

Realizing the **American Dream**

HISTORICAL SCORECARD • CURRENT
CHALLENGES • FUTURE OPPORTUNITIES

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AMERICAN DREAM SCORECARD

1970-2003

Just as great business and social enterprises have profited from using a Balanced Scorecard to track their progress and inform their strategy and tactics, the nation itself could benefit from a steady look at a set of indicators like those shown here. How are we doing at pursuing the American Dream ideal of “life, liberty, and pursuit of happiness” for all?

Following are 28 American Dream indicators covering trends over roughly the last 30 years. Some measures look at changes for the average or median American family, while others look at changes in the relative position of Americans of different races or income levels. Finally, several measures look at the position of American families (or children) relative to other industrialized nations.




AMERICAN DREAM SCORECARD


1970-2003

ECONOMIC OPPORTUNITY AND SECURITY


FAMILY INCOME

-  Real median family income grew 24% from 1973 to 2001 (after adjusting for inflation), though most of that gain came from families working more hours as opposed to earning higher wages.¹


OVERALL POVERTY RATE

-  The poverty rate increased slightly over the last 28 years, from 11.1% in 1973 to 11.7% in 2001.² The total number of Americans living in poverty is now 32.9 million and an equal number of Americans live just above the poverty threshold.


CHILD POVERTY RATE

-  Among young children, the poverty rate from 1973 to 2001 increased from 18.1% to 18.4%;


DISTRIBUTION OF WEALTH

-  The share of all wealth in the country (net assets) became more unequal. The share of wealth controlled by the top 20% of households increased from 81.3% in 1983 to 83.4% in 1998 while the share controlled by the bottom 60% of American households, declined from 6.1% to 4.7%.³


AVERAGE NET ASSETS *for low- to moderate-income families*

-  For the families at the bottom 40% of the income distribution, average net assets (assets minus debts) declined from \$4,700 in 1983 to \$1,100 in 1998.⁴

READINESS FOR RETIREMENT

-  The average American is entering retirement less prepared and with fewer net assets than a generation ago, in large part because corporate pensions have been cut faster than any increase in personal savings through 401(k)'s, I.R.A.'s, or other similar programs.⁵


HOME OWNERSHIP

-  Home ownership overall increased in the last generation (64% in 1973 to 68% in 2001).⁶


HOME OWNERSHIP *for low-income families*

-  For Americans in the bottom economic quartile home ownership rates declined from 51% to 49%.⁷

ECONOMIC MOBILITY *changes over time and comparison to other industrialized countries*


-  Economic mobility—the quintessentially American idea that regardless of your family's income at birth you can rise, or fall, depending on your merits—is declining, and is lower than in our competitor nations in Europe and Asia. Over the course of the last 30 years, Americans became progressively less likely to “leave” their fifth of the income distribution, meaning the rich were increasingly likely to stay rich and the poor increasingly likely to stay poor.⁸

INCOME GAP BY RACE


-  Gains in African-American median family income outpaced gains by white families (34% versus 24%).⁹

EDUCATIONAL OPPORTUNITY AND ACHIEVEMENT


GRADUATION RATES FROM PUBLIC SCHOOLS

-  Public high school graduation rates declined from a high of 77% in 1969 to 70% in 2000.¹⁰ Every year approximately 4 million children enter American public high schools, and roughly 2.7 million walk across the aisle at graduation. Among low-income public school students, only half graduate, with the other half dropping out. Among African-American boys of all income levels, just 43% graduate, according to data compiled by the Alliance for Excellent Education from studies by the Urban Institute, the Manhattan Institute, Johns Hopkins University, and The Civil Rights Project at Harvard University.

ACADEMIC SKILLS

-  Since 1970, math scores on the National Assessment of Educational Progress – the best national measurement of educational attainment – have increased modestly for 9-year-olds, 13-year-olds, and 17-year-olds, the three age-groups tested. NAEP reading scores increased modestly in the 1970s, but have been stagnant for the last 20 years for all age groups. NAEP began giving a writing test in 1984 and writing scores have been flat to declining ever since, with writing scores for 17-year-olds declining significantly.¹¹

STANDARDIZED ACHIEVEMENT TEST SCORES

-  Between 1970 and 2002, Average SAT scores declined from 1049 to 1020. Average math SAT scores increased modestly from 512 in 1970 to 516 in 2002 while verbal SAT scores declined from 537 to 504. In general, scores declined sharply from 1970 to 1990 and then stabilized or grew modestly in the 1990s.¹²

MATH & SCIENCE SKILLS *compared to other countries*

- 👉 Relative to other industrialized countries, math and science skills in the United States were low and remain low. Among younger students they are getting lower. The U.S. average mathematics score of 485 in math literacy was below the 28-nation average of 500 in the recent Program for International Student Assessment (PISA), and 20 of 28 OECD countries outperformed the U.S.¹³

ACCESS TO COLLEGE BY HIGH SCHOOL GRADUATES

- 👉 The percentage of high school completers who enrolled in two or four-year colleges increased from 49% in 1972 to 62% in 2001, driven by particularly dramatic increases among women (46% to 64%).¹⁴

COLLEGE COMPLETION *by income level*

- 👉 Eighth graders from families in the top economic quartile have a 60% chance of completing a four year college within 12 years (by age 25 or 26). By contrast, 8th graders from the middle 50% of the income distribution have a 24% chance of completing college within 12 years, and 8th graders from the poorest quartile of families have just a 7% chance.

COLLEGE MATRICULATION IN THE U.S. *compared to other industrialized countries*

- 👉 After increasing steadily for the entire 20th century, matriculation rates of high school completers into four-year colleges in the United States declined slightly from 44% in 1998 to 42% in 2001. During these same years, the comparable rate of transition to four-year colleges in competitor countries increased from 40% to 47%, meaning other industrialized countries pulled ahead of U.S. college-going rates for the first time ever.¹⁵

PUBLIC HEALTH & SAFETY

INFANT MORTALITY

- 👉 Infant mortality rates declined from 2% in 1970 to .7% in 2001.¹⁶

LIFE EXPECTANCY

- 👉 Life expectancy has increased from 71 years for people born in 1970 to 77 years for people born in 2001.¹⁷

HEALTH INSURANCE

- 👉 The percentage of workers with health insurance declined from 70% in 1979 to 63% in 2000, and for those with private health insurance (most of the non-elderly) families paid an ever greater share of health costs with employers paying a lower share. The number of children without health insurance grew from 12% in 1987 to 16% in 2003.¹⁸

CHILDREN LIVING WITH TWO PARENTS

- 👉 The percentage of children living with two parents has declined from 77% in 1980 to 68% in 2003, with the decline stabilizing in the late 1990s.¹⁹

TEEN PARENTING RATES

- 👉 Teen parenting rates were the same in 1970 as 2002 (roughly 2%) with a steady rise in the 1970s and 1980s and a decline in the 1990s.²⁰

ASTHMA RATES

- 👉 The number of Americans with asthma more than doubled in the last 20 years (6.7 million to 17.3 million cases) and childhood asthma rates increased by 160% with concentrations among poor and minority children living in cities.²¹

OBESITY RATES

- 👉 Childhood obesity almost tripled from 6% to 16% in the last 20 years, with rates for African-American girls at 23% and for Mexican-American boys at 27%. Over the last four decades, the average weight of American adults has increased by 25 pounds, while the average weight of 10-year-olds has increased by 11 pounds (from 74 to 85 pounds for boys and from 77 to 88 pounds for girls). Overall, 27% of the increase in national health care spending from 1987 to 2001 was caused by obesity-related costs.²²

SMOKING RATE

- 👉 The percentage of adults who smoke has dropped from 35% to 25% in the last 25 years. Smoking by high school seniors declined from 21% in 1980 to 16% in 2003, but fluctuated during this time, hitting a high of 24% in 1997.²⁵

ILLICIT DRUG USE

- 👉 Illicit drug use has had ups and downs but stayed relatively constant from 1975 to 2001. In both years, 55% of young people said they used an illicit drug by the time they left high school. Drug use peaked at 66% in 1981 and declined to a modern low point of 41% in 1992 before rising again.²⁴

POPULATION IN PRISON

- 👉 The number of Americans in prison or on probation or parole more than tripled from 1.8 million in 1980 to 6.6 million in 2001. This means that the percentage of all adults incarcerated or on probation or parole has increased from 1% to 3% of all adults, with much higher rates among young adults, and particularly young African-American adults.²⁵

VIOLENT CRIME

- 👉 Overall, violent crime increased by 42% from 1970 to 2000²⁶ After rising dramatically in the 1970s and '80s, violent crime peaked in 1991 at 7.6 violent crimes per each 1,000 citizens (double the level of 1970). Crime then declined throughout the 1990s.

¹ Mishel, *The State of Working America* 57.

² Mishel, *The State of Working America* 512, 517, 536.

³ Mishel, *The State of Working America* 281, 288.

⁴ Mishel, *The State of Working America* 281, 288.

⁵ Williams Walsh, Mary. "Healthier and Wiser? Sure, but Not Wealthier." *New York Times* 13 June 2004.

⁶ Mishel, *The State of Working America* 292.

⁷ Mishel, *The State of Working America* 292.

⁸ Mishel, *The State of Working America* 78, 408, 418.

⁹ Mishel, *The State of Working America* 515.

¹⁰ Graduation rates are controversial, with school systems and independent researchers using vastly different numbers. Most school systems claim official drop-out rates of just 10% to 15%. A frequently cited national high school graduation rate of 86% includes private school students and drop-outs who later get a G.E.D. (shown through research to be less valuable than a high school degree), and does not include students who drop-out and enter the criminal justice system. Researchers at the Urban Institute, the Manhattan Institute, and at Johns Hopkins University have each developed more sophisticated measurements of public school drop-out rates. Their estimates for today's rate range from 68% to 72%. The Urban Institute's estimate of 70% in 2000 and 77% in 1969 are the estimates

used above.

¹¹ Campbell, Jay, et al. *NAEP 1999 Trends in Academic Progress: Three Decades of Student Performance*. Washington, D.C.: National Center for Education Statistics, 2000.

¹² *Statistical Abstract of the United States* 174.

¹³ Two factors complicate this data. On the one hand, average scores were reduced in part because a larger share of the population began taking the test; on the other hand, SAT analysts say changes to scoring has inflated recent scores, meaning the decline in scores shown above may mask an even larger decline.

¹⁴ Gonzales, Patrick, et al. *Highlights from the Trends in International Mathematics and Science Study (TIMSS) 2005*. Washington, D.C.: National Center for Education Statistics, 2004. School Improvement Weekly. No Child Left Behind, January 3 2004.

¹⁵ Wirt, John, et al. *The Condition of Education 2005*.

Washington, D.C.: National Center for Education Statistics, 2005: 47, 127.

¹⁶ Wirt, John, et al. *The Condition of Education 2004*. Washington, D.C.: National Center for Education Statistics, 2004: 139.

¹⁷ *Statistical Abstract of the United States* 90.

¹⁸ *Statistical Abstract of the United States* 83.

¹⁸ Pear, Robert. "Nation's Health Spending Slows, but it still hits a record." *New York Times* 11 January 2005.

"Population Profile of the United States." U.S. Census Bureau, 2002.

¹⁹ *American's Children in Brief: Key National Indicators of Well-Being, 2004*. Washington, D.C.: Federal Interagency Forum on Child and Family Statistics 2004: 4.

²⁰ *American's Children in Brief 2004: 8; Health, United States, 2003*. Hyattsville: National Center for Health Statistics 2004.

²¹ Epstein, Paul, et al. *Inside the Greenhouse: The impacts of CO2 and Climate Change on Public Health in the Inner City*. Boston:

The Center for Health and Global Environment at Harvard Medical School 2004.

²² Health, United States, 2003. Hyattsville: National Center for Health Statistics 2004.

²³ *American's Children in Brief 2004* 11.

²⁴ Johnston, Lloyd, Ph.D., et al. *Monitoring the Future National Results on Adolescent Drug Use: Overview of Key Findings, 2005*. Bethesda: National Institute on Drug Abuse, 2004: 8.

²⁵ *Statistical Abstract of the United States* 219.

²⁶ "United States Crime Rates: 1960-2000." *FBI, Uniform Crime Reports* 2001, <http://www.disastercenter.com/crime/uscrime.htm>

APPRECIATION

Researching and writing this essay was the final activity of a recent brief sabbatical and became a highly educational and enjoyable exploration. I began with the hypothesis that social progress in America was stalled and that reinvigorating positive change would require some new combination of organization building and political reform. This is what I call the “tree shaking” and “jelly making” theory of social change, borrowing a line from the Reverend Jesse Jackson. Jackson used to note that he was “a tree shaker not a jelly maker” but that the world required both.

As I dove into the data, reading census reports over the morning coffee and Department of Education compendiums after lunch, much of what I found confirmed my suspicions. Other data surprised me, and in some cases called into question deeply held assumptions. In thinking anew about the national values that have both restrained and nurtured social change throughout American history, I became more convinced than ever that social entrepreneurship and the building of more effective, larger service organizations must be at the center of any effective change agenda. I also came to believe that social entrepreneurs will need to marry our efforts to advocacy and culture-changing efforts more than we have in the past. We’ll need both tree shaking and jelly making.

Several friends and colleagues commented on earlier drafts of this paper or shared helpful observations. In particular, I’d like to thank Rick Weissbourd of Harvard’s Kennedy School of Government and School of Education, and Katherine Fulton and Mark Valentine of the Monitor Institute for helpful conversations as ideas for the paper were taking shape. Gary Walker of Public/Private Ventures, my dad, Fritz Schwarz, and Tom Gerety of The Brennan Center at NYU all made insightful observations, as did Citizen Schools colleagues Kate Carpenter, Jason Cascarino, Kelly Fitzsimmons, Sherif Nada, Lindsay Sobel, David Stolow, and John Werner. My executive assistant, Natasha London-Thompson, became an expert at Googling as she tracked down obscure data with aplomb, and Vanessa Kirsch and colleagues at New Profit Inc. provided encouragement and great ideas from beginning to end. Ambassador Swanee Hunt and Charles Ansbacher kindly lent their Colorado ranch and it was at their beautiful home that I did the bulk of the reading and writing over 11 days in January. Thanks as well to the entire board and staff at Citizen Schools whose support and strong leadership made a sabbatical possible, and whose friendship I cherish.

Finally I’d like to appreciate the many leaders who have worked – and are working – to expand the American Dream and increase social justice. This essay takes a critical look at the outcomes of our work. But that doesn’t lessen my respect for those who care enough to work for a stronger and fairer America, nor does it undermine my ultimate optimism that America’s best days are ahead.

— Eric Schwarz, February 2005
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INTRODUCTION

The story of America is the story of possibility. From John Winthrop's "City On A Hill" to Thomas Jefferson's "life, liberty, and pursuit of happiness,"¹ to Dr. Martin Luther King's "Beloved Community," America's great moral and political leaders have evoked an ideal of perpetual aspiration. They have envisioned a day when all citizens can have equal access to "The American Dream" – a dream of educational and economic opportunity; of freedom, leisure, and peace; of a secure retirement; and, perhaps most of all, of a better life for their children.

For two centuries after the American Revolution, the United States marched toward this ideal with extraordinary consistency. Progress was far from complete. There was always resistance. Often the American value of rugged individualism triumphed over the value of shared community responsibility. But to a remarkable degree, America created its own national Horatio Alger story. Cynics may doubt it; but the truth is that from a nation of slaves, poor farmers, and new immigrants living in urban slums, our ancestors built the world's first modern democracy and a majority middle class nation. The change was bold. In 1870, one-fifth of all children died before reaching their first birthday, only 2% of children finished high school, and a majority of senior citizens lived in poverty. A century later, infant mortality was less than 2%, 77% of all students finished high school, just one in ten senior citizens lived in poverty, and *de jure* civil rights were secured.

In contrast to this legacy of positive change, I will show here that the final decades of the 20th century were especially discouraging ones for less fortunate Americans and for the American ideal of ever-expanding opportunity. Income gaps widened; poverty grew; economic mobility declined; high school graduation rates dipped. Perhaps most significantly, the average American's position relative to citizens of other industrialized nations – and relative to the challenges of the global economy – declined in a number of important areas. I believe that when future historians examine things carefully, the late 20th century will come to represent a turning point – hopefully temporary – away from a 200-year trend line that up to that point had marked ever greater realization of the American Dream. Rather than rolling down like a mighty stream, justice trickled forward.

CONTEXT FOR THIS PAPER

The following is the effort of one American to make sense of our history, our progress and our remaining and in some cases worsening national challenges. Has social progress in America reached a point of diminishing or declining returns? Must we now merely “play defense” and prevent the erosion of rights and opportunities previously won? Or can we find new tools for new times and further expand the American Dream to the one in three Americans who today live in or near poverty?

In writing about recent and prospective social change – or the roadblocks that hold it back – I write as a lover of history and as a former journalist, but most significantly as a social entrepreneur.² For 15 years I have been working to build organizations that can do their part in building a better America. First at City Year, where I worked for five years, and for the last 10 years at Citizen Schools, I have had the privilege of working among hundreds of dedicated, patriotic, public servants who believe that too many kids and families have no fair chance at success.

Unlike our parents – who looked first to government to solve the problems of the day – today’s social entrepreneurs have drawn from the tools and language of private enterprise to attempt delivery of better services and the building of lasting organizations that can leverage broad change. We’ve made some headway and have built extraordinary and effective organizations – places like Habitat for Humanity, Teach For America, and many others. But we and others toiling for change aren’t doing nearly as well as we would like. One measure says a lot. As Habitat for Humanity has grown, the percentage of poor families who own their own home has declined.³

There are three parts to this essay. First, I make the case that – in contrast to every previous generation in American history – in the last generation we failed to expand educational and economic opportunity and thus failed to extend the American Dream. This finding has major implications for America’s identity and role in the world. To illustrate the point, I present a unique “American Dream Scorecard” – a compilation of 28 measures that track our success in pursuing expanded opportunity in the domains of work, education, and health and safety. In the second part of the essay I offer some reasons for our poor national performance, moving beyond conventional wisdom to offer new insights based in practice as well as theory. Finally, the third part of the paper lays out ideas for pursuing social change efforts in the future with a strategy informed by history.

I love this country. It has given me and my family extraordinary opportunities and great happiness. Like many others who have lived the American Dream, I would like nothing more than to see that opportunity spread to more families. It is in this spirit that I researched and wrote this paper. I hope the paper will engage and provoke readers and can help inform citizen leaders, elected officials, and leaders from the private and philanthropic sectors as we attempt to “bend history” (to borrow Robert Kennedy’s phrase) in a more positive direction.

Part One: Lessons Learned from Social Change in the Final Decades of the 20th Century

In the period from roughly 1970 to 2003 Americans created huge wealth, but comparatively little positive social change. Gross domestic product increased 300% in real dollars from 1970 to 2003, driven by increases in worker productivity (54%), innovation, technology, improvements in business management, increased exports to global markets, and other factors.⁴ We produced more goods more efficiently, more technology, more food, and dramatically more wealth. In the last generation in America, millionaires went from being exotic to commonplace.

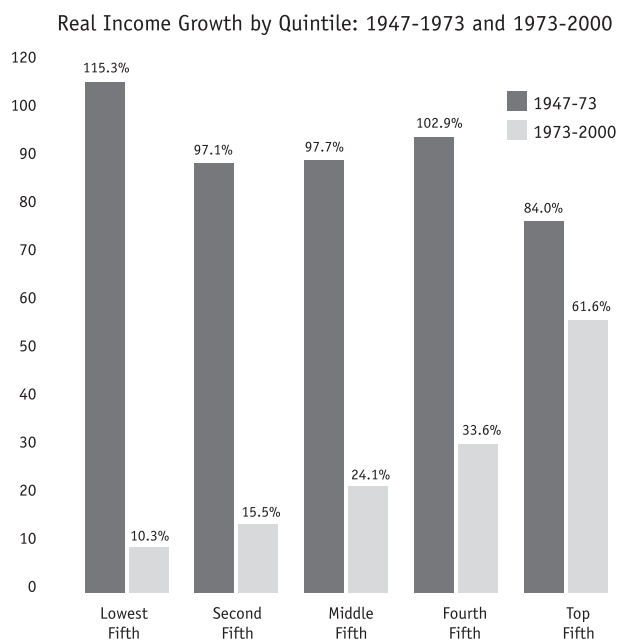
A communications revolution offered new and faster ways to connect and drove progress across a number of business and social domains. The Internet offered a new tool for commerce, and a new way to organize for change. Starting in the '70s with California's Proposition 13, there was a rising national opposition to taxes – and efforts, mostly unsuccessful, to cut programs serving the poor. **But economic growth still fueled a more than doubling of the federal budget, and a tripling of domestic spending.** Investment in K-12 education doubled in real terms and investment in Head Start increased six-fold to \$7 billion. Looked at on a per capita basis, federal spending per person increased (in 2000 dollars) from \$4,000 per person in the early 1970s to \$7,500 per person today.⁵

Yet despite the huge growth in the nation's overall economic strength and federal budget, for lower- and middle-income families the last generation was one of modest gains, stagnation, or even decline. By contrast, in the period between World War II and 1973, (and in the Progressive era spanning the late 1800s and early 1900s), America did a far better job of increasing economic and educational opportunity and increasing quality of life for lower income and average income families.

What follows is an "American Dream Scorecard," an attempt to record our progress over the last 30 years against specific outcome goals that can reasonably be considered relevant to the American Dream. Just as great business and social enterprises have profited from using a Balanced Scorecard to track their progress and inform their strategy and tactics, the nation itself could benefit from a steady look at a set of indicators like those shown here.⁶

American Dream Scorecard: Economic Opportunity and Security

Family Income. Real median family income grew 24% from 1973 to 2001, though most of that gain came from families working harder (mostly women working more hours). The harder work had its own costs in declining leisure time, increased childcare costs, and declining time spent with children.⁷ In two-parent families where the wife does not work, family income increased just 3% over this same 28-year period, and for households headed by single men, real income declined by 1%. In addition, as the adjacent chart shows, the income of wealthier families grew much faster than the income of lower income families. This stands in contrast to the previous generation—1947 to 1973—when real income grew faster and in a much more progressive pattern.⁸ (Unless otherwise stated, all changes in spending or income are given in inflation-adjusted or real terms.)



Source: The State of Working America

Poverty Rate. The poverty rate increased slightly over the last 28 years, from 11.1% in 1973 to 11.7% in 2001. Among young children, the poverty rate in this same period increased from 18.1% to 18.4%; and among families headed by someone with less than a high school degree, poverty increased from 19.6% to 32.9%. It used to be that families could enter the middle class even when the main breadwinner lacked a high school degree. Now, as this

statistic shows, adults without a high school degree have a harder time escaping poverty, much less achieving a “living wage,” a fact of increasing import given the declining high school graduation rate discussed in the next section. The total number of Americans living in poverty is now 32.9 million and an equal number of Americans live just above the poverty threshold.⁹

Distribution of Wealth. The share of all wealth in the country (net assets) became more unequal. The share of wealth controlled by the top 20% of households increased from 81.3% in 1983 to 83.4% in 1998 while the share controlled by the bottom 60% of American households (most people), declined from 6.1% to 4.7%. The share of wealth held by the top 1% of all households increased from 33.8% to 38.1%. For the families at the bottom 40% of the income distribution (almost half of all families), average net assets (assets minus debts) declined from \$4,700 in 1983 to \$1,100 in 1998.¹⁰

Readiness for Retirement. The average American is entering retirement less prepared and with fewer net assets than a generation ago, in large part because corporate pensions have been cut faster than any increase in personal savings through 401(k)’s, I.R.A.’s, or other similar programs.¹¹ In addition, Americans at all levels of the income distribution have assumed a far greater debt burden than a generation ago. Average household debt as a percentage of annual disposable income increased from 66.9% in 1973 to 109% in 2001, with middle-income families assuming the greatest debt burden and the greatest risk to their economic security and retirement.¹²

Home Ownership. Home ownership overall increased in the last generation (64% in 1973 to 68% in 2001), but for Americans in the bottom economic quartile home ownership rates declined from 51% to 49%.¹³

Economic Mobility: Changes over time and comparison to other industrialized countries. Economic mobility – the quintessentially American idea that regardless of your family’s income at birth you can rise, or fall, depending on your merits – is declining, and is lower than in our competitor nations in Europe and Asia. Income inequality is also far higher in the United States than in other industrialized countries. Over the course of the last

30 years, Americans became progressively less likely to “leave” their fifth of the income distribution, meaning the rich were increasingly likely to stay rich and the poor increasingly likely to stay poor. While economic mobility for American families in the most recent 30 year period was only slightly lower than the previous 30 year period, it was notably lower than in European and Asian competitor countries, largely because greater government support to the poor in those countries helps them exit poverty in greater numbers.¹⁴

Income Gap by Race. While the income gap separating the wealthy and the middle class and poor has increased in the last generation, the income gap between blacks and whites has declined. Gains in African-American median family income outpaced gains by white families (34% versus 24%). Similarly, the poverty rate among African-Americans declined from 31.4% to 22.7% even while the overall poverty rate increased modestly. This represents a social justice success story though a far from complete one.¹⁵

American Dream Scorecard: Educational Opportunity and Achievement

Graduation Rates from Public Schools. Public high school graduation rates declined from a high of 77% in 1969 to 70% in 2000.¹⁶ Every year approximately 4 million children enter American public high schools, and roughly 2.7 million walk across the aisle at graduation. The disappearance from our schools of these 1.3 million children every year – primarily to low-wage, dead-end jobs or to the streets – is a little known story and a national tragedy. Among low-income public school students, only half graduate, with the other half dropping out. Among African-American boys of all income levels, just 43% graduate, according to data compiled by the Alliance for Excellent Education from studies by the Urban Institute, the Manhattan Institute, Johns Hopkins University, and The Civil Rights Project at Harvard University.

Academic Skills. Since 1970, **math scores** on the National Assessment of Educational Progress – the best national measurement of educational attainment – have increased modestly for 9-year-olds, 13-year-olds, and 17-year-olds,

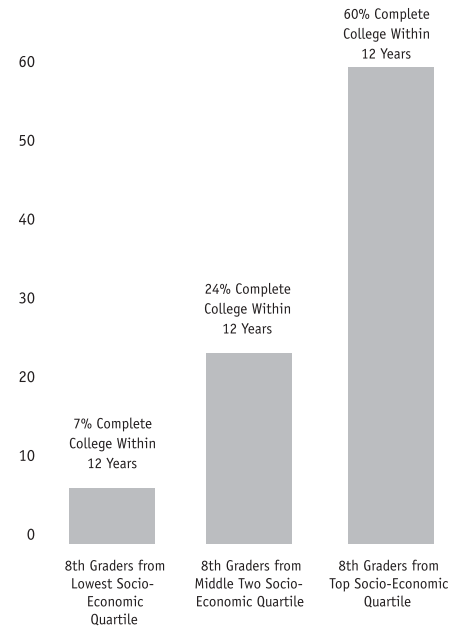
the three age-groups tested. NAEP **reading scores** increased modestly in the 1970s, but have been stagnant for the last 20 years for all age groups. NAEP began giving a **writing test** in 1984 and writing scores have been flat to declining ever since, with writing scores for 17-year-olds declining significantly.¹⁷

Standardized Achievement Test Scores. Average math SAT scores increased modestly from 512 in 1970 to 516 in 2002 while verbal SAT scores declined from 537 to 504. In general, scores declined sharply from 1970 to 1990 and then stabilized or grew modestly in the 1990s.¹⁸

Math & Science Skills Compared to Other Countries. Relative to other industrialized countries, math and science skills in the United States are low, and, among younger students, getting lower. The U.S. average mathematics score of 483 in math literacy was below the 28-nation average of 500 in the recent Program for International Student Assessment (PISA), and 20 of 28 OECD countries outperformed the U.S. The 2003 Trends in International Mathematics and Science Study (TIMMS) indicates that the performance of U.S. 4th graders in both science and math was significantly lower in 2003 than in 1995 relative to the 14 other countries that participated in both studies. On a positive note, scores for U.S. 8th graders improved in math and science relative to other countries. And among both 4th and 8th graders the gap between African-American and white students in the U.S. narrowed significantly between 1995 and 2003, with African-American students making significant gains, particularly in the late 1990s.¹⁹

Access to College by High School Graduates. The percentage of high school completers who enrolled in two- or four-year colleges increased from 49% in 1972 to 62% in 2001, driven by particularly dramatic increases among women (46% to 64%). Racial gaps in college-going among high school graduates are modest, with 64% of whites going on to some form of college, 55% of African-Americans, and 52% of Hispanics. However, these relatively modest racial gaps are among high school graduates only and mask a much larger racial divide in public high school graduation rates. In addition, as the accompanying chart shows, socio-economic status predicts college graduation rates to a dramatic and alarming degree.²⁰

Progression of Three Groups of 8th Graders from 1988 Through to College Graduation (Bachelor's Degree) by 2000



Source: National Center for Educational Statistics, 2003

College Matriculation in the United State Compared to Other Industrialized Countries. After increasing steadily for the entire 20th century, matriculation rates of high school completers into four-year colleges in the United States declined slightly from 44% in 1998 to 42% in 2001. During these same years, the comparable rate of transition to four-year colleges in competitor countries increased from 40% to 47%, meaning other industrialized countries pulled ahead of U.S. college-going rates for the first time ever.²¹

HEAD START

As part of his War on Poverty, President Lyndon Johnson was particularly motivated to help those who were, in the words of Vice President Hubert Humphrey, "in the dawn of life, the twilight of life, and the shadows of life." For elder Americans, The War on Poverty offered Medicare and expanded Social Security benefits. For poor children "in the dawn of life" Johnson's answer was Head Start, a program he hoped would help poor children get to "the starting line" even with their peers from wealthier families.²²

Head Start was modeled in part on the Pery Pre-School of Ypsilanti, Michigan and crafted by a team of educa-

tors and pediatricians led by Yale's Edward Zigler and Dr. Robert Cooke of Johns Hopkins. Program designers differed on whether the program was primarily a medical intervention (since Head Start offered vaccinations and health exams), a family intervention (since a goal was to engage and, where possible, hire parents as teachers), or an early learning program (since the over-arching goal was to boost school readiness). Regardless, the basic idea of Head Start – the notion that we were investing in poor children and giving them a fair start in school and life—was embraced by the American people and became a bipartisan political success story. Head Start expanded dramatically under presidents Johnson, Nixon, Carter, Reagan, Bush, Clinton, and Bush and grew into a \$7 billion program serving 1 million children.

While the expansion of the program has been bold, the outcomes for children have been less clear. Some evaluations show limited I.Q. and academic gains that fade over time combined with a small increase in grade promotion and high school graduation rates, and a reduction in special education placements.²³ Other studies show no academic gains in the short or long term.

Part of the reason for this limited impact is that Head Start was a diluted version of the model program it was based on. Perry Pre-School had one adult for every 5 children while Head Start, in an effort to cut costs, moved to a 1:10 adult to child ratio. Another significant reason for the disappointing outcomes is that at the time the nation created and funded Head Start, we adopted no comparison strategy to build effective national, regional, and local organizations to deliver Head Start programs. Thousands of programs emerged. Some were and are wonderful. But too few of them, tragically, had or have the capacity and expertise to adapt best practices, hire and train great people, and build effective and sustainable organizations.

American Dream Scorecard: Public Health & Safety

Infant Mortality. Infant mortality rates declined from 2% in 1970 to .7% in 2001. In the most recent 21 years (1980-2001) rates for whites declined from 1.1% to .6%, while rates for African-Americans declined from 2.2% to 1.4%.²⁴

Life expectancy. Life expectancy has increased from 71 years for people born in 1970 to 77 years for people born in 2001.²⁵

Health Insurance. The percentage of workers with health insurance declined from 70% in 1979 to 63% in 2000, and for those with private health insurance (most of the non-elderly) families paid an ever greater share of health costs with employers paying a lower share. The number of children without health insurance grew from 12% in 1987 to 16% in 2003.²⁶

Children with Two Parents and Teen Parenting Rates.

The percentage of children living with two parents has declined from 77% in 1980 to 68% in 2003, with the decline stabilizing in the late 1990s.²⁷ Similarly, the 1970s and '80s saw a steady rise in teen parenting rates, which hit a highpoint in 1991 of 4% (4 births for every 100 girls, ages 15 to 17). Teen parenting rates then declined dramatically in the 1990s, to a low of just over 2% in 2002, almost identical to the rate in 1970.²⁸

Asthma Rates. The number of Americans with asthma more than doubled in the last 20 years (6.7 million to 17.3 million cases) and childhood asthma rates increased by 160% with concentrations among poor and minority children living in cities. An estimated 6 million American children have asthma, accounting for 280 deaths, one-third of all pediatric emergency room visits, and 10 million missed school days per year. A Harvard Medical School study attributes the rapid growth in asthma rates to increases in allergenic pollen caused by global warming combined with higher rates of air pollution in urban areas.²⁹

Obesity. Childhood obesity almost tripled from 6% to 16% in the last 20 years, with rates for African-American girls at 23% and for Mexican-American boys at 27%. Over the last four decades, the average weight of American adults has increased by 25 pounds, while the average weight of 10 year olds has increased by 11 pounds (from 74 to 85 pounds for boys and from 77 to 88 pounds for girls). Overall, 27% of the increase in national health care spending from 1987 to 2001 was caused by obesity-related costs.³⁰

Smoking and Illicit Drug Use. The percentage of adults who smoke has dropped from 35% to 25% in the last 25

years. Smoking by high school seniors has declined from 21% in 1980 to 16% in 2003, but fluctuated during this time, hitting a high of 24% in 1997.³¹ Illicit drug use has had ups and downs but stayed relatively constant from 1975 to 2001. In both years 55% of young people said they used an illicit drug by the time they left high school. Drug use peaked at 66% in 1981 and declined to a modern low point of 41% in 1992 before rising again.³²

MADD

In 1980 a group of mothers from California, heartbroken by the deaths of their children in accidents involving drunk drivers, formed Mothers Against Drunk Driving (MADD). By 1982 the organization had grown to 100 local chapters, convinced President Ronald Reagan to appoint a national commission on drunk driving, and successfully advocated for a national law that set aside federal highway funds for state-based efforts to reduce drunk driving. MADD had great success changing laws and changing behavior. They raised the drinking age, curbed “happy hour” abuses, increased penalties for drunk driving, and seared into the popular culture the idea of the designated driver. From 1982 to 1997, MADD and its allies succeeded in reducing annual alcohol-related fatalities by one-third, from 26,173 down to 16,711. But even at that reduced level, alcohol-related crashes remain the number one killer of teenagers and young adults, and now these deaths are slowly creeping back up. Why?

One theory for MADD’s diminishing returns is that budget-strapped police departments are now doing fewer targeted patrols and road-side stops. A Boston Globe article, for instance, documented the recent force reductions in many Massachusetts towns and cities and said a consequence was fewer patrols looking for drunk drivers. Roadside breathalyzers administered by the state police dropped 25% between 1996 and 2004, just as the number of alcohol-related driving fatalities began to rise.³³ The moral of the story is the importance of combining excellent on the ground service delivery—in this case police work—with a broader marketing and legislative campaign.

Population in Prison. The number of Americans in prison or on probation or parole more than tripled from 1.8 million in 1980 to 6.6 million in 2001. This means that the percentage of all adults incarcerated or on probation or parole has increased from 1% to 3% of all adults, with much higher rates among young adults, and particularly young African-American adults.³⁴ Some estimates have placed the number of African-American young men involved in the criminal justice system as high as one in three.³⁵

Violent Crime. Overall, violent crime increased by 42% from 1970 to 2000.³⁶ After rising dramatically in the 1970s and ‘80s, violent crime peaked in 1991 at 7.6 violent crimes per each 1,000 citizens (double the level of 1970). Crime then declined steadily throughout the 1990s

Conclusion

The American Dream Scorecard tells a mixed to negative story. Seven of the indicators we examined showed upward movement, three stayed even, and 18 showed a small or significant decline. Changes in the fortunes of average and lower income Americans appear in an especially negative light when considered in the context of past generations where bold gains in the median standard of living were the norm. Perhaps most importantly, when the American Dream Scorecard is considered in comparison to the recent experience of other industrialized countries, and in the context of a modern global economy that requires middle class workers to have greater skills than before to stay competitive, our track record gives the most reason for alarm. **In the current global environment, treading water actually means you are sinking.**

On the positive side, the nation did make progress in addressing racial inequity, though wide gaps remained. On many indicators, poverty is now a better predictor of inequality than race. In addition, there were several success stories in the public health arena, and some evidence that large national marketing campaigns can have

at least limited success at changing entrenched behaviors, including excessive drinking, smoking, and unprotected teenage sex. Finally, the early indications are that the welfare reform legislation of the mid-90s, in combination with a growing economy, was successful in getting former AFDC recipients into the workforce and increasing their overall family income.

On the negative side, child poverty (and overall poverty) increased in the last 30 years and is again trending upward after a decline in the late '90s. In addition, poverty is becoming more entrenched. In comparison to other industrialized nations we have many more families in poverty and they stay there longer. For middle income families, modest gains in total income (mostly achieved by working longer hours) have been accompanied by greater debt, fewer savings for retirement, and less time with children. A lower percentage of public high school students are graduating than a generation ago, and those that do graduate have only marginally better skills (on an absolute basis), and worse skills relative to competitor countries and the rising demands of the global economy.

Part Two: An Historical Analysis of Our Recent Successes and Setbacks

John Sawhill, the late President of the Nature Conservancy, used to tell a story about measuring progress. For a number of years after taking over the Conservancy in 1990, Sawhill said he and his leadership team evaluated their effectiveness primarily according to two measures, how much money they raised, and how many acres they bought. They called these measures “Bucks and Acres” and believed they were a good proxy for their mission of preserving biodiversity through conservation.

Sawhill and his team were focused and talented, and in the 1990s they experienced explosive growth. They became the largest environmental organization in the world. By the end of the decade they were raising \$780 million per year and buying up millions of acres annually across North, South, and Central America. By their metrics of “Bucks and Acres” they were doing very well. Sawhill was increasingly satisfied with his work until he went in

one day to speak with one of his board members, the renowned Harvard biologist E.O. Wilson.

As Sawhill told the story, “I shared with E.O. my pride at our growth and the growing tracts of land we were buying up. I spoke about the land that would never be built upon, and the urgency of preserving more land. And then I asked him how he thought we were doing. He paused. And then E.O. looked at me with a smile, and said: ‘John, it sounds wonderful what you are doing except for the fact that our mission is to protect biodiversity and we happen to be presiding over the greatest decline in biodiversity in at least six millennia.’”³⁷

I repeat this story here because I believe those of us who want to expand access to the American Dream need to keep re-examining our methods as well as asking how our work fits with larger trends and historic forces. We need to be wary of easy answers. More bucks and acres isn't enough.

Some believe that expanding the American Dream is just a matter of adopting new, more effective organizing techniques and petitioning government and the private sector to open up their wallets. But this appears to be no more than a partial solution when we consider the fact the American Dream Scorecard declined during a 30-year period when overall domestic spending increased three-fold. Others would focus just on scaling up effective organizations, reasoning that's where “the rubber hits the road.” But I can think of no more effective and no more rapidly growing organization than Habitat for Humanity. Yet, as described earlier, home ownership rates for American low-income families are not increasing, they are declining modestly, even as Habitat scales boldly. Clearly we need a multi-faceted approach to expanding the American Dream, and we need to read well the lessons of history.

What can American history tell us about the forces that have propelled or limited social progress in the past?

How might we draw from these lessons as we try to seize new opportunities for change in the post-industrial, networked-world of the early 21st century?

Limiting Factors to Social Change Throughout History

Theda Skocpol, a leading social policy historian, argues that wave after wave of social progress in America has been influenced – and often limited – by the nation’s unique division of powers. In contrast to European parliamentary democracies where strong national governments drive changes in social policy, new social policies in the United States have emerged more through a patchwork of efforts at the state and local level, as well as initiatives of the executive, legislative, and judicial branches.

The primacy of “state’s rights,” for example was a critical factor in the development of the Social Security Act of 1935. The Act emerged from a generation of state-level and national advocacy that started in the Progressive Era and reached critical mass in the crisis atmosphere of the Great Depression. Today we tend to think of the original Social Security Act as limited to the origin of our current old-age insurance system, but in reality it was much more. The Act also included national unemployment insurance and welfare for indigent families and individuals, two potentially bold reforms. The implementation of these other programs, however, was left in the hands of states and funded only in part by the national government.

“In the fashioning of America’s unemployment insurance system, all of the nationalizing pressures in and around the Roosevelt administration had to give way before the practical institutional obstacles....characteristic of the overall U.S. state structure,” writes Skocpol. “Southerners, who dominated key congressional committee chairmanships, were especially vigilant because of their desire to protect racist practices and low-cost patterns of labor control. But liberals in Congress also often shortsightedly supported federal (state-driven) rather than national arrangements in order to protect more progressive state-level practices.”³⁸ As a result, unemployment insurance and aid to poor families with dependent children never developed the same national constituency or public support as social security.

Other writers have noted the values divide that often characterizes debates about U.S. social policy. Former U.S. Sen. Patrick Daniel Moynihan, for instance, a distinguished social scientist prior to his election to public

office, notes that two pre-eminent American values are individualism and humanitarianism. The individualist says the poor must be poor because of their failures, and thus is reluctant to help, writes Moynihan. The humanitarian says the poor are poor not through any fault of their own, and thus doesn’t want to stigmatize or label the poor as having behaviors that contribute to their condition. Thus, says Moynihan, “Those who would most hope to do something for the poor are frequently the very ones who resist any public acknowledgement that their families might have special problems.”³⁹ (In the final part of this essay I suggest some ways to honor both individualist and humanitarian values in seeking to help poor and middle class families).

Foreign observer Alexis de Tocqueville noted that a distinguishing feature of American social progress is collective civic action by groups like the Free Masons, The Grange, the Eagles, and the YMCA. “Americans of all ages, all stations in life, and all types of dispositions are forever forming associations,” reported Tocqueville after his travels across America in the 1830s. “Nothing strikes a European traveler in the United States more than the absence of what we would call government or administration”⁴⁰

Some modern conservatives have seized upon Tocqueville’s writing as describing a “Golden Age” in American history in contrast to the big government era of the 1930s through the 1960s. Michael Barone of *The Weekly Standard* wrote a commentary, “Returning to Tocqueville,” in which he maintains that post-industrial America is fertile terrain for a return to Tocquevillian values. “A Tocquevillian America is naturally inclined to policies of decentralization, devolution and markets, just as big-unit industrial America was inclined to centralization, command-and-control bureaucracy.” Skocpol, in her essay, “The Tocqueville Problem,” disagrees sharply. She notes that the proliferation of civic organizations in mid-19th century America and in the Progressive Era was actually synergistic with growth in government. Civic groups lobbied for greater governmental activism and they benefited from it.⁴¹

Another important insight about U.S. social policy is that the public has generally been more favorable to univer-

sal government benefits that go to people who “earned them” through work or service to the country, and less favorable to narrowly targeted benefits to the needy. The first significant public benefits were pensions offered to millions of returning Civil War soldiers. Ever larger benefits were offered to veterans of World War I and then of World War II, through the G.I. Bill. Social security was designed explicitly to be self-funded by the payroll tax, thus creating an earned benefit.⁴²

“U.S. history speaks loud and clear to those who would want to do more now to help the poor through public social policies. Rather than devising new programs narrowly focused on low-income people or the urban poor, and rather than seeking to reform or expand Aid to Families with Dependent Children and other means-tested public assistance programs, policy makers should work toward displacing welfare with new policies that could address the needs of less privileged Americans along with those of the middle class and the stable working class,” writes Skocpol. **“New policies must speak with a consistent moral voice to all Americans who would be recipients and taxpayers.** The policies should reinforce fundamental values such as rewards for work, opportunities for individual betterment, and family and community responsibility for the care of children and other vulnerable people.”⁴⁵

A Deeper Look at Social Change in the Last 30 Years

While each of these lessons from the history of social policy can be instructive, to understand the particular successes or failures of the last 30 years – and the opportunities and challenges ahead – we need to introduce a series of more nuanced and time-specific theories and explanations. We need to ask ourselves: What are the likely reasons for our declining social progress in the last 30 years?

Following are seven theories for why we did so little in the last generation to expand access to The American Dream. I believe all of the following explanations are necessary to our understanding, and none by itself is sufficient.

1. The biggest thing holding us back from creating a Great Society is that we already created a Good Society.

Because we have already created a majority middle class society with a majority going on to college, it is harder to put together a winning coalition to fight for an expansion of opportunities for the 40% of the population struggling most acutely today. As a result, we’re not spending and investing enough to help poor and working class families, and our public policies don’t favor them. For example, we could prioritize expansion of the Earned Income Tax Credit for lower income working families over tax cuts and programs for the middle and upper classes, but we don’t, in part because of the basic electoral weight of who is helped more by each policy. Indeed, the fastest growing parts of the federal budget are the broad entitlement programs for the middle class. Targeted programs for the poor have not fared as well.

This argument basically holds that people act primarily in their self interest. It implies we need to reframe helping the poor and working class. Helping lower income families needs to be reframed not only as something we should do because it is morally right, but also as an investment that will strengthen the country and create a better life for those already in the middle class. Evidence from American history supports the notion that trickle up economics works better than trickle down economics, particularly in the modern, global economy.⁴⁴ When we invest in the skills of lower income children and workers, when poverty is reduced and the standard of living for working families is increased, standards rise for the middle class and wealthy as well.

2. When it comes to social change, we’ve gotten the “low-hanging fruit” and the work is getting harder.

We now face the more difficult challenge of serving harder to reach individuals and families and tackling more intractable issues. Inoculating children against polio, for instance, required a technological fix and was perhaps easier to accomplish than changing a poor child’s attitude toward exercise. Legislating civil rights and ending blatant public discrimination, while clearly a massive undertaking, may end up being easier than eliminating “the soft

bigotry of low expectations” or actually achieving equal educational and workforce outcomes.

The tools that were adequate in one generation – public mobilization, as an example – may be necessary but not sufficient to the next. Reducing poverty from 24% to 12% as we did in the 1960s may prove easier than reducing poverty from 12% to 6% in the decade ahead. Some earlier problems could be solved merely by spending more money on them. Eliminating poverty, for instance, is a relatively uncomplicated problem. We came close to solving poverty among the elderly in the 1960s by writing larger social security checks and offering to pay for health care. We could do the same for children (though generating the political will for massive transfer payments would be difficult). Boosting learning for low-income children, however, is less amenable to a financial fix. In cities such as Boston, MA and Newark, N.J. “Robinhood” school financing schemes have equalized spending with wealthier districts, but the results for poor children are still dismal.

Many of those who remain poor have been poor for generations and were not able to escape poverty despite the booming economy of the 1990s. Helping these families and their children will take new public investments as well as sustained, intense efforts by effective educational and service delivery organizations, and even then we will not always succeed.

3. Changes in the national and global economy mean the benefits of economic growth are distributed more unequally.

In past generations abundant natural resources and the western frontier fueled growth that had far-reaching benefits, even for less educated citizens. A hard worker with a limited education could join the middle class. In the 21st century, however, economic growth is more dependent on advanced education and does not spread as easily to those who do not have advanced skills. Wages for high school drop-outs, for instance, and for high school graduates with no college have declined in real terms over the last generation, while wages for the most educated workers are rising sharply.

For blue collar workers this means that maintaining a middle class standard of living, while formerly possible with just one family breadwinner, now requires two. Two workers means rising child care costs, and greater stress on the family.⁴⁵

4. The massive machinery of consumer capitalism is aimed at kids like never before and sends negative messages that are difficult to overcome.

Our cultural norms and the messages of the mass media are increasingly at odds with efforts to help poor and middle class families. Children are more obese, more prone to violence, and parents are more in debt in large part because of relentless marketing of fast food and other consumer products and constant exposure to violence in the popular culture. We’ve always had advertising, and always had a popular culture (which has often been criticized for its negative effect on morals), but the volume and scale of advertising and its tone and message has changed. On a recent trip to a Colorado ranch, I saw a reproduction of a newspaper front page from 1926. There were two front page advertisements, as was common at the time. Today, we can imagine, these advertisements might have pitched the attributes of a new “Hummer,” a pair of \$100 sneakers, or an inexpensive fast food meal. In 1926, however, in this particular Oklahoma newspaper, the advertisements were both from banks and their message was instructive.

“A little care exercised in the way you spend your money will open your eyes to the fact that the other fellow is banking the money that you have spent needlessly.... Don’t be afraid to practice ECONOMY. Let it be your watchword in money matters, the same as it has been the guide and success of rich men whom you know or read about.... Besides saving money, you will be building a character and reputation of which you will be proud in later life.” This was the front-page message bought by Farmer’s State Guarantee Bank, and it contrasts vividly with the consumerist media images we see today.⁴⁶

5. We are losing our communitarian spirit and civic muscles.

While we volunteer more, and start more organizations, we rarely band together in grand causes. In the wake of Watergate and Vietnam, we're more cynical about government. In addition, the sheer pace of political, social, and economic change in the 1960s may have triggered a collective exhaustion of the American polity and a declining appetite for conflict and change, both of which progress requires. Some commentators have described a phenomenon of "compassion fatigue" that led many Americans to retreat from efforts to help their fellow citizens.

This theory for our declining success in promoting the American Dream builds from Robert Putnam's work on social capital. But rather than looking at social capital from an individual perspective, it looks at social capital from an organizational and political perspective. Increased organizational capital will come from organizations working together more to change public policies and solve public problems. Similarly, if social entrepreneurs focus inward on raising funds and scaling-up their institutions, organizational capital will decline. As Mark Valentine writes in another paper prepared for this conference, non-profit organizations in the 1980s and 1990s became consumed with building their organizations.⁴⁷

"Over time, keeping organizations healthy and competitive in a dynamic nonprofit economy became a full-time job and then some. Energy that had once been applied toward building movements began to be applied toward building organizations."

I remember well an admonition some years ago from veteran Boston social justice advocate Hubie Jones. Jones met with a group of 20 or so young social entrepreneurs, each pursuing big change for children through their own individual programs. "You all have talents and access to resources that I and my colleagues 30 years ago never imagined," said Jones. "But you never talk to each other; you never work together on any larger causes that transcend your organizations. If we had the talent 30 years ago that you all represent, the city of Boston would have been on fire with positive change. We would have been pushing the government to fundamentally increase its investment in children, and we would have pushed hard."⁴⁸

6. National political discourse is dominated by social and international issues (gay marriage; abortion; communism and then terrorism).

Advocates for children and working families have had a hard time framing and publicizing their issues, in large part because of divisive debates about social and foreign policy issues. Progressive political leaders have devoted comparatively little political capital and airtime to fighting for working families and children because their energy and focus has been consumed by playing defense on abortion, gay rights, and foreign policy.

As a nation, we still define our strength primarily in external terms, seeking superior power against foreign enemies. Through the 1980s the enemy was communism. Then, after a brief period in the '90s when the primacy of foreign affairs receded, the enemy became Islamic terrorism and Iraq. Missing for most of the last generation has been a more inward focus on America's economic strength, social progress, and cultural vitality. Ironically, our lack of attention to living our values at home, may ultimately weaken us abroad. American power abroad has always come in part from our military. But a greater asset has been our "soft power," our reputation as the world's first modern democracy and a place of limitless opportunity where the Horatio Alger story really comes true. **If economic mobility and personal freedom continue to grow in Europe and the rest of the developed world, while receding in America, our world power and influence will decline.**

7. The nation gives very little attention to effective service delivery and the building of effective service organizations; the "reinventing government" movement failed to gain traction.

Social change comes partly from policies and resources, but at the end of the day it comes primarily from the effective human interventions of skilled professionals – be they child care workers, teachers, social workers, job coaches, or others in the helping professions. In turn, **effective human interventions come from people who work in effective organizations** – the types of organizations that know how to hire, train, and manage well and that can scale up their operations to bring effective services to lots of people. Despite these truisms, we as a nation have

spent insufficient energy trying to build effective service organizations. Instead we have relied for our delivery of public services on a mix of large governmental organizations (public schools, for instance) – whose inefficiencies and lack of managerial excellence are well-documented – and generally small, financially-strapped neighborhood based non-profits who are tapped to deliver critical services such as Head Start, after-school programs, job-training efforts, and charter schools.

These non-profits often lack the capacity and expertise to deploy best practices, and to hire, train, and manage the front-line professionals who will determine the overall effectiveness of our social policies. At first glance, big government bureaucracies (which still deliver most services) have a very different set of quality issues. But the challenges are actually the same. Both large public bureaucracies and small human service non-profits face a human talent problem and a capacity problem. Until we figure out ways for both non-profit and public organizations to build capacity so they can more effectively hire, train, and manage human service workers and educators, we will continue to be frustrated in our efforts to promote change.

The “reinventing government” movement of the 1980s and ‘90s was an effort to change the public sector by infusing into it an entrepreneurial spirit, a greater commitment to results, and a commitment to strategic public investment (“fund what works”). But this movement has made insufficient progress on a very important issue. In many ways the modern “venture philanthropy” movement is in this same tradition, asking: How can we shift funding patterns to produce more effective, scalable social and education programs? Venture philanthropists will need to study the lessons of the last 30 years to make sure their efforts are not marginalized and can – unlike the reinventing government movement – navigate the American political system to both grow and reform public and private investments in social progress. **We are unlikely to expand the American Dream until we find a way to steer a larger share of government funds toward high-performing service delivery organizations, and away from low-performing organizations.**

Part Three: Future Pathways to Justice: Expanding Opportunity in the 21st Century

Putting the American Dream back to front and center of American politics and community life will not be easy. It will require skillful framing of the issues. Here the work of George Lakoff is a good start.⁴⁹ It also will require political leaders at the state and national level who can articulate a call for justice that resonates with our most cherished values.

We need political and civic leaders who can say plainly:

“The American Dream is one of the most precious, sacred ideas in the history of the world. It is an idea that represents opportunity, community, and responsibility to make life better for our children. America must always represent a striving to do better, a commitment to continuous progress, an opening of opportunity to ever greater numbers, and the values of fairness and of the Golden Rule. Our job is to constantly promote and nurture these ideals. If we succeed, we will again make America the great hope of the world. If we fail, we will go the way of the Roman Empire, a once great power brought to its knees by its excesses and arrogance.”

Developing new rhetoric, however, and even winning more elections – while important – will not be enough to solve the daunting educational and social challenges we face. If the recent history of social progress and our study of the American Dream Scorecard tell us anything, they say clearly that our social improvement efforts must be more comprehensive and more coordinated than before, and must pay attention to the nitty gritty of service delivery and organizational quality and scale as much as to the grand themes of public policy and public mobilization.

Big change in the future needs to come from a skillful interplay of:

- Organizational Reform (building effective organizations and bringing them to scale);
- Policy Reform (advocating for greater public investments in programs that work); and

- Cultural Reform (marketing campaigns to change cultural norms and behaviors that limit progress).

We have seen in the case studies of Head Start and MADD how gains intended by policy reform are often limited by the lack of effective organizations where the rubber hits the road. In the case of Head Start, a successful political strategy in the 1960s led ultimately to a national investment of \$7 billion annually in Head Start programs. But while some studies show academic gains for Head Start kids, they are limited in duration and intensity. **At the time the nation created and funded Head Start, we adopted no companion strategy to build effective national, regional, and local organizations to deliver Head Start programs.** Thousands of programs emerged. Some were and are wonderful. But too few of them, tragically, had or have the capacity and expertise to adapt best practices, hire and train great people, and build effective and sustainable organizations.

The same thing is happening today with after-school programs. A successful, bipartisan political strategy in the 1990s led to a \$1 billion federal allocation for school-based after-school programs. Some programs supported by these funds are excellent. But too often the money – once it winds its way from the federal coffers, through state departments of education, then to cities and school districts, and eventually to programs run by schools or non-profits at a particular school – is not well spent. Sometimes local political leaders use the money to spread favors more than reward strong programs; in other instances a weak administrator at the state or local level can frustrate the intent of the federal law.

Imagine if the federal government over the last 10 years had spent \$100 million per year – 10% of its \$1 billion after-school appropriation – directly investing in the capacity of strong regional and national after-school programs. A cadre of strong organizations would have emerged with the capacity and the scale to deliver more effective services while maintaining sensitivity to local communities through their local leaders.⁵⁰ **Instead we accept the low capacity of after-school providers as immutable.** As a result, when the national evaluations are conducted – as they were recently with the federally-funded after-school

programs – the results are generally weak. The after-school movement is handicapped by evaluation results that call into question the efficacy of the entire field.

In the current climate political leaders are prone to say: “Pre-school doesn’t work.” Or, “pre-school works, but after-school doesn’t work.” Of course the reality is that good pre-school works well, as the rigorous studies of Perry Pre-School and the Abecedarian Project in North Carolina clearly show. Unfortunately it is just as clear that pre-school done on the cheap, or after-school implemented by low-capacity organizations achieves few or no lasting outcomes.

We will never have a perfect system for allocating public and private investment. But, a greater focus on the methodical and unsexy work of scaling effective organizations and rewarding quality would significantly improve outcomes. Two initiatives would make a profound difference. First, the country should establish a public-private investment bank capitalized with at least \$1 billion and empowered to make \$50 million investments to scale up effective service delivery organizations. Second, just as the federal government has sought to make it easier for faith-based organizations to apply for existing government grant programs, government should seek to make it simpler for high-quality national and regional organizations to access grant funds for multiple sites at the national level. In this regard the AmeriCorps national service program has a relatively good funding design, with a portion of its grants distributed through states on a formula basis, a portion distributed through states on a competitive basis, and a third portion (about 15%) distributed directly to national organizations that operate across state and district lines.

We can also learn a lot from Mothers Against Drunk Driving (MADD), a wonderful grass roots movement of mother’s heartbroken by the death of their kids. Starting in 1980, MADD had great success. They raised the drinking age, curbed “happy hour” abuses, increased penalties for drunk driving, and seared into the popular culture the idea of the designated driver. From 1982 to 1997, MADD mobilized millions and succeeded in reducing annual alcohol-related fatalities by one-third, from 26,173 down to 16,711. But even at that reduced level,

alcohol-related crashes remain the number one killer of teenagers and young adults. And now these deaths are slowly creeping back up. Why? One theory is that local budget cuts have reduced police forces and led to a decline in targeted patrols and road-side stops. Roadside breathalyzers administered by the state police, for example, dropped 25% between 1996 and 2004, just as alcohol-related fatalities began to rise.⁵¹ Again it is clear that even the best designed political and marketing strategy for social change will be markedly more effective if combined with effective on the ground implementation.

The reverse is also true. As important as it is to focus our attention on building effective service delivery organizations, doing so will produce frustratingly limited gains if not accompanied by bold political and marketing strategies. Take the example of national service. In the last 15 years there has been a tremendous amount of energy put into building effective national service organizations, most of which focus their efforts on helping children. Given the talent in this sector, however, it is striking in some ways that the national service movement has not accomplished more. Why? The main reason is that national service organizations have been starved for cash and have spent much of their creative energy chasing money. The federal AmeriCorps program is now 12 years old but supports just 20,000 full-time members, a tiny fraction of the 3 million young Americans put into full-time service by the Civilian Conservation Corps of the 1930s. National service needs a bold political and marketing strategy to mobilize millions and complement the effective organization building that is beginning to happen.

The Importance of Cultural Change

Much of the recent discussion of social change has involved either organization building or political advocacy. Each is critically important. But neither is sufficient without the other. They must be considered in tandem. Organization building without political reform is painfully slow due to a lack of public funds to support and sustain growth. Political reform without organization building may feel good but is unlikely to achieve major changes in outcomes. A third essential dimension of social change is

cultural change.

Cultural change is what Bill Cosby was asking for when he made his controversial call for African-American teenagers to study harder, speak proper English, and show more respect to their teachers and parents. Cultural reform is what Oprah achieves when women of all backgrounds watch her show and start reading great books and talking about them. Cultural reform is what the million man march and Promise Keepers were about, and what Nancy Reagan tried with “Just Say No” and Hillary Clinton tried with “It Takes a Village.”

Cultural reform can seem sensible or controversial, depending in large part on whose behavior you are trying to change. Trying to get drunk drivers to give the keys to a designated driver resonated nationally as a reasonable request. Trying to get absentee fathers to do a better job paying child support sounds reasonable, but faced fierce resistance from some fathers’ groups. Asking lower income parents or children to behave differently quickly gets mired in contentious values debates about the causes of poverty, and in charges of classism and racism or counter-charges of unthinking political correctness.

The uproar over Cosby’s comments illustrates this well. Many saw his comments as “blaming the victim.” Others praised him for saying what others feel but were afraid to say. I believe most progressives tune out comments like Cosby’s because they work closely with poor children and families and daily see wonderful examples of poor black and Latino (and white) families who embody – indeed epitomize – “middle class values” such as hard work and care for their children. They see children struggling to overcome great odds. They take these anecdotes and use them as a shield, trying at all times to not “blame the victim.” Truth be told, however, along with the heroic low-income parents pushing hard for their child’s success, I (and I imagine others involved in human services and education) have encountered a startling number of low-income parents who didn’t know the names of their child’s teachers. In several cases, parents I’ve spoken with didn’t know the name of their child’s school! Similarly, it seems beyond controversy to say that many low-income teenagers adopt attitudes that make it harder for their teachers to teach them. These attitudes can change

– as can the attitudes of too many teachers who hold low expectations for children and don't even try to engage their parents. We need strategies and marketing campaigns to change them.

Because Cosby's comments were explicitly racial, his concerns were caught up in the heatedness and mistrust of our racial dialogue and thus perhaps dismissed too quickly. We would do better if we dropped the racial frame, and were more specific about the behaviors we want to encourage – behaviors like reading for an hour a day to children, visiting with your child's teacher frequently, insisting that homework be completed, promoting curiosity, and encouraging basic politeness and courtesy toward everyone, including teachers and elders. If Bill Cosby and other cultural icons could lead a cultural campaign to elevate these values they would undoubtedly find – as did Sen. Moynihan – that many lower income families need extra guidance and are facing particular challenges in living these values. They would also undoubtedly find that difficulty living these values is not limited to the poor.

Imagine if we had a serious "It's cool to be smart" campaign, with leading cultural figures filming public service commercials, cartoons celebrating learning on milk cartons, and a grass roots army of citizens and parents gathering at schools across the country to greet students and help with their learning. Imagine if we embarked on a national "prime time" marketing campaign to get millions more adults to volunteer with children, sharing their time and skills as citizen teachers, mentors, or tutors. Imagine if we vastly expanded marketing aimed at new parents, reinforcing the importance of reading and nutrition and offering referrals to organizations that can help.

I believe such campaigns would make it easier for effective organizations to educate children, and make every public dollar spent on education go farther. Indeed, we have evidence from the public health field that focused marketing campaigns can change even the most difficult to change behaviors such as smoking, drunk driving, and unprotected teenage sex. Of course just as with organizational reform and political reform, cultural reform won't be a "silver bullet." Effective organizations will need to craft the marketing messages to dovetail with real services on the ground. And a large-scale marketing campaign

will require public sector support. The point is: social change movements will be most effective if they incorporate the three strategies of organizational reform, political reform, and cultural reform.

Future Opportunities

What can we do to reinvigorate the American Dream, and again support and expand the middle class? This essay is not the place for a detailed blueprint for change. But a few ideas will give a sense of what's possible.

First, we need to start by acknowledging that in the last generation we stopped expanding access to the American Dream. Just engaging people of all political backgrounds in a conversation about the American Dream Scorecard may open up some interesting possibilities. I think people will get upset when they hear our childhood poverty and high school drop-out rates are growing and that Europe and other industrialized nations are now ahead of us in access to four-year colleges and economic mobility.

Next we need clear national goals – goals like cutting poverty in half in the next 10 years, and getting the 1.3 million American teenagers who drop out of high school each year to graduate. We need to play on national pride and seek to make America first again in access to four year colleges and in economic mobility and opportunity. America must again become the nation where poor people can most easily escape poverty, and where the rich are not guaranteed to stay rich.

In moving toward these goals we need to remember that government is not the full solution, but it is part of the solution. Private enterprise can pursue all of these goals as well. Companies who pay poverty wages can simply raise their pay. Investors and workers can insist on it. Citizens can volunteer in greater numbers. Foundations can spend more of their assets and pursue bold, lasting change more relentlessly. However, government as well must take collective action. Political leaders of both parties say "the era of Big Government is over." But the growth of the American Dream must not be over.

I believe we can capture the American imagination with policies such as an expansion of the earned income tax credit and a bold scaling up of national service. Creation

of a Public-Private Investment Bank and other steps to support high-quality service delivery organizations could increase public trust in government while improving outcomes for children and families.⁵² We can convince the American public and Congress of the importance of shared sacrifice through a small, targeted increase in our taxes so that working people can escape poverty, young people can serve their country, children can learn more, and taxpayers can have more confidence that their hard-earned tax payments will be invested in effective organizations.

Concluding Thoughts

Let us pray that we are at a point in history like that moment just before the Berlin Wall fell, a moment of paradigmatic change that came rapidly and ushered in dramatically greater freedom and opportunity for millions. But let us also learn from a sober study of our history that future change will be difficult. It must build from American traditions; it will require conflict; and it will not be produced by any one strategy, but rather by the skillful pursuit of several. Bold change will require organizational reform, policy reform, and cultural reform, but we must do no less.

We need to keep asking ourselves a simple question. When we're sitting by the fireplace with a grand-child on one knee, do we want to say we helped put the American Dream back on track? Or do we want to say we were the first generation in American history that failed to leave the country in better shape than it was left to us?

Endnotes

¹ Jefferson, Thomas. *The Declaration of Independence*. July 4th, 1776: “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness—that to secure these rights Governments are instituted among Men....” The Declaration was much informed by the Virginia Declaration, written by George Mason and approved two months earlier. It stated: “All men are by nature equally free and independent, and have certain inherent rights....namely, the enjoyment of life and liberty, with the means of acquiring and possessing property, and pursuing and obtaining happiness and safety.”

² While the term “Social Entrepreneur” or “Civic Entrepreneur” is new, the concept is not. Surely Jane Addams acted as a social entrepreneur in developing Chicago’s Hull House in 1903, one of the nation’s first Settlement Houses, and then supporting the development of hundreds of additional Settlement Houses in the ensuing decades. Similarly, the founders of 4H, the Girl Scouts, the YMCA and other national organizations all crafted new solutions to the challenges of the day and built large-scale, effective service delivery organizations. Modern social entrepreneurs are increasingly attempting to use their organizational insights and accomplishments to leverage larger changes in public policy and overall service quality in their field. The example of private sector entrepreneur Steve Jobs and Apple Computer is an inspiration because of how his company’s innovations – making computers more user friendly – leveraged change across an entire industry.

³ Mishel, Lawrence, et al. *The State of Working America: 2002/2003*. Ithaca: Economic Policy Institute at Cornell University, 2003: 292. From 1973 to 2001, the percentage of American families in the lowest economic quartile who owned their homes declined from 51% to 49%. During this same period, Habitat built tens of thousands of homes for poor families across the country.

⁴ *Statistical Abstract of the United States: 2003*. Washington D.C.: U.S. Census Bureau, 2003. Mishel, Lawrence, et al. *The State of Working America: 2002/2003*. Ithaca: Economic Policy Institute at Cornell University, 2003. *Unless otherwise stated, all changes in spending or income are given in inflation-adjusted or real terms. *In general, statistics cover the period from 1970 to the end of the century, with dates varying somewhat based on availability.

⁵ “Change in Federal Spending since 1962,” Geocities. March 16 2003 <http://www.geocities.com/CapeCanaveral/Launchpad/5577/philofedbgt2.htm>.

⁶ This American Dream Scorecard should be considered a “first draft” pulled together for this essay. It is my hope that a major magazine or think tank will further develop the idea and begin an annual accounting of American progress along the lines described here.

⁷ Mishel, *The State of Working America* 37, 49.

⁸ Mishel, *The State of Working America* 57.

⁹ Mishel, *The State of Working America* 312, 317, 336.

¹⁰ Mishel, *The State of Working America* 281, 288.

¹¹ Williams Walsh, Mary. “Healthier and Wiser? Sure, but Not Wealthier.” *New York Times* 13 June 2004.

¹² Mishel, *The State of Working America* 296.

¹³ Mishel, *The State of Working America* 292.

- ¹⁴Mishel, *The State of Working America* 78, 408, 418.
- ¹⁵Mishel, *The State of Working America* 315.
- ¹⁶Graduation rates are controversial, with school systems and independent researchers using vastly different numbers. Most school systems claim official drop-out rates of just 10% to 15%. A frequently cited national high school graduation rate of 86% includes private school students, includes drop-outs who later get a G.E.D. (shown through research to be less valuable than a high school degree), and does not include students who drop-out and enter the criminal justice system. Researchers at the Urban Institute, the Manhattan Institute, and at Johns Hopkins University have each developed more sophisticated measurements of public school drop-out rates, and their estimates for today's rate range from 68% to 72%. The Urban Institute's estimate of 70% in 2000 and 77% in 1969 are the estimates used above.
- ¹⁷Campbell, Jay, et al. *NAEP 1999 Trends in Academic Progress: Three Decades of Student Performance*. Washington, D.C.: National Center for Education Statistics, 2000.
- ¹⁸*Statistical Abstract of the United States* 174. ** Two factors complicate this data. On the one hand, average scores were reduced in part because a larger share of the population began taking the test; on the other hand, SAT analysts say changes to scoring has inflated recent scores, meaning the decline in scores shown above may mask an even larger decline.
- ¹⁹Gonzales, Patrick, et al. *Highlights from the Trends in International Mathematics and Science Study (TIMSS) 2003*. Washington, D.C.: National Center for Education Statistics, 2004; and *School Improvement Industry Weekly*, Jan. 3, 2005.
- ²⁰Wirt, John, et al. *The Condition of Education* 2003. Washington, D.C.: National Center for Education Statistics, 2003: 47, 127.
- ²¹Wirt, John, et al. *The Condition of Education* 2004. Washington, D.C.: National Center for Education Statistics, 2004: 139.
- ²²Haskins, Ron. "Competing Visions." *Education Next*, Winter 2004.
- ²³Barnett PhD, Steven. "The Battle Over Head Start: What the Research Shows." *National Institute for Early Education Research* 2002.
- ²⁴*Statistical Abstract of the United States* 90.
- ²⁵*Statistical Abstract of the United States* 83.
- ²⁶Pear, Robert. "Nation's Health Spending Slows, but it still hits a record." *New York Times* 11 January 2005. "Population Profile of the United States," U.S. Census Bureau 2002.
- ²⁷*American's Children in Brief: Key National Indicators of Well-Being*, 2004. Washington, D.C.: Federal Interagency Forum on Child and Family Statistics 2004, 4.
- ²⁸*American's Children in Brief: Key National Indicators of Well-Being*, 2004. Washington, D.C.: Federal Interagency Forum on Child and Family Statistics 2004, 8. Health, United States, 2003. Hyattsville: National Center for Health Statistics 2004.
- ²⁹Epstein, Paul, et al. *Inside the Greenhouse: The impacts of CO2 and Climate Change on Public Health in the Inner City*. Boston: The Center for Health and Global Environment at Harvard Medical School 2004.
- ³⁰*Health, United States, 2005*. Hyattsville: National Center for Health Statistics 2004.

- ³¹ *American's Children in Brief: Key National Indicators of Well-Being*, 2004. Washington, D.C.: Federal Interagency Forum on Child and Family Statistics 2004, 11.
- ³² Johnston, Lloyd, Ph.D., et al. *Monitoring the Future National Results on Adolescent Drug Use: Overview of Key Findings*, 2003. Bethesda: National Institute on Drug Abuse, 2004. 8.
- ³³ *Boston Globe* January 1, 2005.
- ³⁴ *Statistical Abstract of the United States* 219.
- ³⁵ Mauer, Marc. *The Crisis of the Young African American Male and the Criminal Justice System*. Washington, D.C.: The Sentencing Project 1999. *One in three black men between the ages of 20 and 29 is under correctional supervision or control.
- ³⁶ "United States Crime Rates: 1960-2000." *FBI, Uniform Crime Reports 2001*. <http://www.disaster-center.com/crime/uscrime.htm>
- ³⁷ Sawhill, John. *Strategic Perspectives in Non-profit Management*. Boston: Harvard Business School 2000. *Sawhill used the story to illustrate how the Nature Conservancy then started to pay more attention to which parcels of land it was buying (not just the number of acres), and to finding ways to encourage farmers and other land users to change their practices rather than sell their land.
- ³⁸ Skocpol, Theda. *Social Policy in the United States*. New Jersey: Princeton University Press 1994. 158-59. *In addition to pressures from Congress, the development of the Social Security Act of 1935 was driven to a large degree by the experience of social reformers from the state of Wisconsin, to whom President Roosevelt's Labor Secretary, Frances Perkins, delegated much of the legislative craftsmanship. While this had the benefit of building from state-level experience, it also limited the scope of the law because its main author, former Secretary of the Wisconsin Industrial Commission, Edwin Witte, didn't want anything in the law to contradict policies already in place in his home state.
- ³⁹ Moynihan, Patrick. *Nation and Family*. Illinois: Harcourt, Brace, Jovanovich 1986. * Harvard academics Martha Minnow and Rick Weissbourd make a related point in a 1994 article in *Daedalus*, noting three intellectual divides that hold the nation back from pursuing bolder, more unified strategies to support children. The splits are: The division between those who focus on the children, and those who focus on the families who produce them; the division between those who view morals and those who view economics as the main problem; and finally, the division between "those who think inadequate resources are spent on children and those who think the failure arises in the management of perfectly adequate resources."
- ⁴⁰ De Tocqueville, Alexis. *Democracy in America*. 1853.
- ⁴¹ Skocpol, Theda. "The Tocqueville Problem," *Social Science History* 1997.* Skocpol notes that an exception to the weak central government of 19th century America was the national Post Office, which was far larger and better subsidized than that of any European nation. National civic organizations were prime beneficiaries of the strong national post-office and subsidized mailing costs because this made it possible for pamphlets to be easily distributed to even the most remote hamlets.
- ⁴² Skocpol *Social Policy in the United States* 72.
- ⁴³ Skocpol *Social Policy in the United States* 267.

⁴⁴While it's hard to prove a causal link, the chart on page 5 shows that the greater relative income gains for lower income Americans in the 1950s and 1960s – driven in part by direct transfer payments as well as investments in training and education – occurred side by side with greater gains for the wealthy and middle class. By contrast, in the 1980s and early 1990s when “trickle-down economics” was in vogue, gains for the wealthy and middle class were lower and gains for lower income families were much lower.

⁴⁵Mishel, *The State of Working America* 159.* In 1973, workers with a high school degree made \$13.36 an hour (in 2001 dollars) while college graduates earned \$19.49 an hour. In 2001, the wages of high school graduates had declined to \$12.81 while those of college graduates increased to \$22.58.

⁴⁶*Jeff Canada of the Harlem Children's Zone writes movingly of the hold consumer companies have on the imaginations of the young children he works with. “Boys are a prime target for ruthless marketing that constantly attempts to persuade them that their self-worth, their happiness, and even their manhood is tied to what they buy,” writes Canada. Canada, Geoffrey. *Reaching Up for Manhood: Transforming the Lives of Boys in America*. Boston: Beacon Press, 1998.

⁴⁷Valentine. *The New Context for Social Change*. 2005.

⁴⁸An important exception to Jones' observation was the successful 2003 and 2004 Save AmeriCorps campaign, led by City Year, which engaged hundreds of socially entrepreneurial organizations in an effort to fight off cuts to the AmeriCorps program and then advocate for growth. The campaign featured an intense grass roots mobilization, a 100-hour public hearing at the U.S. Capital, and coordinated media outreach. It was eventually successful in increasing public funding of AmeriCorps by more than \$100 million.

⁴⁹*Moral Politics: How Liberals and Conservatives Think* and the more recent, *Don't Think Of An Elephant! Know Your Values and Frame the Debate*, both by cognitive linguist George Lakoff, offer some great ideas for reframing issues in a way that links progressive causes to historic American values.

⁵⁰During a recent Congressional hearing on after-school programs, I had an interesting conversation with a staff member for Senator Mike DeWine of Ohio. After hearing me describe the Citizen Schools program model, she shared how several years earlier she had wanted to launch a high-quality after-school program following similar principles in her home community but didn't know where to start. Instead of turning her great talents to running an after-school program, she left home and headed to Washington. Imagine if Citizen Schools had been one of 10 or 20 federally selected after-school providers and had developed – with federal help – the capacity to partner with local entrepreneurs such as this Congressional staffer to deliver great programs.

⁵¹*Boston Globe* January 1, 2005.

⁵²Expansion of the Earned Income Tax Credit could be paid for by prioritizing it over recent tax cuts on unearned income for the wealthiest Americans. Putting one million Americans into full-time and part-time service would cost about \$11 billion per year (\$17,000 for each of 500,000 full-time members and \$5,000 for each of 500,000 part-time members. An average increase in taxes of just \$35 per American citizen would fully pay for this investment in future productivity and increased opportunity. A \$1 billion public-private investment bank could be paid for with just \$100 million in public funds for each of five consecutive years matched by an equal amount from the private sector. Other efforts to support effective national organizations would merely redirect existing government funds to support improved local service delivery.



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