

**KIDS COUNT 2010 Annual Conference Opening Keynote Address**  
**Patrick McCarthy, President & CEO, The Annie E. Casey Foundation**  
**September 22, 2010 – The Waterfront Marriott, Baltimore, Maryland**  
**Noon to 2:00 p.m.**

Thank you, Mike Laracy for your introduction. This is a kind of gathering of the tribes, an opportunity for some of the most creative and committed folks in the country to come together and share ideas about what works in your state and help all of us strengthen our work to improve the well-being of children across the entire country. So, thanks to all of you who have traveled to Baltimore to join us today.

I also want to thank those whose dedication and diligence made this conference possible – Laura Beavers, Don Crary, Jann Jackson, Flo Guterrez, Carol Rickel, and Susan Francis of the Annie E. Casey Foundation’s KIDS COUNT team and Simran Noor, who’s with our Center for Economic Success unit. And thank you to the KIDS COUNT Steering Committee, headed by Rich Huddleston, whose words today perfectly summed up the strength and commitment of the remarkable KIDS COUNT Network.

I want to take a moment to acknowledge the recent passing of a long-time friend of KIDS COUNT. Dr. Richard F. Sexton, executive director of the Prichard Committee for Academic Excellence, was a lifelong advocate of improving education at all levels. Dr. Sexton and the Prichard Committee were stalwart supporters of the Kentucky Youth Advocates annual gathering at the Capitol in Frankfort to ask legislators to invest in kids. We all owe a debt of gratitude to Dr. Sexton for his career of public service and support for children.

I’m honored to have been asked to give the keynote address today, and I’m honored and humbled to have the opportunity to lead the Annie E. Casey Foundation. Several people suggested it would be helpful to share with you all my thoughts about current and future directions for the Foundation. I’ve been with Casey for 16 years now, and I’ve led our work in large-scale system reform initiatives like the Juvenile Detention

Alternatives Initiative and Family to Family, as well as our education, health, early childhood, and youth development work. In recent years, I've worked on improving the synergy among this system reform work and our direct services and strategic consulting. Over that time, I've managed to acquire a Masters and a PhD in Casey-speak, but I'll try to keep it to a minimum and put out some ideas in straightforward language.

In the last few months, I've encouraged folks at Casey to weave the many strands of our story into a tighter narrative, a story line that helps focus our work and positions us to play a useful role with the many partners we work with. We've got a long way to go, but I thought I'd take the opportunity today to share where we are as of now.

Let me begin with the obvious: like most foundations, we're confronting challenging times for our endowment, which now stands about a billion dollars lower than just two years ago. Unlike most foundations, however, even before the economic downturn, we routinely spent between 7 and 7- ½ percent of our endowment each year, rather than the 5 percent minimum required by the IRS to avoid higher excise tax. And although we've managed to reduce our spending over the last two years, we're now spending closer to 9 percent of our endowment, which is simply unsustainable over the long haul. So, at the very least, we need to bring our spending down to the historical range of 7 ½ percent. We'll do that gradually over the next several years, and we'll do that without backing away from any of our commitments.

But over the long haul, we will end up doing fewer things, and if we take full advantage of the opportunity to think about our priorities, we'll end up doing those fewer things better. So let me share with you my current thinking about the criteria we should use in making some tough decisions. I also want to share in broad outline my thinking about the major areas of work we will continue to invest in, and some of the relatively newer investment areas that I believe we will expand. Finally, I want to talk a bit about what all this means for the KIDS COUNT network and related partners.

To reaffirm some core beliefs: we continue to believe the root cause of much of the rotten outcomes for kids and families is poverty, and therefore, we have an over-arching commitment to increasing the odds that today's children will be on a path to economic security and success as adults—in other words, if we're successful, we should see fewer kids on the track to long-term poverty and therefore fewer families in the next generation in poverty.

Second, we continue to believe that a permanent connection to a nurturing and supportive family—a family for life—is a critical condition for improving outcomes for kids. As a result of our beliefs, we have an over-arching commitment to reducing the odds that families will be disrupted, and to increasing the odds that children who do experience disruption will find a family for life, hopefully through reunification with their birth families, or kin, and if not, through another family willing to make that lifelong commitment.

And in a closely related theme, we continue to believe that children should be protected from the kind of developmental and safety risks that come with unnecessary detention, incarceration, or being consigned to congregate care facilities. Therefore, we will continue to work to develop effective family-based alternatives to these deep end programs.

Finally, we continue to believe that families do best when they live in communities that support their ability to raise their kids, including safe streets, good schools, access to economic opportunity, and quality housing. Therefore, we will continue to work with communities on all of these issues.

So how are we going to make decisions, what criteria will we use in choosing among all the good ideas that come to us? In looking at our work going forward, I've asked folks to pay close attention to three words: families, evidence, and scale. Expect to hear me using them a lot in the coming months and years. Why? Because they represent what we do best and what we need to do more of. They provide the context for

our work at the Casey Foundation and all our efforts to improve outcomes for disadvantaged kids and families.

First and foremost, families: We are a Foundation that works to improve outcomes for children through strategies that also strengthen their families. This two-generation approach underpins everything we do at Casey; it is the language we speak as we frame our efforts to push for greater support for children at the state and national levels. While we believe that there are many very effective and very worthwhile strategies for improving outcomes for kids that are basically child-focused, the strategies we invest our time and money in will be those that result in stronger, better-resourced, more resilient, more secure families, as the path to improved outcomes for children.

Second, why do I stress evidence? Making the case for policies or programs requires both compelling stories that explain why the issue is critical, and it also requires a sense of hope that something can be done. In other words, if we're going to motivate folks to act, we need to convince them that a problem is critical, and we need to convince them that there are successful strategies to address the problem. In other words, we need evidence.

Casey has a long tradition of being driven by data, evaluations, and results-based accountability. Today, in the face of deep state budget constraints and a “just say no” political environment, it is more important than ever that we use the best available evidence to support increased investments in programs with a proven record of helping vulnerable children and families.

We also need to ensure that successful programs with proven track records are taken as far as they can go and serve as many families and children as possible. That's where our final word – “scale” – comes in. From my point of view, we have much more evidence than scale—in other words, we know much more about interventions and services and policies and supports that have proven effective in helping families and children than we actually use at any large scale. In fact, I think it's safe to say that in some areas, such as juvenile justice, we actually invest the bulk of our resources into

interventions and programs that clearly don't work, either for the kids or for public safety.

I think the Casey Foundation and our network of grantees and other partners are well-positioned to take up this challenge—the challenge of solving the ongoing problem of scale, or how to take strategies that have had success at the program level to a level in which they can improve the odds of success for whole populations of kids and families.

As we review our investments of money and staff time, I intend to push us to ensure our work continues to focus on strengthening families, that it draws from and contributes to the best available evidence about what works, and that we focus the bulk of our efforts on scaling up those strategies that have a good chance of improving outcomes for whole populations of children and families.

In addition to these themes of family, evidence and scale, I'd like to share a few of the major new initiatives and projects that I expect us to pursue over the next several years.

First, you know we've launched a major campaign on third-grade reading proficiency, in hopes of attracting public and private support for ensuring every child is reading at grade level by the end of third grade. This was of course the theme of this year's KIDS COUNT message, and I want to acknowledge and thank all of you who helped make the launch of this campaign one of our most successful KIDS COUNT events ever. This year, the network released not one, but two major reports – *the KIDS COUNT Data Book* and the Special Report on Grade-Level Reading, which documented the importance of children becoming proficient readers by the end of third grade. The successful release of this important report was largely due to the enthusiastic work of the 48 grantees who participated in the roll out, which included an event at the Children's Museum in Atlanta to promote reading proficiency and a press conference at the Old Supreme Court Room in the Tennessee Capitol. I would like to thank Casey's Executive Vice President Ralph Smith for his tenacious and passionate leadership of the campaign.

Second, we're making a big bet on an innovative approach to providing data and decision support for child welfare and potentially other human service workers. Developed under the leadership of Kathleen Feely, this application, called Casebook, uses Web 2.0 technology and user-friendly inputs in a way that we believe may revolutionize the way frontline workers in public and private agencies do their work.

Third, we plan to continue to invest in efforts to scale up the Center for Working Families initiative. These one-stop Centers provide a range of services and supports to promote family economic success, and we now have evidence that this approach to bundle services such as job placement, asset development, benefit maximization, and financial management coaching is a much more effective strategy for helping families gain the resources they need to raise their kids.

Fourth, we plan to launch a major effort to reshape this country's approach to serious juvenile crime, and in particular, to put an end to reliance on the outmoded, ineffective, and often inhumane treatment provided in training schools. We plan to begin this effort by building on our successful Juvenile Detention Alternatives Initiative.

We're in the early stages of developing a number of other major areas, including work to integrate our community-based and our system-based work more fully, with a focus on taking evidence-based practice to scale and the next generation of our community development work.

We'll continue our existing work in direct services, through Casey Family Services, which now focuses increasingly on helping older youth find lifelong family connections. This effort connects well with both our support for the Jim Casey Youth Opportunities Initiative and our child welfare consulting and advocacy work. And we'll continue our broader family economic success work, with some refinements, as well as our major investments in our civic sites, Baltimore and Atlanta.

With all that as backdrop, I want to turn to our opportunities to form an even more powerful partnership with the networks of state-level advocates and policy experts represented here today.

In the last 21 years, KID COUNT has literally put a host of issues on the map, and yes, including some not-so-familiar concepts, that were well below the radar previously - terms like permanence, disconnected youth, the high cost of being poor, juvenile justice reform, and child well being. No one was talking about these things until all of you started collecting the data and quantifying and categorizing the state of children in our nation.

Beyond the important accomplishment of raising these issues, we can also point to concrete results. In 1990, for example, juvenile justice reform efforts did not have the data to back up what many of us knew: that locking youth up in reform facilities did nothing to stem violent crime or rehabilitate kids. But with the evidence in hand, we have been able to make that case loud and clear. Today, demonstration projects across the country prove that streets can be safer while incarcerating fewer kids of color and fewer kids charged with minor offenses. In Jefferson County, Alabama, improved decision-making based on better data has led to a 65-percent drop in confinement in juvenile detention centers and a 57-percent reduction in probation caseloads – without an increase in juvenile crime or recidivism.

When KIDS COUNT started out in 1990, there was no cohesive way to measure children's well-being. Several years ago, 75 percent of state legislators nationwide reported that they were aware of KIDS COUNT, and more than half said they read the reports and find the data useful and relevant. The release of the *KIDS COUNT Data Book* generates more than 1,000 news stories per year in newspapers with total readership exceeding 50 million, plus television news coverage seen by 15 to 20 million viewers. We also have a growing numbers of fans “tweeting” about the *KIDS COUNT Data Book* and posting messages on Facebook.

With your help, we have kept KIDS COUNT relevant, including the expansion of the Data Center and the development of the mobile sites. And we have gone to Capitol Hill and the National Press Club to launch KIDS COUNT products. Over the next year, Casey is committed to continuing to use the *KIDS COUNT Data Book* as a communications vehicle for the foundation, whether through traditional print media outreach, broadcast opportunities or social media.

An example of the power of shared messages and coordinated strategy is the work to expand or create state Earned Income Tax Credits, which have grown from five states in 1989 to 24 today, including the creation or expansion of EITCs in 10 states in 2007 alone. When these new and expanded tax credits are fully implemented, nearly two out of five recipients of the federal EITC will live where a state EITC is available and annual state EITC benefits will exceed \$2.5 billion. This victory was the result of a concerted and coordinated push by the KIDS COUNT and State Fiscal Analysis Institute network during a period when state budgets were strong and the political environment was favorable.

Together the KIDS COUNT and SFAI network are poised to respond quickly with full-scale advocacy efforts that start at the state level but influence national policy. For example, in 2009, the Children's Action Alliance (both a KIDS COUNT grantee and SFAI's Arizona group) worked with community partners to convince lawmakers to use federal stimulus funds for subsidized child care. In Arizona, the subsidy program was threatened by imminent state budget cuts. The Children's Action Alliance reached out to the Center on Budget and Policy Priorities and SFAI for key data analysis. As a result, they were able to persuade lawmakers to use economic stimulus funds to provide additional temporary financial help to unemployed workers, including paying for vital programs like child care.

Another example is the tremendous work around the 2008 Fostering Connections Act, the most sweeping piece of federal legislation to date aimed at addressing problems confronting kids in the foster care system. This year, four KIDS COUNT grantees in

Arizona, Maine, Rhode Island, and Texas received additional Casey funds to help their states carry out the mandates of the legislation.

In addition, as an example of the intersection between the state and federal advocacy agendas, Jane Burstain, senior policy analyst with Texas KIDS COUNT grantee Center for Public Policy, offered testimony to the U.S. House Committee on Ways and Means regarding the legislation. She urged lawmakers to resolve a conflict in funding incentives, noting that federal policies and incentives regarding permanence are no longer consistent.

In short, perhaps the most important asset the Casey Foundation has is the partnership and the relationships with the organizations represented in this room. I'm including the network of KIDS COUNT organizations, the SFAI groups, and all the organizations associated with Voices for America's Children. I'd like to see us build on this incredible effective network to create an even stronger, closer partnership. I've asked Don Crary, Jann Jackson, and Mike Laracy to work with the network to generate ideas on what the next steps ought to be.

This partnership is more important than ever. In 2011, the biggest challenge for child advocacy groups will be to maintain the hard-won victories of the past as states move into their third year of huge budget deficits. We all need to be prepared to work even harder than we already have been to prevent tragic consequences for vulnerable children if a new Congressional majority starts wielding the budget ax. Casey will rely on your partnership with us and continue to find productive ways to reach out to a bipartisan audience to pull together a strong state-level advocacy network. We expect this to take the form of many consulting sessions over the next year. We'll need your candid advice on how to forge better connections to experts, think tanks, and other advocates who can work with us to bring our evidence-driven programs to scale and better serve all children and families.

So again, thank you for coming together to share your best ideas and to learn from each others' successes. I firmly believe that the people in this very room represent the best hope for mobilizing support for this country's most vulnerable families, to truly make a difference in the life chances of literally millions of children. With your continued partnership and commitment, KIDS COUNT can become an even more effective tool for data-driven, results-focused advocacy for a healthier and more successful generation of America's children.