselors would provide tools, resources, and support to local, regional and workplace initiatives to ensure these families are effectively reached. This would include collecting and analyzing data to understand the short, medium, and long-term financial education, counseling and planning needs of these households, and exploring new strategies and approaches to financial education and advice through an innovations fund. These efforts should leverage existing community based financial education initiatives. This could be accomplished through legislative or executive branch action.

*Previous Legislation:* not aware of any.

*Political Outlook:* This idea can be applied in a number of contexts. In the short term, it could be applied as part of a national service initiative in combination with the struggling economy, leveraging those unemployed from the financial services sector. Longer term it could have some similarities to Senior Corps or Teach for America-with a broader financial education community focus. The focus would be basic budgeting, savings, and investment principles- e.g. sound paths to homeownership- not hedge funds.

*References:* New America Foundation

4) Individual Development Accounts (IDA's): Expansion and enhancement of the program for matched savings accounts that reward monthly savings of families who are saving towards a high-return asset such as a first home, post-secondary education or a small business. The savings incentive is provided through matching funds from private and public sources. The proposal is to

- a) Expand the current federal AFIA (Assets for Independence Act) appropriation from \$24 million to \$50 million to allow access to matching funds for twice as many low to moderate income people.
- b) Fund a nationwide IDA demonstration through tax incentives that would offer one-to-one credit for financial institutions that contribute match funds to IDA's. Under this program, the tax credit would provide up to \$500 per IDA per year, in addition to a \$50 per account annual credit. The new funding and bill would support 900,000 accounts, moving IDA's to scale for the first time.
- c) Include strong inclusion of financial education classes about budgeting, saving and banking.
- d) Modify the requirements for AFI assistance, removing the requirement for the match up front, extending eligibility to moderate income families, and offering wider eligibility for use of end funds

Existing nine year old program originally started as a part of the welfare funding has resulted in over 73,000 IDA's run by more than 540 community-based organizations. The impact of these IDA's has resulted in 8,400 new homeowners, 6,000 educational purchases and 5,200 small business start-ups and expansion purchases.

*Political Outlook:* The IDA program has had bi-partisan support through it's method of matching people's own efforts to build assets. Private and State programs mean a broad coalition and political breadth. The initiative to date has involved community groups, financial institutions and many others across the country. The proposals would expand the number of participants and dramatically enhance small business start ups, home ownership and higher education.

*Previous Legislation:* The Assets for Independence Act (AFIA) was authorized in 1998 through the US Dept. of Health and Human Services. The Savings for Working Families Act (S 871, HR 1514) was previously introduced.

*References:* The New America Foundation, Corporation for Enterprise Development

5) Expand New Markets Tax Credits (NMTC) for Economic Stimulus in low-income communities, adding CDC Tax Credits for Job Creation: The tax credits are issued by the Treasury and currently primarily used by financial institutions; they are a proven tool for generating investments that create jobs and community impact in low income communities.

- a) Expand from current \$3.5 billion to \$5 billion in 2009 with annual \$1 billion increase each year through 2014.
- b) Modify the regulations to make the credits usable for individual investors, create incentives for "green" investments, and

- c) Make \$2 million in Tax Credits allocations available (each) to eligible community development corporations to use to create jobs in low income communities.
- d) Modify use eligibility so CDE's can use NMTC to improve and maintain housing stock for low income families

Thus far, through the original program over \$12 billion of private sector capital has been invested in distressed urban and rural communities through NMTC. The demand for the existing NMTC has been great; over the last 6 years more than \$156 billion in credits has been requested from the Treasury, which has had only \$19.5 billion in available allocation authority.

*Previous Legislation:* New Markets Tax Credits was enacted in 2000 as part of the Community Renewal Tax Relief Act. In December, 2006, Congress passed the Tax Relief and Health Care Act of 2006, which extended tax credits through 2008 with an additional \$3.5 billion in Credit Authority. A pilot program, CDC Tax Credits for Job Creation, was created in 1990's, with a \$20 million authority for 20 community development corporations. The pilot demonstration's success was documented and reported to Congress.

*Political Outlook:* New Markets Tax Credits (NMTC) legislation has been supported by both sides of the aisle, and its impact and effectiveness documented. There is a great pent up demand for expansion.

*References:* New Markets Tax Credit Coalition, Enterprise Foundation, Local Initiatives Service Corporation, Woodstock Institute

## **The Poverty Forum: Community Factors**

### **Reducing Poverty**

**Angela Glover Blackwell and Brent Orrell**

**Area:** Community Factors – Reducing Poverty

**Issue:** Addressing poverty requires a holistic, comprehensive, multifaceted approach.

**Problem:**

Poverty cannot be addressed in isolation of the larger economy. We must have solutions that create opportunity for all, in addition to programs that seek to alleviate poverty.

- A strategy to address poverty needs to be both people-based *and* place-based, creating communities of opportunity and providing services to people in poverty.
- Children and adults require supports and services tailored to each population. Poverty's effects are multi-generational; solutions must address the specific needs of those throughout the age spectrum.
- Federal, state, and local programs serving the poor operate in silos and suffer from extensive fragmentation. States and localities need flexibility, planning support, access to certified best practices, and additional resources to expand and accelerate successful interventions.

**Solutions:**

- The nation's legacy of poverty is long and complex, but one thing is clear: place matters. Where we live affects access to transportation, to jobs, to good schools, to resources such as grocery stores, banks and parks, and to enriching amenities such as cultural institutions. Strengthening neighborhoods by investing in parks, public transit, and schools benefits disinvested communities as well as cities and regions.
- The old paradigm of addressing children's needs is siloed into a multitude of programs using people-based OR place-based approaches for specific purposes. Arcane, bureaucratic rules create barriers for integrated programmatic solutions to poverty and to targeting a range of programs to specific children. Furthermore, there are layers of regulations preventing the targeted use of funds and the establishment of needed linkages. Given the significance of the childhood poverty problem, we must create a place-based, comprehensive, crosscutting anti-poverty program that can reach poor children and their families to improve outcomes from birth through college. The Harlem Children's Zone® (HCZ®) is a pioneering, nonprofit, community-based organization that works to break the cycle of poverty by enhancing the quality of life for children and families in Central

Harlem, one of the nation's most devastated neighborhoods. Over the past decade, HCZ has been building a new paradigm intended to overcome the limits of traditional approaches by systematically coordinating related areas of children and family services and community building. HCZ's success underscores the need for any federal effort to eradicate child poverty to be multifaceted. Ending poverty in this country requires more than a single approach or policy solution. It requires aiming for one common goal—creating communities with conditions that maximize children's opportunities for success.

- To overcome the fragmentation of our current social services framework, this paper proposes a Community Social Services Integration Program that would provide states and local governments, on a demonstration basis, with enhanced authority and resources to identify key challenges facing impoverished communities, develop integrated plans for reducing the severity of those problems, and, based on performance, to qualify for enhanced federal funding to expand and accelerate successful anti-poverty programs.

### **Policy Recommendations:**

- 1) Create two million new “Opportunity” housing vouchers. People want to live where they have direct access to high-quality schools, employment opportunities, and social networks. Increasing housing vouchers that can allow more families to live in communities rich with opportunity will be a big step toward improving outcomes for children.<sup>1</sup>
- 2) Connect disadvantaged and disconnected youth with school and work. In 2005 nearly 1.7 million poor youth ages 16 to 24 were out of school and out of work. The Congress is considering a series of funding decisions as part of the economic recovery legislation that would expand YouthBuild, strengthen the Job Corps program and provide up to \$1.2 billion for summer youth employment. The Forum strongly endorses these proposals and calls for the formation of public-private partnerships that will expand work opportunities for youth. In particular, the Forum encourages the Obama Administration and business and industry groups like the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Federation of Independent Businesses and others to develop new and innovative partnerships to link youth and young adults to work and work experiences that will create new avenues for disconnected youth to join and advance in the workforce.
- 3) Simplify and expand Pell Grants and make higher education accessible to residents of each state. While education can be a great leveler, too often the poorest children and workers in this country have the fewest opportunities for education.<sup>2</sup> High-quality, universally accessible education—from early childhood through post-secondary—is essential to increase opportunity and mobility. In today's competitive workforce, it has become increasingly difficult to secure a good job without a post-secondary education. Higher education must be made affordable

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<sup>1</sup> Center for American Progress Task Force on Poverty, *From Poverty to Prosperity: A National Strategy to Cut Poverty in Half* (Washington, DC: Center for American Progress, 2007).

<sup>2</sup> Isabel Sawhill and Sara McLanahan, “Introducing the Issue, Opportunity in America,” *Future of Children* 16(2):(Fall 2006).

for low-income individuals, and Pell Grants play a critical role in creating access to such an education for poor youth.<sup>3</sup>

- 4) Community Empowerment and Services Integration: The Poverty Forum proposes a comprehensive plan to empower communities in improving planning and coordination of human and social services programs. The plan includes the following steps and elements:

**Establishment of Community Empowerment and Services Integration Grants (CESIG).** The federal government should establish a new categorical grant program that would provide planning funds to state/local partnerships targeted at developing plans for problem identification and program integration. Under these grants, awardees would identify high-poverty regions within states and conduct assessments of the key issues that the local community believes must be solved in order to successfully reduce wide-spread, multi-generational poverty for the entire region. The state/local applicant would have to demonstrate that their remediation and integration plan is based both on rigorous data analysis and community consultation process that will support positive implementation and outcomes. Plans developed under these grants would include benchmarking and data collection related to specific goals to help measure whether the plan is progressing toward its proposed objectives.

The Forum is particularly concerned about the needs of children and youth and the imperative to improve coordination around the programs that serve them. To address these particular populations, the Forum believes the federal government should, as part of the broader integration and empowerment effort, set aside a portion of the funds allocated for these grants to communities that choose to focus their efforts on children and youth. This effort would be based on the success of the Harlem Children's Zone®, (HCZ®) a pioneering, nonprofit, community-based organization that works to break the cycle of poverty for children and families in Central Harlem. HCZ's success underscores the need for any federal effort to eradicate child poverty to be multifaceted.

The overall mission and purpose of Promise Neighborhoods should be to provide poor children and youth up to age 24 with every possible chance to succeed through the development of high quality, comprehensive, coordinated, neighborhood-based programs for children, youth, young adults, and parents, combined with efforts to rebuild the fabric of the community.

**Establishment of a Lead National Organization (LNO) to Provide Technical Assistance to CESIG.** The federal government should select a LNO responsible for providing research support, data collection and analysis and technical assistance to planning grant recipients as they undertake their investigation and formulate remediation plans. The LNO would be responsible for linking to relevant national resources (e.g. universities, government agencies, think-tanks and other relevant institutions) to tap knowledge, expertise and effective models.

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<sup>3</sup> Center for American Progress Task Force on Poverty, *From Poverty to Prosperity: A National Strategy to Cut Poverty in Half* (Washington, DC: Center for American Progress, 2007).

**Establishment of Waivers to Facilitate CESIG Implementation.** State/local coalitions that successfully develop integration and remediation plans would be eligible to apply to the federal government for a waiver that would permit them to realign funding between formula and block grant funding streams to support innovative programs targeted toward reducing the problems identified under the planning grants. For instance, if the community identified K-12 educational reform as a key to its success, it would be permitted to move funding from Workforce Investment Act (or any of the other identified funding streams) activities to support the remediation plan. Waivers would be approved for a limited period and would be contingent on the ability of the state/local coalition's ability to demonstrate progress toward the identified goals. It is important to note that the waivers would not provide exemptions from federal civil rights, environmental protection or employment/work safety laws and regulations.

**Establishment of a Community Empowerment Trust Fund.** A key aspect of the planning grant and waivers is the rewarding of successful interventions. Under our current paradigm, communities experiencing success at reducing poverty are often "punished" as state governments shift resources toward more needy areas. To compensate for this effect, state/local coalitions and regions that demonstrate success in achieving their community remediation goals would be eligible for additional federal funding to support the expansion and acceleration of their programs and practices. Additional funds would also be available if the state or locality showed that it had increased the non-federal resources (either tax dollars or philanthropic contributions) being applied to the coalition's implementation plan.

### **Political Outlook:**

Unlike previous efforts to provide states with flexibility around social services funding streams, the additional monies envisioned under this plan should allay concerns that the waivers will be a cover for further reductions in the overall level of federal support provided to states and localities. The plan also provides an incentive to states and localities to increase their own contributions and to seek support from foundations and other private sources to expand and intensify services for the poor. The proposed waivers and funding would be time- and performance-bound so that should the demonstration have negative effects on community well-being, the proposed waivers would be subject to review, suspension or cancellation.

The plan is also consistent with conservative principles relating to federalism and encouraging states and localities to assume greater responsibility for anti-poverty programming. The additional funding envisioned for planning grants would be relatively nominal and additional funding for services would be contingent upon states and localities ability to demonstrate positive results through rigorous evaluation of program outcomes.

## **The Poverty Forum: Community Factors**

### **Reducing Recidivism among Ex-Offenders**

**Brent R. Orrell and Angela Glover Blackwell**

**Area:** Community Factors – Recidivism

**Issue:**

Over the past seven years, a remarkable consensus has developed among progressives and conservatives about the need to reduce recidivism among ex-offenders as well as to create strategies to help keep those who have served criminal sentences from re-offending and returning to prison. This consensus resulted in the enactment of the Second Chance Act of 2008 promising the establishment of the first comprehensive federal re-entry policy. Congress and the new president should seek to capitalize on this momentum by working to fully fund the Second Chance Act and consider a package of new initiatives that will strengthen community efforts to reduce recidivism.

**Problem:**

The state and federal governments of the United States incarcerate more than 2 million people. The Bureau of Justice Statistics estimates that 12 percent of all African-American men in their late twenties were in prison or jail in 2005. Due to these high levels of incarceration, nearly 650,000 adults return each year from prison – often to the same communities and neighborhoods in which they were arrested. Ex-offenders frequently find themselves in communities under siege from a host of other social ills and themselves lack the relationships and access to services and employment that could support their transition to life outside prison.

Given this combination of problems – large numbers of returnees, stressed communities, lack of services, and barriers to employment – the results are unsurprising: the U.S. Department of Justice estimates that two-thirds of ex-offenders will be rearrested for new crimes within three years of release, and about 40 percent will return be re-imprisoned. The fiscal impact of incarceration, estimated at more than \$50 billion last year, is staggering particularly when state budgets are staggering under the impact of an economic slowdown. The human cost – in new crimes and wasted lives – is quite literally beyond measure.

The good news is that substantial progress has been made over the past decade in creating new models of re-entry that address the key problems faced by returning offenders. Demonstration programs at the U.S. Departments of Labor and Justice have shown that community-based, mentor-supported and employment-focused re-entry programs, we can improve opportunities for ex-offenders and the communities in which they live and thereby dramatically reduce recidivism. The Ready4Work and Prisoner Re-entry Initiatives, joint efforts by DOL and DOJ that embody these principles, have cut recidivism between 15 percent and 50 percent compared to national averages.

The mentoring component of these initiatives has proven to be far more consequential than originally envisioned. Participants who take part in voluntary mentoring are twice as likely to find jobs and 56 percent more likely to remain employed for three months or more than those who do not take part in mentoring. Human and social capital development for ex-offenders is likely to remain an important key to successful reintegration and reduced recidivism.

Beyond these fundamental efforts to re-establish relationships between ex-offenders and their communities and expand employment opportunities, there are a number of important initiatives that should be undertaken to strengthen opportunities for employment and participation in civil society. Policy review and development is needed around the creation of quality jobs for ex-offenders (i.e. those that will provide enough pay and benefits for the returnee to meet basic life needs and support children and families), the reduction of barriers to employment (e.g. the routine use of the “felony box” on employment applications), the appropriate expunging of criminal records, examination of barriers to employment in federal, state and local governments, and the restoration of voting rights for convicted felons.

### **Solutions:**

The new Congress and Administration should fully fund programs authorized under the Second Chance Act and continue support for programs that provide community-based, mentor-supported, and employment-focused re-entry strategies. In addition, the federal government, working with state and local governments, should lead efforts to reduce legal and employment practice barriers to ex-offender hiring, and work toward the restoration of voting rights for individuals with felony records.

### **Policy Recommendations:**

1) Fully Fund the Second Chance Act – The Second Chance Act, which was signed into law in April, 2008, authorizes \$130 million for a wide variety of programs, activities and studies including:

- up to \$55 million per year for states, units of local government and tribal entities to help states and communities test ways of reducing recidivism
- up to \$20 million per year to the Department of Labor to assist ex-offenders in finding and retaining employment
- up to \$15 million per year for mentoring activities to assist ex-offenders
- up to \$10 million per year to assist states and localities in establishing Reentry Courts that help coordinate access to necessary services
- up to \$10 million per year to states for drug treatment alternatives to incarceration
- up to \$10 million per year for family-based substance abuse treatment

Because the federal government is on a continuing resolution until early 2009, Congress has not yet appropriated funds to fulfill the promise of Second Chance. It is critical that the new Administration and Congress make good on its pledge in passing this landmark legislation by providing the dollars necessary for states, localities and non-profit organizations to provide

the assistance the Act envisions.

- 2) Second Chance Employment Initiative – Efforts are underway in a number of states to improve knowledge and understanding of the way restrictions on employment reduce the ability of ex-offenders to find and keep jobs. A similar effort is needed at the national level including:
  - a) a nation-wide study of ex-offender employment restrictions and an evaluation of data as to whether such barriers are necessary and effective;
  - b) a review of federal, state and local government policies that restrict ex-offenders in applying for government jobs;
  - c) demonstration grants for states to work with the private sector on projects to “ban the box” (i.e. discourage the use of simple employment questions that screen out ex-offenders) and substitute the use of risk-based analysis in decisions on employing people with criminal records
  - d) demonstration grants to states to create and expand efforts to help ex-offenders expunge criminal records that pose an unnecessary barrier to employment
- 3) Voting Rights Restoration - Nationally, nearly 4 million people who have been convicted of crimes, served their sentences and returned to their communities remain ineligible to vote. This problem disproportionately affects African-American men of whom 13 percent are currently ineligible to vote due to felony convictions. In some states, that figure is as high as 25 percent.

An important aspect of reconciliation between an ex-offender and the community is the restoration of civil participation in the form of voting rights. Laws relating to restoration of voting rights vary greatly across the nation. Eleven states deny the vote to those convicted of felonies. An additional 35 states keep parolees from voting and 30 states restrict voting for those on probation. Immediate steps are needed to address this problem at both the federal and state levels:

- a) Congress should pass and the President should sign the Democracy Restoration Act, sponsored by Senator Russ Feingold and Representative John Conyers, which would, for the purpose of federal elections, restore voting rights elections for individuals convicted of felonies.
- b) Congress and the President should establish a bi-partisan commission to study state laws as they relate to voting rights for persons convicted of felonies or serving probation and parole and make recommendations to reform such laws to assure fairness and consistency and promote the reconciliation of ex-offenders with their communities. The commission would also be charged with working with the U.S. Department of Justice for the creation of two public service announcement campaigns. The first would be targeted at ex-offenders who may be eligible to vote under the laws of their states but may believe that state law prohibits them from doing so. The second would help dispel confusion among state and local election officials as to the laws governing the voting rights of ex-offenders in their respective states.

4) Expansion of Employment and Training Opportunities for Ex-Offenders – in 2007, Congress passed and the president signed the Energy Independence and Security Act of 2007 which included new authority for the Pathways Out of Poverty Demonstration Program. The focus of this important legislation was to create new “green jobs” training opportunities for to help move impoverished individuals toward self-sufficiency. The statute specifically mentions ex-offenders as a target population for such training and a number of mayors from major urban centers are focusing on “green jobs” to renovate and revitalize housing in the nation’s core urban areas while providing transitional employment for the formerly incarcerated.

a) Congress should fully fund Title X of the Energy Independence and Security Act of 2007 to increase training and employment opportunities for ex-offenders in the area of “green jobs” and encourage the U.S. Department of Labor to work with states and other grantees funded through this program to develop community-based programs targeted at training ex-offenders for these jobs.

**Previous Legislation (if applicable):**

Second Chance Act of 2008

**Political Outlook:**

The Second Chance Act passed the House and Senate with broad, bipartisan majorities. The request for full funding of this legislation would be hampered chiefly by the budget environment rather than political concerns.

The other proposed policies above would likely prove to be somewhat more controversial, particularly as they relate to employment. Conservatives are likely to object to any measure that appears to be burdening or pressuring private employers to hire ex-offenders against their better judgment. It might be wise to proceed first toward studies that can create an empirical basis for such policy changes rather than moving first toward demonstration grants that would fund state and local governments to conduct campaigns.

Similarly, voting rights restoration may be unpopular both in Congress and with the public. A federal study on the issue might be a promising first step toward creating the basis for encouraging states to review their laws in this area.

“Green jobs” legislation has very strong momentum as the new Administration and Congress begin working on appropriations for both the stimulus package and the regular FY09 and FY10 funding legislation. Continuing to work with the Congress and the U.S. Department of Labor to assure a steady focus for “green jobs” as an employment option for ex-offenders is both an important and achievable goal.

**References:**

Joint op-ed by Senator Russ Feingold and Jack Kemp on Democracy Restoration Act  
<http://www.brennancenter.org/page/-/Feingold%20Kemp%202-15-08.pdf>

## **The Poverty Forum: Education**

### **Setting Education Expectations for All Children**

**Dr. Robert Franklin and Terrell Halaska**

**Area:** Education

**Issue:**

Nearly half of the low-income students in this country never graduate from high school, much less attend and successfully complete some form of postsecondary education. As a nation we must focus our attention and resources, setting the expectation that all children have these opportunities.

**Problem:**

The nationwide high school graduation rate hovers around 70%, while the rates for African-American, Hispanic and low-income students are all less than 60%. Nearly half of the most vulnerable children in our nation never graduate from high school at all. In addition, the gap in reading skills between white and minority 17 year olds is wider than it was in 1990.

According to the Education Equality Project, these “academic outcomes translate into life outcomes: dropouts are more likely to become and stay jobless, will enjoy dramatically lower lifetime earnings, are far more likely to be unemployed and incarcerated, are more likely to depend upon public assistance, and face more serious health problems and shorter life expectancies.”

Additionally, postsecondary education was long seen as the privilege of a select few. This is no longer true in today's economy. With unemployment topping 7.2 percent, only the most educated will find new jobs quickly – if at all. At the same time, over two-thirds of new jobs being created require college education or advanced training. Even jobs that are considered “blue collar” such as electricians now require some sort of postsecondary credential or training. And while college attendance has increased among all segments of the population since the 1970s, large gaps in participation between affluent and low-income students stubbornly persist.

Demographics make the challenge of expanding access to postsecondary education even more challenging. According to the Western Interstate Commission for Higher Education (WICHE) in 2004-05, students of color represented slightly more than 1/3 of all students graduating from high school. But by 2020-21, they will represent nearly half of all high school graduates. These are the same students who will require additional assistance – both financial and supportive - to get into and out of a post secondary course of study.

## **Policy Recommendations:**

1) High School Graduation Fund: The Federal Government should create an incentive fund for schools districts to implement innovative programs designed to significantly increase high school graduation rates. This incentive fund would provide funding plus waivers from Federal restrictions that hinder or impede implementation of innovative models. In exchange, school districts would be required to show:

1. approval and cooperation of their State Education Agency, a foundation or private sector philanthropic organization, an institute of higher education, parents affected by the changes, and the community at large;
2. that the reforms they intend to implement are school-wide programs and include activities such as: accelerated academic catch up, college preparatory curriculum, early warning systems that track indicators such as absenteeism, comprehensive college guidance/ student advisement, parental involvement, experiential job-based learning, access to dual credit, and teacher professional development; and
3. that the reforms they intend to implement are evidence-based.

*Previous Legislation:* There is significant interest in Congress in addressing the high school dropout issue. Several pieces of legislations were introduced in the 110<sup>th</sup> Congress and were incorporated into Committee work on NCLB reauthorization. Most of the bills created a federal funding stream dedicated to preventing high school dropouts. Key supporters of dropout prevention legislation include Rep. Bobby Scott (D-VA) and Sen. Jeff Bingaman (D-NM) and Sen. Richard Burr (R-NC).

*Political Outlook:* There is a strong possibility that the new Administration and Congress will address the high school dropout issue in the 111<sup>th</sup> Congress. During the campaign, President Obama spoke about supporting high schools and addressing the dropout crises by investing in interventions in middle schools. In addition, the relevant authorizing committees have been working on NCLB reauthorization for the past two years. It is unclear if a high school bill would move separately or as part of the broader reauthorization.

*References for more Information:*

Alliance for Excellent Education - <http://www.all4ed.org/files/Legislation.pdf>

The Education Equality Project - <http://www.educationequalityproject.org/>

The Bill and Melinda Gates Foundation - <http://www.gatesfoundation.org/topics/Pages/high-schools.aspx>

2) Education Savings Program: The Federal Government should establish a college savings program designed to increase college attendance and success among low-income students. In addition to providing financial assistance for a post secondary education for low-income students, these accounts could also significantly impact a parent's expectations of their child's ability to attend college. While most middle-class and high-income families view college as a right of passage, for low-income families it is too often seen as an impossible dream. There is evidence that suggests that setting an expectation for college early helps students achieve that dream.

A program of this sort would:

1. Establish a savings account for every young person who would be eligible for a Pell Grant according to their parents' most recent tax return or based on their eligibility for other means-tested federal income support programs.
2. The Federal Government would deposit an amount into the account each year that would be based on the family's Pell eligibility. For example, if a student would be eligible for a \$5,000 Pell Grant, the government could deposit 10%, or \$500, into the account annually.
3. The families, employers, or non-profit organizations could also deposit money into these accounts.
4. The families for whom these accounts are created would receive an annual statement showing the growth of the fund over the years and reinforcing the expectation that their child can attend college.
5. These accounts could only be used for college expenses and could not be withdrawn for other purposes.

*Previous Legislation (if applicable):* Not applicable

*Political Outlook:* During the past several years, Congress has passed several pieces of legislation dealing with Higher Education financing, including a reconciliation bill that increased the amount of the Pell Grant and created merit-based scholarships for low-income students. In addition, Congress passed a reauthorization of the Higher Education Act (HEA) that was signed into law in 2008. The reauthorization is intended to extend these higher education programs for five years. Due to the controversial and costly policies involved it took Congress several years to agree on a bill and the previous reauthorization remained in effect for 10 years.

However, Congress and the new Administration talk about college costs frequently as an important issue and recently Congressional committees have indicated that college aid simplification is a legislative priority for the 111<sup>th</sup> Congress.

*References for more Information:*

Rethinking Student Aid study group and report:

<http://professionals.collegeboard.com/policy-advocacy/affordability/student-aid>

## **The Poverty Forum: Family Policy**

### **Healthy Marriage and Responsible Fatherhood Promotion**

**Dr. Kathy Edin and John Cusey**

**Area:** Family Policy

**Issue:** Healthy Marriage

#### **Problem:**

Over the past 30 years, the prospects of divorce have diverged sharply by class. Rates of non-marital childbearing also differ dramatically by class, though this is not new. In depth qualitative studies of low income couples find that such couple relationships often form by chance more than by plan, and have extraordinarily high rates of serious problems such as infidelity and domestic violence. These couples usually want to stay together and marry, yet desperately need tools to make their relationships strong.

#### **Solutions/Goals:**

Promote healthy marriage to help couples, who have chosen marriage for themselves, to gain greater access to marriage education services where they can acquire the skills and knowledge necessary to form and sustain a healthy marriage. Also promote responsible fatherhood so that more children have an active and engaged father in their lives. The goals are to:

- Increase the percentage of children who are raised by two parents in a healthy marriage;
- Increase the percentage of married couples who are in healthy marriages;
- Increase the percentage of premarital couples who are equipped with the skills and knowledge necessary to form and sustain a healthy marriage;
- Increase the percentage of youth and young adults who have the skills and knowledge to make informed decisions about healthy relationships including skills that can help them eventually form and sustain a healthy marriage;
- Increase public awareness about the value of healthy marriages and the skills and knowledge that can help couples form and sustain healthy marriages;
- Encourage and support research on healthy marriages and healthy marriage education; and
- Increase the percentage of women, men and children in homes that are free of domestic violence.

Research shows there are many benefits to healthy marriage. Children raised by parents in healthy marriages, compared to unhealthy marriages, are more likely to succeed academically, are physically and emotionally happier, are less likely to commit delinquent behaviors, and are less likely to be raised in poverty. Women and men who are in healthy marriages, compared to unhealthy marriages, experience many benefits, including being less likely to remain or end up in poverty

**Sources:**

Why Marriage Matters, Second Edition: Twenty-Six Conclusions from the Social Sciences, September 2005.

"Also see What Is a Healthy Marriage? Kristin Anderson Moore; Susan M. Jekielek; Jacinta Bronte-Tinkew; Lina Guzman; Suzanne Ryan; Zakia Redd. September 2004."

**Policy Recommendations:**

- 1) Strengthen and protect the Healthy Marriage and Responsible Fatherhood Initiatives at the Administration for Children and Families in the Department of Health and Human Services. The Deficit Reduction Act of 2005 provided funding of \$150 million each year for healthy marriage promotion and fatherhood. This program should continue to exist, should continue to stress the benefit of marriage over cohabitation, should continue to strengthen the marriage field, should continue to promote responsible fatherhood, and should continue to research the impact marriage has on poverty and other outcomes. This program should also continue developing best practices based on research and experience in the field.
- 2) Expand access to marriage education for those who participate in government assistance programs and want that education. Specifically, it should be the policy of the federal government to evaluate current anti-poverty programs, and any expansion of anti-poverty programs, to determine how to structure them in a way that encourages healthy family formation and does not create disincentives to marriage or fatherhood. Any expansion of anti-poverty programs should not repeat mistakes of the past, but should instead recognize the important role family formation plays in providing better outcomes for children, women, and men.

**Previous Legislation (if applicable):** The Deficit Reduction Act of 2005

**Political Outlook:**

There is a question as to whether the new Administration and the new Congress will want to promote a program with marriage as the goal, or instead change the program to focus more on relationship education that does not specifically promote marriage. This debate will probably take place immediately in the context of changes in implementation of the Healthy Marriage Initiative. The new Congress may also want to make changes in TANF, which will provide an opportunity for the Healthy Marriage Initiative to be revisited. Fatherhood programs have strong bipartisan support, but they have been challenged in court by the National Organization of Women (NOW).

**References for more Information:**

Administration for Children and Families information on the Healthy Marriage Initiative:  
<http://www.acf.hhs.gov/healthymarriage/index.html>

## The Poverty Forum: Combined Effort

### Earned Income Tax Credit

#### Problem:

For the past 35 years, the number of Americans living in poverty has not appreciably decreased. This is due both to declining real wages for unskilled workers and increases in single parenthood, which leave more American families poor.<sup>4</sup> For this population, childbearing typically begins in the early 20s. However, unskilled male workers do not transition to the stable formal sector employment until their late 20s and beyond.<sup>5</sup> Studies show that the majority of poor unwed parents want to marry, but face economic barriers to doing so.<sup>6</sup> The delayed entry of unskilled males into stable employment contributes to the current high rates of non-marital childbearing and the correspondingly low marriage rate.

Supplementing the wages of unskilled workers with an expanded individual Earned Income Tax Credit (EITC) may lure more unskilled workers into the labor market sooner, enabling more poor couples to build stable two parent families.<sup>7</sup> Paradoxically, however, such couples face a large potential marriage penalty due to the current structure of the EITC.<sup>8</sup> Furthermore, the credit does not expand for families with more than two children, limiting its ability to help larger families escape poverty. Over half of all poor children live in such families.<sup>9</sup>

#### Policy Recommendation:

##### Strengthen and expand the Earned Income Tax Credit (EITC)

- A. eliminate the marriage penalty.
- B. provide an additional credit tier for three or more children rather than the current two-child maximum
- C. create a new EITC for individuals age 21 and older who work at least 30 hours per week

#### Background:

The Center on Budget and Policy Priorities reports that in 2003 the EITC raised the income of 4.4 million persons in low-income working families, including 2.4 million children, so that they were not poor. The EITC now moves more children out of poverty than any other government

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<sup>4</sup> John Iceland. *Poverty in America*. Berkeley: Univ. of California Press, 2006.

<sup>5</sup> Valerie K. Oppenheimer. *Cohabiting and Marriage During Young Men's Career-Development Process* *Demography*, 40, no. 1, (2003): 127-149.

<sup>6</sup> Christina Gibson-Davis, Kathryn Edin, and Sara McLanahan. "High Hopes but Even Higher Expectations: A Qualitative and Quantitative Analysis of the Marriage Plans of Unmarried Couples who are New Parents." *Journal of Marriage and Family*. 67, no. 5 (2006): 301-1312.

<sup>7</sup> Gordon L. Berlin. *Rewarding the Work of Individuals: A Counterintuitive Approach to Reducing Poverty and Strengthening Families*. *Future of Children* 17, no. 2 (2007): 17-42.

<sup>8</sup> Adam Carasso and C. Eugene Steuerle, "The Hefty Penalty on Marriage Facing Many Households with Children," *Future of Children* 15, no. 2 (2005): 157-75.

<sup>9</sup> Jason Furman. *Tax Reform and Policy*. Center for Budget and Policy Priorities. 2006.

program.<sup>10</sup> Second, recent studies show that the expansions of EITC have significantly increased the work effort of single mothers. In fact, these expansions explain more than half of the substantial increase in employment rates among single mothers over the 1984–1996 period.”<sup>11</sup> Third, the EITC has some other aspects that economists in particular like. Economists study the “efficiency costs” of redistributing money to the poor via taxation—and the EITC turns out to be especially efficient.<sup>12</sup> The EITC also has many of the advantages of raising the minimum wage without its disadvantages.<sup>13</sup> However, even with the full EITC, a family of four with one person working full-time at minimum wage would still be \$5,386 below the poverty level.<sup>14</sup>

### **Current State of EITC:**

President Bush removed almost all marriage penalties from the tax code—except in the EITC which helps the working poor. If a man and a woman (each of which has children) live together without being married, they may both receive a large EITC. If they marry, they are eligible for only one EITC which frequently means the loss of several thousand dollars.

### **Options:**

One option for eliminating the marriage penalty is to create a new EITC for individuals age 21 and older who work at least 30 hours per week.<sup>15</sup> The new individual credit would be substantial enough in value to spur more stable formal labor market activity (ideally, the equivalent to what an adult with one custodial child could claim). It would not be based on the presence of custodial children or on marital status, but on individual earnings. The current family credit would be retained, as the current EITC reduces child poverty by roughly twenty-five percent.

### **Benefits of a New Individual EITC:**

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<sup>10</sup> David R. Francis, *The Earned Income Tax Credit Raises Employment*, National Bureau of Economic Research, 2008.

<sup>11</sup> John Porter, *Strengths of the Safety Net*, (1999) 21–23. See also Stephen D Holt. *The EITC at 30: What do we Know?* Brookings Institution. 2006; Nada Eissa and Hilary Hoynes. “Behavioral Responses to Taxes: Lessons from the EITC and Labor Supply.” National Bureau of Economic Research. 2005.

<sup>12</sup> Robert Greenstein and Isaac Shapiro, “New Research Findings on the Effects of the Earned Income Tax Credit,” Center on Budget and Policy Priorities (March 1998): 7-5. See also Sawhill and Thomas, “A Hand Up for the Bottom Third: Toward a New Agenda for Low-Income Working Families.” The Brookings Institution (May 2001): 21-22.

<sup>13</sup> John E. Anderson, “Taxation and Economic Justice.” *Towards a Just and Caring Society*, Ed. David Gushee. 1999. 261.

<sup>14</sup> Calculating 40 cents extra per dollar on \$10,300 results in \$4,120. The poverty level is currently \$19,806. Subtracting \$4,120 from \$10,300 equals \$5,386. \

<sup>15</sup> The existing individual credit is very small.

Creating a new individual EITC would likely encourage more unskilled men into stable formal sector employment earlier in life. It would also eliminate perverse disincentives of the current credit, which tax marriage (for two earners with custodial children) and work (among second earners in married couples). This strategy would have wide ranging benefits. First, more children would live with *stable two-parent families*. Second, *family and child poverty would be reduced*. Other benefits might include a delay in the age at first childbirth and declines in crime and incarceration, as attachment to work plays a key role in desistance from criminal activity.

**Ideally, the new individual EITC would be combined with other make-work-pay strategies such as increasing the minimum wage and longer term educational strategies that increase the human capital and productivity of the poor and near poor.**

#### **Timeliness:**

Getting unskilled men into stable formal sector work earlier, at the start of the family building years, should be a key policy goal. Since 1994, the labor force participation rate of their female partners, unskilled single mothers, has grown dramatically. Economists estimate that as much as 60 percent of the increase can be attributed to the Earned Income Tax Credit, which rewards work by subsidizing the wages of low-income workers. Childless workers, however, and noncustodial parents, are functionally excluded. Thus, few unskilled men are eligible to claim the full credit, burdening them with a large marriage tax.

#### **Political Outlook:**

The current stimulus/economic recovery package includes an expansion of EITC benefits for families with three or more children. The EITC enjoys broad bipartisan support as an incredibly effective anti-poverty measure that incentivizes and rewards work. These reforms to the EITC address two existing flaws within the current program that would make the program more family friendly and equitable. The third aspect would likely encourage more unskilled men into stable formal sector employment earlier in the life course.

#### **References:**

John Iceland. *Poverty in America*. Berkeley: Univ. of California Press, 2006.

## **The Poverty Forum: Health Care**

### **Additional Funding for AIDS Testing and Treatment**

**Kathy Saile and Jim Capretta**

**Area:** Health Care

**Issue:**

Low-income communities, especially African-American communities, continue to experience high levels of HIV infection. According to the Centers for Disease Control, Blacks in the United States have an infection rate seven times as high as whites with infection rates doubling between 1995 and 2005. Latinos in the United States have an infection rate three times as high as whites. Currently, half of people infected with HIV who should be receiving HIV drugs do not receive the drugs. Current federal programs provide vital support to states and localities trying to help detect and treat low-income persons with the disease, but federal funding needs to be expanded to meet the need.

**Problem:**

The AIDS Drug Assistance Program (ADAP) is authorized by Title II of the Ryan White Act. As of 2008, the federal appropriation of \$808 million supported the states in their purchase of drugs for over 100,000 persons living with HIV/AIDS.

However, ADAP faces a chronic funding shortfall, and many people who could be taking life-saving medications are on ADAP waiting lists. Moreover, as new, more costly -- but also more effective -- drug regimens come on-line in the near future, costs will increase. It is estimated that additional funding of \$175-\$200 million per year is needed to fully fund the program and eliminate waiting lists.

In addition, the Ryan White Act also provides funding for enhanced HIV testing through an early diagnosis grant program. Nonetheless, it is estimated that 250,000 number of people are still living with HIV but do not know it because they have never been tested.

**Policy Recommendation:**

Increase funding for ADAP by \$175 million in 2010 and beyond.

Increase funding for the Ryan White early diagnosis grant program from \$30 million to \$50 million in 2010 and beyond. Funds should be as accessible to states as possible.

**Political Outlook:**

The current Ryan White law expires September 30, 2009, so these changes could be pursued in the reauthorization process this year as well as through the annual appropriations process.

**References for more Information:**

- [www.kff.org/hiv/aids](http://www.kff.org/hiv/aids)
- Center for Disease Control, HIV/AIDS Surveillance Report, Vol. 18, 2008
- [www.Aids.gov](http://www.Aids.gov)

## **The Poverty Forum: Health Care**

### **Protection for States with SCHIP “Unborn Child” Regulation**

**Kathy Saile and Jim Capretta**

**Area:** Health Care

#### **Issue:**

In 2002 the United States Department of Health and Human Services (HHS) improved the State Children’s Health Insurance Program (SCHIP) by stating that the word “child” in the statute may include the period from conception to birth. Fourteen states have already chosen to provide health care to pregnant women and their unborn children under this regulatory option: AR, CA, IL, LA, MA, MI, MN, OK, OR, RI, TN, TX, WA, WI.

#### **Problem:**

SCHIP reauthorization efforts (which did not become law) in the 110th Congress would have codified many regulatory provisions of SCHIP, but not this one. The bill that passed Congress and vetoed by President Bush mentioned the availability of this option, but explicitly took no position on the regulation’s “legality or illegality.” This leaves the unborn child option in an uncertain legal situation, subject to rescission by any President or HHS Secretary. Later H.R. 976 was vetoed by the President, and a veto override effort fell short of the necessary two-thirds margin in the House.

Giving states only *one* way to provide prenatal care -- by defining the pregnant woman as the patient in need of “child health assistance” -- has serious practical and negative consequences:

- Many children will be born as U.S. citizens in poorer health (and in greater need of expensive health care) from lack of prenatal care, because their immigrant mothers were not eligible for benefits in their own name during pregnancy.
- The 14 states now forced by court orders to fund abortion on demand in their Medicaid program will be required to provide the same services to pregnant women under SCHIP. Thus they will be unable to improve their coverage for unborn children without expanding state funding for the elimination of those children. This would be tragic in a program explicitly dedicated to the lives and health of children.

#### **Policy Recommendation:**

The Administration should keep the unborn child regulation in place so states that have chosen this option can be secure in *choosing* to provide life-affirming health services to needy children and their mothers without involvement in abortion. The regulation should continue to be clear in

supporting the health needs of the woman during and for 60 days after pregnancy, as long as this is consistent with the health of the child. This improvement in the bill would serve both women and children, and reaffirm SCHIP's key principle of allowing states to design children's health care programs that best serve their needs.

**Previous Legislation (if applicable):**

An amendment offered in the last Congress to codify this rule, and clarify the scope of its coverage for women after delivery, failed in the Senate by one vote, 49 to 50.

(Current events are developing as we write this.)

**Political Outlook:**

Continuation of the SCHIP unborn child regulation is not only an important policy, it also has the potential to bring together an unusual alliance of supporters. The provision will make it easier to provide essential health care for unborn children whose mothers may not be in the U.S. legally, and it will do so in a way that avoids entanglement with state requirements which would otherwise require abortion provisions, as well. Consequently, pro-life legislators and those who are concerned about adequate health care for immigrants should find the proposal compelling.

**References for more Information:**

The current regulation is available at 67 Fed. Reg. 61955, 61974 (Oct. 2, 2002), revising 42 C.F.R. § 457.10.

H.R. 976 was the SCHIP reauthorization bill in the last Congress which was vetoed. Subsequently, Congress passed a short-term extension of SCHIP which expires at the end of March 2009.

## **The Poverty Forum: Making Work Work.**

### **Promoting a Commitment to Employment**

**Chuck Donovan and Dr. Ron Sider**

**Area:** Making Work Work

**Issue:** Those able to work have a moral obligation to work to earn a living. Those who do work full time responsibly ought to receive compensation (wages plus tax credits) that is at least 125% of the federal poverty level.

#### **Problem:**

The vast majority of Americans agree that people that work full time should not be poor and that a job should keep you out of poverty and not keep you in it. However, a trend of stagnant and often declining wages, particularly for lower skilled workers, and diminishing benefits for workers across the spectrum means that work is no longer working for the majority of low-income Americans.

#### **Policy Recommendations:**

**1. Extend the Child and Dependent Care Tax Credit.** Low-income parents with incomes below \$15,000 who work outside the home can claim a maximum tax credit of \$2,100 for two children. People earning more than \$25,000 receive a \$1,800 credit for two children. But this tax credit is *not* refundable.<sup>16</sup> That means that if you owe no federal income taxes, you get no dependent care tax credit. As a result, poor people gain very little. In fact, most of the \$2.7 billion credit claimed in 2001 went to middle-income and high-income families!<sup>17</sup> The obvious solution is to reduce the credit to high-income families and make this tax credit refundable so that poor people who owe no income taxes benefit at least as much as the middle class. That should be done immediately. Many advocates for the poor urge that we should not only make the dependent care credit refundable but also substantially expand it.<sup>18</sup> That would be a good idea, but only if we correct one important problem: Two-parent families get it only if both work. That means that two-parent families who choose to have one parent at home to care for young children lose out completely. In fact, they get taxed to subsidize two-parent families in which both parents work outside the home. That is hardly a pro-family policy. To address these problems and strengthen the tax credit we propose doing three things and linking them:

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<sup>16</sup> Christine Scott, "Dependent Care: Current Tax Benefits and Legislative Issues" (Congressional Research Service Report, 21 January 2005).

<sup>17</sup> *2004 Green Book*, 13-44. Only 10 percent of the benefit goes to families with an adjusted gross income of \$20,000 or less.

<sup>18</sup> *Ibid.*, 162-65; Blank, *It Takes a Nation*, 262-63. (Blank does not advocate an increase, but she does urge a program of assured child support, which I discuss and reject in the way she proposes it in my chapter on the family.)

- a. make this tax credit available to all working families, single-parent and two-parent, including two-parent families where one parent does not work outside the home
- b. make this tax credit refundable at least up to the employee's and the employer's share of the Social Security/Medicare tax
- c. increase the amount of the tax credit by the amount of inflation since it was last raised and from now on index the tax credit to the rate of inflation

Political Outlook: The Stimulus and Economic Recovery plan provide an opportune moment to institute these changes.

2. Minimum Wage: Increase the minimum wage by at least \$1.00 above the \$7.25 rate (which becomes effective July, 2009) and index the minimum wage going forward to the inflation rate

The Congress passed an increase to the federal minimum wage in 1997 with bipartisan support. Even with these increases phased in over two years the minimum wage is worth considerably less now than it was in 1968, the year Dr. Martin Luther King Jr. was killed in Memphis while fighting for living wages for sanitation workers. The 1966 minimum wage was \$8.46, adjusting for inflation. The decade between the federal minimum wage increase to \$5.15 an hour on Sept. 1, 1997 and the July 24, 2007 increase to \$5.85 was the longest period in history without a raise. Even with the minimum wage increase on July 24, 2008 to \$6.55, workers are still making less than they did in 1997, adjusting for the increased cost of living. About 10% of the workforce will benefit from the next (and last) scheduled raise to \$7.25 on July 24, 2009, along with more than 6 million children. In the states with the highest proportion of workers affected—Alabama, Texas, South Dakota, Arkansas, South Carolina, Mississippi, West Virginia, Louisiana and Kansas—17.5% to 19.1% of workers will receive increases. Yet, the \$7.25 minimum wage is so overdue that by the time it takes effect in 2009, it will likely be lower in inflation-adjusted dollars than where it started when first set at \$5.15 in 1997. And it will be far behind the minimum wage of 1968.

Critics will argue that an increase in the minimum wage will result in employers cutting back on jobs, particularly during a time of recession. However, many studies of raises in the minimum wage show that these raises have caused very little loss of jobs.<sup>19</sup> In 1996, Nobel Prize-winning economist Robert Solow reported a near consensus among economists that “the employment effect of a moderate increase in the minimum wage would be very, very small.”<sup>20</sup> Contrary to what critics predicted when the minimum wage was raised, our economy had unusually low unemployment, high growth, low inflation, and declining poverty rates between 1996 and 2000. The unemployment rate fell from 5.6% in 1995 to 4% in 2000. Unemployment went down across the board across the country—including among people of color, teenagers, high school graduates with no college, and those with less than a high school education.<sup>2</sup> As *Business Week* put it in 2001, “Many economists have backed away from the argument that minimum wage [laws] lead to fewer jobs.” States that raised their minimum wages above the long stagnant \$5.15 federal level experienced better employment and small business trends than states that did not.

<sup>19</sup> Danziger and Gottschalk, *America Unequal*, 196, n. 14.

<sup>20</sup> *The New York Times*, 31 March 1996, sect. 4, p. 3.

*Political Outlook:* President Obama has promised to raise the minimum wage to \$9.50 an hour by 2011 and index it to inflation. The Let Justice Roll campaign is advocating for an increase to \$10 by 2010. The proposed increase to \$8.25 represents a more modest approach that will garner even greater bipartisan support. Indexing the minimum wage to inflation represents a critical, sensible, and just policy.

3. **Child Tax Credit:** Starting in 1999, parents with children under seventeen could deduct \$500 per child from federal income taxes they owe. In 2004 it was raised to \$1000 per child. This is a wonderful pro-family move, but problems still remain. This tax credit is refundable only to the extent that one's income exceeds \$8,500. Therefore, the credit is absolutely useless to the poor who earn less than this amount and of minimal use to all others who earn less than the poverty threshold. This credit is scheduled to lose half its value at the end of 2010. To strengthen the credit we propose:
  - a. maintaining its value at \$1,000 post 2010 or increasing it significantly by combining it with an expanded Child and Dependent Care Tax Credit.
  - b. making its benefit available to 17 and 18 year olds, or, alternatively, for the same age range the dependent exemption is available.
  - c. adjusting the credit annually for inflation, as is done with the dependent exemption
  - d. making it refundable at least up to the employee and employer's share of the Social Security/Medicare tax.

*Political Outlook:* The refundability of the child tax credit is currently being debated within the Stimulus and Economic Recovery package. The child tax credit is being debated as a part of the American Recovery and Reinvestment Plan. The current House bill lets all of low-income families' earnings count towards calculating their Child Tax Credit. The Senate bill is expected to count earnings starting at \$6,000. That means 2.2 million children in families with very low earnings will get nothing. It also means another 10 million children will get a larger tax credit under the House plan. For example, a family with two children and minimum wage earnings (\$14,500) would receive the full \$2,000 Credit if the House version prevails; they would receive \$1,275 under the Senate bill. While both are better than current law (in which the same family would receive \$900), the House bill would do the most to counter the severe impact of the recession, both by helping families purchase what they need and by pumping money into the economy, which economists say is one of the most effective ways to save and create jobs.

## **Other Resources**

Berlin, Gordon. "Rewarding the Work of Individuals: A Counterintuitive Approach to Reducing Poverty and Strengthening Families." *Future of Children*. Volume 17 Number 2 Fall 2007.

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Holt, Stephen D. 2006. *The EITC at 30: What Do We Know?* Brookings Institution, Metropolitan Policy Program.

John Iceland. 2006. *Poverty in America*. Berkeley: University of California Press.

Sampson, Robert J and John H. Laub. 1990. "Crime and Deviance over the Life Course: The Salience of Adult Social Bonds." *American Sociological Review*. 55:609-627.

## **The Poverty Forum: Strengthening Civil Society**

### **A Call for Expanded Giving to Community Serving Organizations**

**Stanley Carlson-Thies and Melissa Rogers**

**Area:** Civil Society

**Issue:** Encourage private giving to charitable organizations serving those in need

**Problem:**

The deep economic downturn has increased the demands on community serving organizations while decreasing (or threatening to decrease) the resources those organizations require to assist those in need. Due to the economic crisis, individuals and businesses are less able to give. The declining stock market has further undermined charities by shrinking the value of their endowments and gifts of stock and by reducing the assets of foundations and decreasing their grantmaking. At the same time, the number of jobless and working-poor Americans is rapidly rising. Many of them are now turning to charitable organizations for assistance.

**Recommendations:**

#### **1. Work with Congress to Enact Charitable Contribution Deduction for Nonitemizers and Other Charitable Giving Incentives**

President Obama should work with Congress to enact tax-law measures, in particular a tax deduction for nonitemizers who donate to charities that promote greater private giving. As part of his economic stimulus package or in other legislation, President Obama should urge Congress to pass a bill that would allow nonitemizers —66% of all taxpayers— to deduct a portion of their charitable gifts. Studies have shown that when the government gives taxpayers deductions for their charitable contributions, taxpayers contribute substantially more to charities. Legislation authorizing such a deduction should create a mechanism that would track its impact, and the deduction should be subject to the tax rules normally governing charitable contribution deductions, including substantiation requirements. This deduction would bring about greater fairness in our tax policy and create additional resources for community serving organizations as they seek to meet growing needs.

The President should additionally encourage Congress to enact other changes that will foster private giving, such as extending beyond 2009 the ability of older people to give money from their IRAs to charity without incurring taxes on the withdrawal and extending food inventory giving incentives.

The federal government itself is facing massive deficits as it increases its own counter-cyclical spending while its revenues are declining. Nevertheless, given how important private charity is

to people in need, especially in crisis times such as these, and how a relatively small federal tax incentive can leverage much larger private donations, the President ought to encourage Congress to propose a range of creative giving incentives and to promise to support as many as possible.

### **Summary of Some Previous Legislation:**

In 2001 President George W. Bush called for nonitemizers to be given the same deduction for charitable contributions that itemizers receive. In January, 2002, the Working Group on Human Needs and Faith-Based and Community Initiatives endorsed this concept. The Working Group, which included religious and secular leaders from across the political spectrum, said: “The first dollar given [to charitable causes] by one who cleans the office building by night should receive the same treatment as that of the executive who runs the building by day.” A study commissioned by Independent Sector and conducted by PricewaterhouseCoopers found that the nonitemizer charitable deduction proposed by President Bush would have increased charitable giving by more than \$14.6 billion.

The bipartisan Charity Aid, Recovery, and Empowerment (“CARE”) Act in 2002 included a charitable deduction provision for nonitemizers that would have allowed single filers to deduct charitable contributions over \$250 and joint filers to deduct gifts over \$500. A ceiling of \$500 would have applied to individual donors, while a \$1,000 ceiling would have applied to those filing jointly. The CARE Act also provided that donors who are at least 59 ½ would be able to rollover amounts from a traditional or Roth IRA to create a life income gift to charities, and donors who are at least 70 ½ would be eligible to rollover amounts also from an IRA as direct gifts. Further, the CARE Act would have expanded enhanced tax deductions for food donations to charities. The Senate Finance Committee approved the CARE Act in June 2002. Efforts of Senate leaders and the Bush White House to negotiate an agreement to bring the bill to the Senate floor near the end of session failed, and thus the full Senate never considered the legislation. However, the nonitemizer deduction was proposed subsequently in several other bills, including bills that passed the House and the Senate with overwhelming votes in 2003 but never went to conference committee.

IRA charitable rollover provisions and food inventory giving incentives were enacted in 2006 as a part of the Pension Protection Act. The IRA rollover provisions allowed individuals who were at least age 70 ½ to donate up to \$100,000 from the IRAs and Roth IRAs to public charities without having to count the contributions as taxable income. The food inventory provision, according Independent Sector:

permitted grocery stores, farmers, ranchers, small businesses, and restaurateurs to donate wholesome food for hungry Americans and have the same access as corporations to the enhanced tax deduction for contributions of food inventory. The provision extended the section 170(e)(3) deduction for food inventory to all businesses (not just C corporations). The provision extends a deduction equal to the lesser of (i) the taxpayer’s basis plus one-half of the difference between fair market value and basis, and (ii) twice the taxpayer’s basis in the contributed inventory. This incentive was temporarily in effect following passage of the Katrina Emergency Tax Relief Act (Pub. Law 109-73).

Independent Sector notes that Congress extended these provisions through 2009 as part of the **Emergency Economic Stabilization Act of 2008**. They now need to be extended beyond 2009.

## **2. Use Bully Pulpit to Call for Counter-Cyclical Charitable Giving**

In concert with leaders from faith communities, business, philanthropy, and secular service organizations, President Obama should also issue a call to those sectors to engage in counter-cyclical giving and service in this time of great and increasing economic crisis and need. The specific motivations for giving differ somewhat between different sectors, e.g., between religious and corporate donors. And the leaders to whom members in the different sectors look for moral guidance also differs. So the President should enlist an array of leaders to join him in issuing the call for sacrificial giving to help charities sustain or expand, rather than shrink, their assistance in this time of great economic distress. The President should leave it to civil society leaders to craft the specific challenge that each regards as best for his or her sector. The President should encourage the leaders to commit to specific giving targets (e.g., per denomination or business association) and then, a year hence, host a meeting to assess how the challenges have been met.

### **Political Outlook:**

There has long been widespread bipartisan support for legislation that would create the charitable giving incentives described above (see #1). In January 2002, the Working Group on Human Needs and Faith-Based and Community Initiatives endorsed these concepts. The Working Group included religious and secular leaders from across the political spectrum, including John Castellani of Teen Challenge, Floyd Flake of Allen AME Church, Barry Lynn of Americans United for Separation of Church and State, Ron Sider of Evangelicals for Social Action, David Saperstein of the Religious Action Center for Reform Judaism, and Robert Woodson, Sr. of National Center for Neighborhood Enterprise. If charitable giving incentives were presented as a substitute for increased support for effective government social service programs, however, they would lose critical support. Thus, we recommend that they be part of a package that would increase support for such programs.

President-elect Obama's support for increasing the capacities of religious as well as secular organizations that serve those in need should make the incoming administration amenable to these ideas.

We also would expect widespread support for a call across religious and philanthropic communities for sacrificial giving for those who have been (and will) be hit the hardest by the economic crisis.

### **References:**

Website of Independent Sector, The Charitable Contributions Deduction for Non-itemizers  
<http://www.independentsector.org/programs/gr/nonitemizer.html>

Finding Common Ground: 29 Recommendations of the Working Group on Human Needs and Faith-Based and Community Initiatives (Search for Common Ground, January 2002)  
<http://www.sfcg.org/Programmes/us/report.pdf>

Website of Independent Sector, Charity, Aid, Recovery and Empowerment (CARE) of 2002 (S.476), <http://independentsector.org/programs/gr/CARE02.html>

Website of Independent Sector, IRA Charitable Rollover Resource Center,  
<http://independentsector.org/programs/gr/IRARollover.html>

Website of Independent Sector, Food Inventory Giving Incentive,  
[http://independentsector.org/programs/gr/food\\_donations.htm](http://independentsector.org/programs/gr/food_donations.htm)

## **The Poverty Forum: Strengthening Civil Society**

### **Encourage every state to launch a Benefit Bank program**

**Stanley Carlson-Thies and Melissa Rogers**

**Issue:** Improving access to federal and state benefits for low-income Americans

#### **Problem:**

Every year low-income Americans fail to claim millions in state and federal benefits that they are eligible to receive. Especially in the current economic crisis, the failure to claim these benefits endangers the well-being of these citizens and their families.

#### **Policy Recommendation:**

The incoming administration should encourage each state to launch a Benefit Bank program that works with religious and secular communities to help people claim state and federal benefits often left unclaimed, including Earned Income Tax Credit, food stamps, medical benefits (including children's health insurance) and heating/cooling assistance. Benefit banks were pioneered by religious groups, including the National Council of Churches (NCC) and the Jewish Council on Public Affairs, in cooperation with several other national groups.

The NCC designated Ohio as a pilot state for the Benefit Bank, and the Ohio Benefit Bank (OBB) began operation at 16 sites in January 2006. At the end of 2008 fiscal year, the OBB had outposts at more than 700 sites in the state, which were sponsored by nearly 400 religious and community groups. It helped over 20,000 citizens of that state to claim more than \$26 million in tax credits and government benefits.

Benefit banks also are operational in Arkansas, Florida, Maryland, Mississippi, Pennsylvania, Kansas, and the District of Columbia. According to the NCC, clients who participate in the program average about \$4,500 in additional benefits annually.

In the current financial crisis, the administration should use the power of the bully pulpit to lift up these programs as models for other states. It also might make some funds available to each state to initiate or continue these programs. At the next meeting of the National Governors Association, President Obama and members of his administration could join participating governors for a discussion about the outcomes of their programs and possible steps to take in the future to address these issues.

#### **Political Outlook:**

This recommendation calls on the new president to make use of the powers of the bully pulpit. Given the popularity of these programs and their usefulness in the current economic crisis, we would expect the next president's call to be welcomed by governors and other political leaders on both sides of the aisle. Further, in light of the fact that the religious and secular providers that operate the outposts of the Benefit Banks would not need to seek or receive government funds, these partnerships could be attractive even to religious organizations that are wary of competing for government social service funding.

**References:**

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## **The Poverty Forum: Strengthening Civil Society**

### **Ease the Process of Forming Community-Serving 501(c)(3) Organizations**

**Stanley Carlson-Thies and Melissa Rogers**

**Issue:** Making it easier for groups serving low-income people to obtain status as tax-exempt 501(c)(3) organizations

**Problem:**

Government programs, corporate giving programs, foundations, and individual donors often require recipients to have status as tax-exempt 501(c)(3) organizations in order to obtain funds and sometimes even in-kind support such as a donation of office equipment. When houses of worship apply for government social service aid or even certain forms of private aid, they are sometimes required to form 501(c)(3) organizations that are separate from their houses of worship. Even when they are not required to form these separate organizations, houses of worship often wish to do so as a way of avoiding government or outside oversight of congregational activities and minimizing legal risks for their congregations. However, many groups that serve low-income people find the process of seeking status as 501(c)(3) organizations to be complicated and expensive.

**Policy Recommendations:**

The first step the federal government should take toward making it easier for groups serving low-income people to obtain status as tax-exempt 501(c)(3) organizations is to hold hearings to gather information about the specific assistance community-serving groups need in this process. The Obama administration could hold such hearings under the auspices of its Council for Faith-Based and Neighborhood Initiatives or it could work with the appropriate Congressional committees to hold hearings. Those invited to testify should include representatives of groups serving low-income people (both faith-based and secular groups), representatives of the Internal Revenue Service, and tax experts.

In these forums, policymakers should consider whether the creation of an “EZ application form” to achieve status as a 501(c)(3) tax-exempt entity would be a significant improvement in the process, and, if so, how that form should be structured. There should also be a discussion of a rule that would require the IRS to waive filing fees for applications from smaller groups dedicated to serving low-income people. Additionally, policymakers should consider proposals that would require the IRS to expedite consideration of applications from community-serving groups for 501(c)(3) status.

We believe any adjustments made to the process of seeking 501(c)(3) status should apply to all organizations that wish to serve those in need, not simply those seeking government funds. As

noted above, corporate giving programs, foundations, and individual donors often require recipients to have IRS 501(c)(3) status in order to obtain funds and sometimes even in-kind support, and houses of worship often wish to form separate 501(c)(3) organizations when they seek to serve those outside their congregations, whether they will use government funds or private funds in doing so. It is to the federal government's advantage when the number of qualified applicants for partnerships is expanded. It is also to the government's advantage—and to the advantage of society and the needy—when there are more qualified applicants for private funding.

Once the hearings are completed, determinations should be made about: 1) a specific set of actions that will best meet the goal of assisting community-serving bodies to achieve 501(c)(3) status; 2) which branches or bodies of government need to act in order to accomplish each piece of that agenda; and 3) an appropriate mechanism to hold the respective governmental bodies accountable for achieving agreed-upon goals in a timely and effective way.

While these issues are being considered, President Obama should use the bully pulpit to call upon lawyers' associations—including national, state, and local secular and religious groups (e.g., the American Bar Association, American Constitution Society, and Federalist Society as well as the Christian Legal Society) —to urge their members to include in their pro bono work assistance to community-serving groups seeking to obtain 501(c)(3) status. President Obama, as well as governors and mayors, should ask these kinds of associations to set ambitious goals for serving community social service providers and commend the associations that meet their goals.

Further, President Obama's Council on Faith-Based and Neighborhood Partnerships and similar bodies at the state and local level should also serve as a networking platform for congregations and others within the same geographical areas that are interested in the possibility of joining together to form new 501(c)(3) organizations to serve those in need. Whether those partnerships would involve congregations from the same tradition, congregations coming together on an interfaith basis, or joint efforts between religious and secular communities, the next administration should help potential partners find one another.

### **Previous Legislation:**

As approved by the Senate Finance Committee, the bipartisan Charity Aid, Recovery, and Empowerment (“CARE”) Act of 2002 provided that the IRS should expedite applications for exempt status made by any social service organization that sought government funds and was required to obtain 501(c)(3) status in order to obtain such funds. Another provision called for the waiver of any 501(c)(3) application fee for an organization that provides social services, seeks government funds and has, or expected to have, an average of annual gross receipts of not more than \$50,000 during the four previous years. The Senate Finance Committee approved the CARE Act in June 2002. Efforts of Senate leaders and the Bush White House to negotiate an agreement to bring the bill to the Senate floor near the end of session failed, and thus the full Senate never considered the legislation.

## **Political Outlook:**

The CARE Act enjoyed widespread bipartisan support, and we would expect that coalition to reassemble around these goals. Also, President-elect Obama's support for social service partnerships between the government and religious as well as secular organizations should make the incoming administration amenable to these ideas.

It is worth noting that, in January 2002, the Working Group on Human Needs and Faith-Based and Community Initiatives endorsed the idea of creating an "EZ application" for 501(c)(3) status and waiving fees for such applications made by groups serving low-income people. The Working Group was comprised of religious and secular leaders from across the political spectrum, including John Castellani of Teen Challenge, Floyd Flake of Allen AME Church, Barry Lynn of Americans United for Separation of Church and State, David Saperstein of the Religious Action Center for Reform Judaism, Ron Sider of Evangelicals for Social Action, and Robert Woodson, Sr. of National Center for Neighborhood Enterprise.

## **References:**

Tax Guide for Churches and Religious Organizations: Benefits and Responsibilities Under Tax Law, at <http://www.irs.gov/pub/irs-pdf/p1828.pdf>

Finding Common Ground: 29 Recommendations of the Working Group on Human Needs and Faith-Based and Community Initiatives (Search for Common Ground, January 2002) at 22-23, available at <http://www.sfcg.org/Programmes/us/report.pdf>.

Section 304 of the CARE Act of 2003 (S.476)

## **Quotes from The Poverty Forum Participants**

"The Poverty Forum has proved to be far more successful than I had dared to hope. I was astonished and delighted at the common ground we were able to identify among people who often are on opposite sides of political battles. This process works! It should be expanded."

*- Dr. Ron Sider*

"Our faith compels us to eliminate poverty and injustice. It's been exciting to find common ground action towards that end in the Poverty Agenda, and the effort must continue."

*- Dr. Mary Nelson*

"Action on behalf of the poor is a responsibility distributed more widely than government, but surely not excluded from government. These proposals show a multitude of ways that our public policy can better fulfill that responsibility."

*- Dr. Stanley Carlson-Thies*

"The Poverty Forum is incarnational bipartisanship, built on mutual respect and the bedrock of shared concern for the poor. It is a unique, and uniquely powerful, contribution to modern American political discourse."

*- Brent Orrell*

"It was a privilege for me to work with this distinguished group to generate ideas to help the poor. My time working in the pro-life movement helped me to develop a passion for the dignity of every human life, especially those who are on the margins of society without much of a voice of their own. While government is not the only, or even primary, answer when it comes to poverty, it is critical to have programs that provide dignity through self sufficiency and strengthen the family unit instead of breaking it apart. Working together I believe we came up with proposals that promote self sufficiency and strong families."

*- John Cusey*

"It was amazing to sit down with people coming from different perspectives, yet all committed to ending poverty. We found we had much more in common and all had passion! I hope it serves as model for future policy conversations."

*- Dr. Kathryn Saile*



## **BIOGRAPHIES**

### **ANGELA GLOVER BLACKWELL**

Angela Glover Blackwell is founder and chief executive officer of PolicyLink, a national research and action institute advancing economic and social equity. Ms. Blackwell is a national authority on poverty issues, recently contributing a chapter to “Ending Poverty in America: How to Restore the American Dream” (The New Press, 2007). She also collaborated with Tavis Smiley to develop *The Covenant with Black America*. Along with Manuel Pastor and Stewart Kwoh, she co-authored *Searching for the Uncommon Common Ground: New Dimensions on Race in America* (W.W. Norton, 2002). She is also a frequent guest in the media and her appearances include ABC’s Nightline, *NOW* with Bill Moyers, and National Public Radio. She has been published in the opinion pages of *The New York Times*, the *Los Angeles Times*, and the *San Francisco Chronicle*, and has lectured widely on concentrated poverty and equitable development, appearing before audiences at the Chautauqua Institution, the State of the Black Union, the Global Women’s Action Network for Children, and the Aspen Ideas Festival.

Ms. Blackwell earned a bachelor’s degree from Howard University, and a law degree from the University of California at Berkeley.

### **RANDALL J. BRANDT**

Randall Brandt served as the Senior Advisor to the Ambassador at Large for International Religious Freedom, Bureau of Democracy, Human Rights, and Labor at the U.S. Department of State from 2007-2009. Prior to his work at the Department of State, he worked in the United States Senate as the Deputy Staff Director and Counsel for the Senate Republican Conference (2005-2006). His was Counsel for U.S. Senator Rick Santorum (1999-2005), Legislative Counsel for U.S. Rep. Mark Souder (1997-1999) and Legislative Assistant of Rep. Phil English (1996-1997). He has been a member of the Pennsylvania Bar since 1996.

Currently, Mr. Brandt is an M.A. candidate for Straus Institute for Dispute Resolution at Pepperdine University School of Law in Malibu, California. He has a J.D. from Pepperdine University School of Law (1995), an M.A. in Religion from Trinity Evangelical Divinity School (1992) and a B.A. in Political Science from Wheaton College in Wheaton, IL (1989).

## **JAMES C. CAPRETTA**

James C. Capretta is a Fellow at the Ethics and Public Policy Center. He was Associate Director at the White House Office of Management and Budget from 2001 to 2004, where he was the top budget official for health care, Social Security, education and welfare programs.

His essays and articles have appeared in numerous publications, including *The Weekly Standard*, *National Review*, *National Review Online*, *The Washington Times* and *Tax Notes*, among others. Mr. Capretta is also a Contributing Editor at *The New Atlantis*, and is the author of the journal's healthcare policy blog, "Diagnosis."

Mr. Capretta has an M.A. in Public Policy Studies from Duke University and graduated from the University of Notre Dame in 1985 with a B.A. in Government.

## **DR. STANLEY W. CARLSON-THIES**

Stanley Carlson-Thies is founder and President of the Institutional Religious Freedom Alliance, a Washington, DC-area nonpartisan think tank that focuses on safeguarding the religious identity, standards and services of faith-based organizations. Until the end of 2008, he was Director of Faith-Based Policy Studies at the Center for Public Justice, where he remains a Senior Fellow. He is also a Senior Fellow at the Canadian think tank Cardus. He is the convener of the Coalition to Preserve Religious Freedom, a multi-faith alliance of social-service, education and religious freedom organizations that advocates for the religious freedom of faith-based organizations to Congress and the federal administration. He is a consultant to the Department of Labor's Beneficiary-Choice Contracting project and has consulted on the removal of barriers with the U.S. Department of Health and Human Services Center for Faith-Based and Community Initiatives, the Corporation for National and Community Service and several states, including Ohio, Texas, and Virginia.

Carlson-Thies served with the White House Office of Faith-Based & Community Initiatives from its inception from February, 2001, until mid-May, 2002. He holds a doctorate in political science from the University of Toronto.

## **JOHN CUSEY**

John Cusey worked for three years at the Administration for Children and Families (ACF) at the U.S. Department of Health and Human Services as a Special Assistant to Assistant Secretary Wade Horn. He worked on a variety of the 65 programs at ACF designed to assist needy children and families. John also worked on Capitol Hill, where he served as the Executive Director of the Bipartisan Congressional Pro-life Caucus for five years and the Legislative Director and Press Secretary for Congressman Gary Miller for two years. Prior to working in DC, Mr. Cusey worked for three different members of the California State Legislature where he focused on budget issues. He is currently teaching U.S. government at Grace Brethren High School in Simi Valley, California.

## **CHUCK DONOVAN**

Chuck Donovan is the Executive Vice President for the Family Research Council and has more than three decades of experience in the national debates over the sanctity of life, family issues and a wide range of other public policy topics. In 2003-2004, Mr. Donovan established and managed the Democracy in America project, which helped to devise, finance and implement nonpartisan voter registration projects that brought tens of thousands of new voters to the polls in November.

Throughout his career, he has drafted, testified for, or advocated a number of landmark legislative initiatives for the family, including family choice in child care, the \$500-per-child tax credit, the Defense of Marriage Act, marriage tax penalty relief, and anti-pornography legislation, including protections for children online. He is the founder of the Coalition for Family-Friendly Media. Mr. Donovan's writing has appeared in dozens of periodicals, including *The Wall Street Journal*, *The New York Times*, *The Washington Post*, *The Weekly Standard* and *The Washington Times*. Mr. Donovan is co-author, with Robert G. Marshall, of *Blessed Are The Barren: A Social History of Planned Parenthood* (Ignatius Press, 1991).

## **DR. KATHRYN EDIN**

Professor of Public Policy at the John F. Kennedy School of Government at Harvard University, Dr. Edin's research focuses on urban poverty and family life, social welfare, housing policy, child support, non-marital childbearing and the economic lives of the poor. Her books include: *Unmarried Couples with Children*, with Paula England (2007), *Promises I Can Keep: Why Poor Women Put Motherhood Before Marriage*, with Maria J. Kefalas (2005), *Making Ends Meet; How Low Income Single Mothers Survive Welfare and Low Wage Work*, with Laura Lein (1997), and *There's a Lot of Month Left at the End of the Money* (1993). Her forthcoming work includes two new books, *Fragile Fatherhood: What Being a Daddy Means in the Lives of Low Income Men*, with Timothy Nelson and *Marginal Men: Work, Policy, and Family Life among Poor Noncustodial Fathers*, with Timothy Nelson and Laura Lein.

Dr. Edin received her M.A. and PhD in Sociology from Northwestern University and her B.A. from North Park University in Chicago.

## **DR. ROBERT M. FRANKLIN**

Dr. Robert Franklin is the President of Morehouse College, the nation's largest private, four-year liberal arts college for men. Prior to working at Morehouse, Dr. Franklin was a Presidential Distinguished Professor of Social Ethics at Emory University and was a senior fellow at the Center for the Study of Law and Religion. He provides commentary for the National Public Radio program, "All Things Considered," and weekly commentary for *Atlanta Interfaith Broadcasting Television*.

Dr. Franklin graduated Phi Beta Kappa from Morehouse College in 1975 with a degree in political science and religion. He continued his education at Harvard Divinity School, earning a master of divinity degree in Christian social ethics and pastoral care in 1978. At the University of Chicago, he earned a doctorate in ethics and society, religion and the social sciences in 1985. Dr. Franklin is the author of three books: *Crisis in the Village: Restoring Hope in African American Communities* (2007); *Another Day's Journey: Black Churches Confronting the American Crisis* (1997); and *Liberating Visions: Human Fulfillment and Social Justice in African American Thought* (1990). He is also the co-editor of the forthcoming *The Cambridge Companion to Martin Luther King Jr.*, published by Cambridge University Press.

## **MICHAEL J. GERSON**

Michael J. Gerson is the Roger Hertog Senior Fellow at the Council on Foreign Relations (CFR). His work focuses on issues of global health and development, religion and foreign policy, and the democracy agenda. He is a syndicated columnist with *The Washington Post*, a contributor to *Newsweek*, and the author of *Heroic Conservatism* (HarperOne). He serves on the United States Holocaust Memorial Council, the Holocaust Memorial Museum's Committee on Conscience, the Board of Directors of Bread for the World, and the Initiative for Global Development Leadership Council.

Before joining CFR in 2006, Mr. Gerson was a top aide to President George W. Bush as assistant to the president for policy and strategic planning. Prior to that appointment, he served in the White House as deputy assistant to the president and director of presidential speechwriting and assistant to the president for speechwriting and policy advisor. Mr. Gerson joined Mr. Bush's presidential campaign in early 1999 as chief speechwriter and senior policy adviser.

He was previously senior editor covering politics at *U.S. News and World Report*. Mr. Gerson was a speechwriter and policy adviser for Jack Kemp and a speechwriter for Bob Dole during the 1996 presidential campaign. He has also served Senator Dan Coats from Indiana as policy director. Mr. Gerson is a graduate of Wheaton College in Illinois. He grew up in the St. Louis area and now lives with his wife and sons in northern Virginia.

## **TERRELL HALASKA**

Terrell Halaska offers extensive knowledge of how current health, education and social issues affect both the private and public sectors. She has used this knowledge as the Founding Partner of HCM Strategists.

Ms. Halaska was confirmed by the Senate as assistant secretary of education for legislation and congressional affairs. She was a member of the senior strategic management team and served as the agency's negotiator with Congress on several key initiatives. Her efforts resulted in the inclusion of most of President George W. Bush's education proposals in the America COMPETES Act. Prior to joining the education team, Ms. Halaska served as special assistant to the President for domestic policy at the White House. She joined the White House staff following her role as deputy chief of staff at the U.S. Department of Health and Human Services (HHS). As a member of Secretary Tommy Thompson's senior strategic management team, she oversaw policy development on a number of issues, including stem cell research and international and domestic HIV/AIDS. Ms. Halaska earned a master's degree in policy studies from the Monterey Institute of International Studies and a bachelor's degree in political science from the University of California, San Diego.

## **MARY NELSON**

Mary Nelson is President Emeritus of Bethel New Life, where she served for 26 years. Bethel pioneered in creative community based efforts to build healthier, sustainable and equitable communities in Chicago's West side. Ms. Nelson serves on the Boards of Sojourners, Christian Community Development Association, Good City and is past Board president of Woodstock Institute. Ms. Nelson has her PhD from Union Graduate School and six honorary PhDs. She is currently consulting, writing and teaching in faith based and or community development.

## **BRENT R. ORRELL**

Brent R. Orrell served as the first Director of the U.S. Department of Labor's Center for Faith-Based and Community Initiatives from 2001 to 2005. From 2005 to 2008, he was Deputy Assistant Secretary for Policy and External Relations at the U.S. Department of Health and Human Services' Administration for Children and Families and also led that agency's Office of Refugee Resettlement. He returned to the U.S. Department of Labor in February, 2008 to head the Employment and Training Administration (ETA).

Mr. Orrell served as Deputy Director of the White House Office of Faith-Based and Community Initiatives during 2007. Before joining the Bush Administration in 2001, the Oregon native worked in the United States Senate and the U.S. House of Representatives for 14 years. He graduated from the University of Oregon with a degree in history. He and his family reside in Northern Virginia.

## **MARK RODGERS**

Mark Rodgers is the Principal and Founder of Clapham Group, a Christian consulting firm. He also served as the third-ranking Republican leadership staffer in the U.S. Senate for six years, overseeing strategic planning and strategic communications. He served as a high-profile chief of staff to Senator Rick Santorum, working on Capitol Hill for a total of 16 years. He was known on the Hill for his work on such issues as poverty alleviation and global AIDS, as well as protecting life at its most vulnerable stages.

Mr. Rodgers is a published writer and speaker at large and small gatherings on the topic of faith and public life, culture and caring for the least of these. His work over the years included an outreach to “culture creators,” and has worked closely with artists such as Bono, Patty Heaton and The Fray. He still collects pop culture artifacts, as the walls of his office attest.

Mr. Rodgers is a social entrepreneur and enjoys finding ways to help people “do good while doing well.” Currently he serves as a Fellow at the Ethics and Public Policy Center. In the 1980’s, Mr. Rodgers worked at the Pittsburgh Leadership Foundation, a faith-based organization committed to addressing the social needs of Pittsburgh from a Christian perspective. He also founded the National Institute of Lay Education (NILE), which developed adult education curriculum to encourage reflecting Christian involvement in public life. He earned a bachelor’s degree in petroleum engineering from Penn State and attended Trinity Episcopal School for ministry. He has been married to Leanne and is the proud father of four children.

## **MELISSA ROGERS**

Melissa Rogers serves as director of Wake Forest University Divinity School’s Center for Religion and Public Affairs. Ms. Rogers previously served as the executive director of the Pew Forum on Religion and Public Life and as general counsel of the Baptist Joint Committee on Religious Liberty.

In 2008 Baylor University Press published a casebook co-authored by Ms. Rogers called *Religious Freedom and the Supreme Court*. Ms. Rogers has testified before the Judiciary Committee to the U.S. Senate on religious freedom issues. In 2004, the National Journal recognized her as one of the church-state expert “politicians will call on when they get serious about addressing an important public policy issue.” Most recently, President Barack Obama appointed Ms. Rogers to his Council on Faith-Based and Neighborhood Partnerships.

Ms. Rogers has appeared on numerous television and radio broadcasts, including *NBC Nightly News*, *CNN*, *Fox News*, *PBS*, *Court TV*, and *NPR*. Her opinion-editorials have been published by media outlets such as *ABC News*, *The Washington Post* and *The Baltimore Sun*. Ms. Rogers earned her law degree from the University of Pennsylvania Law School, where she was a member of the National Moot Court Team. She graduated Phi Beta Kappa from Baylor University.

## **KATHY SAILE**

Kathy Saile serves as Director of Domestic Social Development for the United States Conference of Catholic Bishops. The domestic social development office is responsible for agriculture, nutrition, income support, health care, rural development, urban development, and housing policy and other issues related to domestic poverty. Previously, Ms. Saile directed the Office of Peace and Justice in the Catholic diocese of Phoenix, served as a Loaned Executive to the social policy office at Catholic Charities USA, coordinated social justice and outreach ministries for the Franciscan Renewal Center in Scottsdale, and was Associate Director of public policy for Lutheran Services in America. She is the author of a book on public policy and grassroots advocacy. She received her bachelor's degree in Organizational Communications from Ohio University and her master's degree in social work at Arizona State University. Ms. Saile resides in Washington, D.C.

## **DR. RONALD J. SIDER**

Ronald J. Sider (Ph.D., Yale) is Professor of Theology, Holistic Ministry and Public Policy and Director of the Sider Center on Ministry and Public Policy at Palmer Theological Seminary and President of Evangelicals for Social Action. A widely known evangelical speaker and writer, Dr. Sider has spoken on six continents, published 31 books and scores of articles. In 1982, *The Christian Century* named him one of the 12 “most influential persons in the field of religion in the U.S.” His book, *Rich Christians in an Age of Hunger*, was recognized by *Christianity Today* as one of the 100 most influential religious books of the twentieth century and named the seventh most influential book in the evangelical world in the last 50 years. His most recent books are *The Scandal of Evangelical Politics: Why Are Christians Missing the Chance to Really Change the World and I Am not a Social Activist*. Dr. Sider is the publisher of *PRISM* magazine and a contributing editor of *Christianity Today* and *Sojourners*. He has lectured at numerous colleges and universities around the world, including Yale, Harvard, Princeton, and Oxford.

## **ADAM R. TAYLOR**

Adam Russell Taylor currently serves as the Senior Political Director at Sojourners, a Christian organization that integrates spiritual renewal with social justice. He formerly served as the Executive Director of Global Justice, an organization that educates, trains and mobilizes students around issues of global human rights and economic justice. Before co-founding Global Justice, Mr. Taylor worked as an Associate at the Harvard University Carr Center for Human Rights. Taylor earned a Masters degree in Public Policy from the JFK School of Government, Harvard University (2001) and a B.A. from Emory University (1998) in international studies. Mr. Taylor served as the co-chair of the Jubilee U.S.A. Network and now serves on the Advisory Board of the Global Interdependence Initiative. Mr. Taylor is an Associate Minister at Shiloh Baptist Church in Washington, DC where Dr. Wallace Charles Smith serves as Senior Pastor.

## **JIM WALLIS**

Jim Wallis is President and Executive Director of Sojourners. Mr. Wallis is also a bestselling author, public theologian, speaker, preacher, and international commentator on religion and public life, faith and politics. He has written eight books, including *The Great Awakening: Reviving Faith & Politics in a Post-Religious Right America* (HarperOne, 2008) and *God's Politics: Why the Right Gets It Wrong and the Left Doesn't Get It* (Harper Collins, 2005). As President of Sojourners, Mr. Wallis he is editor-in-chief of *Sojourners* magazine, whose combined print and electronic media have a readership of more than 250,000 people. Mr. Wallis speaks at more than 200 events a year and his columns appear in major newspapers, including *The New York Times*, *The Washington Post*, *Los Angeles Times* and both *Time* and *Newsweek Online*. He regularly appears on radio and television, including shows like *Meet the Press*, *The Daily Show with Jon Stewart*, and *The O'Reilly Factor*. He is a frequent guest on news programs such as *CBS*, *NBC*, *ABC*, *CNN*, *MSNBC*, *Fox*, and *National Public Radio*.

Mr. Wallis earned his B.A. at Michigan State University and he completed his M.A. at Trinity Evangelical Divinity School in Illinois. In 1979, *Time* magazine named Mr. Wallis one of the "50 Faces for America's Future."

Mr. Wallis lives in inner-city Washington, DC with his wife, Joy Carroll, one of the first women ordained in the Church of England and author of *Beneath the Cassock: The Real-life Vicar of Dibley*. They have two sons, Luke, 9, and Jack, 4. He is a Little League baseball coach.

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