



Iowa First Lady's Poverty Summit
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Keynote address (as delivered)
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“...America can no longer afford poverty.”

Let me begin by thanking the First Lady for convening this Summit. It's a great idea, and on behalf of the Northwest Area Foundation, I want to acknowledge that this kind of leadership is exactly what we need to advance a serious anti-poverty agenda in our states and around the country.

My intention this morning is not just to talk about solutions to poverty, but also to talk a little bit about America's global competitiveness. In today's economy, those two issues – poverty in the world's wealthiest and most powerful nation, and our competitiveness in the world marketplace – are fundamentally linked. I think those of us who are committed to making poverty history ought to be saying more about competitiveness – about what it going to take for the United States to succeed in the years ahead against international competitors with a huge population advantage over us. I want to assert that under these circumstances, America can no longer afford poverty. I really believe that a renewed national push to end poverty can begin there; can begin with a hard-nosed assessment of what economic success in the decades ahead will require of all of us – as families, as communities, as states, and as a nation.

But before I get into that, I need to address the glaringly obvious fact that I am not Senator John Edwards. This being election season, I thought maybe I ought to steal a page from the weird playbook of the 1992 Ross Perot campaign. You might recall that Perot's running mate, the previously unknown Admiral James Stockdale, began the Vice Presidential debate with Al Gore and Dan Quayle by saying, “Who am I? Why am I here?” Now I know how he felt...What kept me up last night, to be honest with you, was the fear that some of you would arrive this morning under the impression that the prodigal Senator would be our keynote speaker. That was Plan A. Ladies and gentlemen, I am Plan B., and darn proud of it!

In all seriousness, though – if you're a little disappointed that Senator Edwards isn't here, you're not alone. Personally, I'd rather be listening to John Edwards than trying to fill his shoes. And not just because of his beautiful haircut, and not just because of that very entertaining Carolina accent. I'd rather be listening to John Edwards – or, to be blunt about it, the John Edwards we thought we knew before this summer's revelations –because I admire his public ideas. Specifically, I admire his public commitment to fighting poverty.

My guess is that a lot of people in this room felt like I did when he made poverty the central issue in his Presidential campaign. If you're engaged in the kind of work you and I do, then whatever you felt about Edwards as a candidate, or about his party, you probably found yourself cheering the sight of a Presidential candidate taking up that theme of “two Americas”. It's been a while since anybody with a realistic shot at the White House put poverty front and center like he did. In fact, I think you can argue

that the last time that happened was 1968. That's forty years ago! I was 4 years old in 1968. So I was too young to have any clue about the turmoil in America's streets and around America's kitchen tables. And I was certainly too young to know that a few years earlier, the President of the United States had declared War on Poverty. I came of age in a very different time, in the 1980s. A time when government was routinely derided as incompetent at best and The Enemy of the People at worst. Needless to say, that message has been very influential for a very long time at this point. So to see someone as prominent as Senator Edwards stand up and say, over and over again, as eloquently as he did, that as president he would lead a renewed push to end poverty in America – well, it was exciting stuff, and I remain grateful for it.

But the good news is, his was only one of many voices that are calling for progress. This is crucial – because in the end, broad social and political movements in our country aren't about the generals, so to speak. They're about the foot soldiers. And I suspect that a lot of us in this room can sense a new momentum building.

The fact that we're here today to talk about solutions is evidence of that momentum. I'm proud to be with you in a state whose First Lady has made it her business to lead a search for what works. And I'm proud to be with you in a state where the bipartisan Successful Families Caucus in the legislature is putting forward a policy agenda to help families get on a path to prosperity. You probably know that Iowa's not alone in those efforts. There are at least a dozen states that have established a poverty commission, set up a legislative caucus, scheduled a summit like this one, or set a poverty reduction target with a specific deadline. In my organization's home state of Minnesota, we've established a Legislative Commission to End Poverty in Minnesota by 2020. Last month, Illinois established a Commission on the Elimination of Poverty. That effort is targeting extreme poverty, defined as those living at or below 50 percent of the federal poverty line, which translates into an income of merely \$11,000 per year for a family of four. That describes some 700,000 people in Illinois. Their goal is to cut extreme poverty in half by the year 2015.

Here in Iowa, the new caucus is plowing important ground by joining forces across the aisle to tackle critical issues like health care, workforce development, education, and asset-building. I'm glad to note that the Northwest Area Foundation helped the Successful Families Caucus get going, through our grant support to the State Public Policy Group. As a matter of fact, the genesis of the Caucus is a terrific example of how we can work together across sectors to get things done. In this case, it began with a committed group of legislators who got the ball rolling. The State Public Policy Group was able to bring to the table the savvy and the elbow grease to help make the Caucus a reality. And our Foundation was able to do what we're supposed to do – give some inspired change agents the support they need to do their thing. I want to thank the folks at the State Public Policy Group for their excellent work. We've also found terrific value in partnering with the Child and Family Policy Center, whose work complements and extends this push against poverty. I can't wait to see how this plays out in Iowa in the years ahead.

Now, let's pause for a quick reality check. Will all these state-level efforts reach their goals? Absolutely not. Some of those projects will under-achieve. That's life. But setting aggressive targets for reducing poverty is huge. Targets like those are sometimes dismissed as gimmicks, but I don't think so. Targets help us focus our energies. They inspire us to break out of bureaucratic silos. They push us toward innovation. And they can goad us into investing more in the most promising solutions. But the most basic value of these initiatives is that they move the conversation beyond defeatism. They move us beyond partisan mud wrestling, and they move us beyond that paralyzing sense that when it comes to fighting poverty, nothing really works. They move us beyond the debilitating cliché that when we declare war on poverty, poverty wins.

I want to propose something altogether different this morning:

“I want to propose that around the nation, fascinating lessons are being learned about what works in confronting poverty and moving us toward sustainable, broadly shared prosperity. “

Don't get me wrong – that's not one activity; it's more like a thousand. And there is simply no way to get them all done at once – so let's put that notion to the side and focus on what we *can* do, what we *are* doing, and what's already been done to make the American dream more attainable for more American families.

One simple and well-known example: At the federal level, the Earned Income Tax Credit has succeeded in helping millions of hard-working Americans make work pay. If you work hard, bring home wages, but remain low-income, you can file for the EITC and get money back at tax time. In the past dozen years or so, no anti-poverty program has helped the working poor more than this common-sense wrinkle in the tax code. The success of the federal EITC is pretty widely understood at this point, and many states, Iowa included, have added a state-level EITC as well. It's just good policy, and it ought to be expanded. But it's by no means the only federal policy that's making a difference.

A couple weeks ago, I had the chance to spend some time on the Pine Ridge Indian Reservation in South Dakota. If, by poverty, we mean high unemployment, low incomes, lack of financial assets, lack of access to capital, isolation from economic opportunity, inadequate health care, struggling schools, and pervasive, grinding hardship, then Pine Ridge is surely one of the poorest places in America. But Pine Ridge is also one of the places where change is brewing. It's one of the places where people with the vision to build a different economic future are taking advantage of a program out of the U.S. Treasury Department designed to spur the development of Native American Community Development Financial Institutions. In communities with no commercial banks that people can turn to when they're looking to finance a new business idea, CDFIs play a critical role. They are nothing less than an on-ramp to the mainstream economy. And there is now a CDFI on Pine Ridge that has the potential to change the game for aspiring entrepreneurs. Nobody has a more complicated path to prosperity in the United States than the members of America's first nations, including the Oglala Lakota people on Pine Ridge. But forward-looking residents of Pine Ridge and many other Native communities are making that Treasury program work for them.

At the state level, I've already mentioned the proliferation of efforts to reduce or end poverty and to promote family success. It's interesting: those initiatives are underway in some of the poorest states in the Union, and some of the most *prosperous* states. Connecticut, for example, was one of the first states to blaze this trail, even though Connecticut can boast the third-lowest poverty rate in the nation.

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On the other end of the spectrum, initiatives are underway in Alabama, Louisiana, and the District of Columbia, all three of which have among the highest poverty rates in the country. What about Iowa? The leadership that Mari Culver and the Successful Families Caucus are demonstrating here comes in a context of relative prosperity: Iowa's poverty rate of 11 percent looks reasonably good compared to the national rate of more than 13 percent. But of course, if you're poor – if

you're one of the more than 300,000 Iowans living in poverty – you really don't care that the state's poverty rate is lower than Alabama's, do you? If you're poor, your personal poverty rate is 100 percent. What I read into these state-level efforts is a growing awareness that poverty is a curse we no longer want our neighbors to suffer from – whether it's making headlines on the evening news, as it did in New

Orleans after Hurricane Katrina, or it's quietly hollowing out the life chances of the 13 million kids who live in poor families in the United States as we speak. That includes about 95,000 kids here in Iowa.

This brings me to the part of this puzzle that I find the most exciting: efforts at the local level to build and sustain pathways out of poverty. We can talk all day about the role of public policy, but ultimately, what we're talking about is the lives of individuals and families; the life that's lived on city blocks, in small towns, and in rural areas every day. You know what I like best about working for an organization whose mission is to reduce poverty? It's the sense that once in a while, if we do our jobs right, we succeed in knocking down some of the barriers that block people from making the most of their god-given potential. In your state, Northwest Area Foundation has been fortunate to work with a wide variety of partners through our Horizons and Raices programs to move the needle on poverty in rural communities, and we'll be doing more in the future.

I'll give you an example of what the shift from poverty to prosperity looks like at street level, so to speak. Last month I was in Portland, Oregon visiting with the folks who run the Economic Opportunity Program in the city's Bureau of Housing and Community Development. They've come up with a way to focus their CDBG funds from the feds on a few specific, high-impact strategies for moving people toward opportunity. One of those strategies is micro-lending for small businesses. Small loans; financial education; and some coaching on growing a business. That's a community development strategy, by the way, that's at least as valuable in small towns and rural counties as it is in big cities like Portland. So anyway, I got to spend an hour with one of the entrepreneurs the Portland program is helping. This was a young, African American woman named Brandi who had been running a childcare business out of her home. With a boost from a small loan, a few thousand dollars – which, by the way, she had paid back in full by the time I met her – she was able to move her business from her home into the lower level of a local church. "Lower level" is code for basement – but Brandi knows what she's doing, and she's transformed that basement into a clean, cheerful, stimulating space for kids. I would have been happy to bring my two sons there when they were preschool-aged. The loan program made it possible for Brandi to more than triple the number of kids she can serve, to increase her part-time staff to eleven, and to begin providing health benefits to her workers.

Now, if your only image of fighting poverty is serving hot meals to homeless people – which is where I started in this field, by the way, at a fabulous organization called Food Gatherers in Ann Arbor, Michigan – then Brandi's story seems beside the point. But not at all. I can virtually guarantee you that when she was running her business out of her home, serving a maximum of 8 to 10 kids at a time, Brandi was living at or near the federal poverty threshold – whether she thought of herself as poor or not. Today, thanks to that innovative city program, she's earning significantly more; she's paying decent wages and offering a basic health benefit for several other workers; and those women are providing a vital service – affordable childcare for working parents – without which our economy would grind to a halt – don't you think? – and families around this country would be unable to balance the demands of work and family. But most importantly, from what I saw, the kids at Brandi's place were pretty darn pleased with their three-year-old selves, which is as vital for the future of our economy as anything that goes on in the corridors of power.

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This is where that question of global competitiveness comes in, as a matter of fact. It's all about the three-year-olds. Here's the deal. In rough figures, the population of China is 1.3 billion. The population of India is 1.1 billion. The population of the United States is 300 million. Now, let me issue an important disclaimer. I am not a demographer. I am not a statistician. My love of numbers doesn't extend much further than football scores. But to quote Bob Dylan, "You don't need a weatherman to know which way the wind blows." In the face of numbers like those, don't you share my sense that the United States cannot afford to lock millions of our people out of economic opportunity?

***Economic opportunity begins with education – and our education system
in its current state is simply not built to win.***

Before coming to Northwest Area Foundation this spring, I lived and worked in Michigan for 20 years. In Flint, Michigan, where my sons were born, the four-year high school graduation rate for African American males is something like 30 percent. One in three. The graduation rate for black, Native American, and Latino students is about 50 percent in lots of urban districts. But this is not just a big-city problem – in Iowa, where Latinos comprise one of the fastest-growing demographic groups in the state, at least one in four is failing to graduate in four years. So here's the critical question: Do you see the United States competing and winning in the high-stakes, globalized economy our kids will face, if millions of America's would-be workers five and ten and twenty years from now *never even finished high school*?

That's what I mean when I say that America can no longer afford poverty. Along the entire continuum that leads each of us from birth to the world of work and parenthood, we can no longer afford the toll that poverty takes on our families. One recent estimate is that the net loss to the economy from persistent poverty is 500 billion dollars each year. That's such a big number it's hard to grasp where it comes from, so let's break it down into some of its pieces.

We can no longer afford to leave it to chance whether or not a kid arrives at the first day of kindergarten ready to learn. So that means more attention to high-quality preschool for everybody. It also means access to healthcare for all Americans, period, end of story. If we want to succeed, it's time to step up.

We can no longer afford to have my two kids going off each day to an excellent public school, while thousands of poor kids in the same metro area walk into lousy ones. That means getting serious about making our schools world-class again – all of them, not just some of them.

Follow those kids a little further along the continuum, to the transition to a career. The Iowa Works Campaign has estimated that by 2012, Iowa will have 150,000 more jobs than workers to fill them. A number of other states face a similar crunch, and in the long run, so does the nation. Therefore, we can no longer afford a workforce preparation system that fails to efficiently match training and education dollars with real careers – good jobs with family-supporting wages that will really exist in the years to come. We need to engage employers, educators, and policymakers around the urgent need to prepare our workforce for the future.

By that same year, 2012, something like 45 percent of all occupations will require more than a high school education. Therefore, we can no longer afford a higher education system that prices out poor kids and squeezes the daylight out of middle class kids too, so that they emerge tens of thousands of dollars in debt. It won't work.

Finally: we can no longer afford to attract an immigrant work force, then lock those workers and their children out of the mainstream of our society. This is not the formula for American strength and prosperity

in the 21st century.

So what *do* we need? I actually believe it's very simple. I believe we need to have faith in our own national creed. I believe we still hold these truths to be [self-evident](#), that [all men and women are created equal](#), that they are endowed with certain [unalienable Rights](#), and that among these are [Life, Liberty and the pursuit of Happiness](#). I've always felt that if we take those words seriously and invest in our people accordingly, our best days remain ahead of us. Life, Liberty, and the Pursuit of Happiness – in other words, real opportunity for each of us. No lockouts. No turning a blind eye. And no more excuses.

It's crystal clear to me, as a parent, what kind of opportunities I want to create for my kids. I'm sure the same is true for you. It's not too mysterious, is it? But as a nation, we tolerate a situation where at least 13 million poor kids face much longer odds than the rest of us, simply because they're born poor. As families, we love our children; but as a nation, all too often, we neglect them. We can no longer afford it.

So where do we go from here? I have an awful lot of faith in the hundreds of good answers to that question in *your* heads and *your* hearts. Keep doing what you do. Do it as well as you possibly can, and when it isn't working, change it. Then keep going. Never doubt that we really can do this.

I want to close with a look ahead. At the Northwest Area Foundation, we recently crafted a new vision statement to help us shape our work. It's essentially a hope for the future of Iowa and Minnesota, North and South Dakota, Idaho and Montana, Oregon and Washington – the eight states that were once served by the Great Northern Railway, which is the source of our asset base.

- We envision a future in which the [wellbeing](#) of the people living in these states is as well known and admired as the inspiring landscapes of the region.
- We envision a region where diversity is valued and nurtured in rural, urban and American Indian reservation communities.
- We envision a region known for its highly skilled, well-educated population, its living-wage jobs, its innovative public policies and its healthy, vibrant communities;
 - ~a region characterized by thriving local economies within thriving natural ecosystems;
 - ~a region where creative entrepreneurship is valued in both for-profit and nonprofit enterprises, and where both investment capital and social capital are steadily expanding;
 - ~a region whose strong public institutions, business community, and nonprofit sector collaborate to address pressing needs and help build pathways to prosperity for all residents;
 - ~a region whose people are organized and empowered to lift their voices and actively shape the civic, social, political and economic life of their communities.
- We envision states whose rich culture of engagement and opportunity makes them prized places to visit, to invest, and to live, and where all residents have a fair chance to live free of poverty.

I hope you hear something in that statement that echoes your own aspirations for Iowa.

Thanks for having me this morning, and for the vital work you do. It's an honor to be with you.

Kevin F. Walker, new president and CEO of the Northwest Area Foundation, joined the 74-year-old organization, May 2008. He is leading the Foundation's transition to a new core strategy: making grants to proven or promising organizations doing effective poverty reduction work in their communities or the region.

Walker has served on numerous nonprofit boards and committees, and has provided leadership on many, including: Afterschool Alliance, a national advocacy organization dedicated to the vision of after school programs for all; Grantmakers for Children, Youth and Families; Hispanics in Philanthropy; Voices for Michigan's Children; and the Flint Institute of Music. He earned his bachelor's degree from Harvard University and his master's degree in Fine Arts from the University of Michigan. Walker and his wife Lisa have two young sons.



The Northwest Area Foundation's mission is to help reduce poverty and build sustainable prosperity in its eight-state region: Minnesota, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington and Oregon. NWAFF has supported Successful Families Caucus, Child and Family Policy Center in Des Moines, Iowa, policy articulation on poverty and family self-sufficiency issues, and a number of organizations working to alleviate poverty and grow prosperity in their communities. To learn more, visit www.nwaf.org.