

**Introductory Remarks of Douglas W. Nelson
President, The Annie E. Casey Foundation
To
Center for Working Families Conference
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Thanks for that very generous introduction, Jonathan. Let me begin by adding my appreciation to Chase Bank, our other partners, and especially to MacArthur's Susan Lloyd for putting this meeting together.

I've got about 10 minutes – and I'm sorry to report I've thought a lot about Centers for Working Families – so I hope I don't lose everybody in a hurried effort to touch on a few of the most important issues that pertain to Centers for Working Families. I'd like to say a word about why CWFs may be important; a little about what they are; and something about what it will take to make them successful. On all these fronts, I don't pretend to have fully formed answers, but hopefully I can provoke deeper conversations from the more grounded and wiser participants who have joined us as this conference.

First of all, we should ask ourselves whether the concept of “Centers for Working Families” is really an important idea. The honest answer is it is too early to know. We haven't fully built out our model anywhere yet; we haven't had enough time in any one place to ascertain its real potential; and we haven't tried it in enough places to predict its scalability or replicability.

But, all that admitted, there are many of us who suspect – and it's an informed suspicion – that Centers for Working Families might just prove to be a surprisingly important tool in the continuing quest to address persistent poverty in this country. More specifically, Centers may prove especially relevant to the economic disadvantages that afflicts families living in high poverty, disconnected, economically abandoned communities in America's central cities, older suburbs and declining rural areas – communities like those that MacArthur has committed to here in Chicago, like Casey has targeted in our 10 *Making Connections* sites, like the 23 inner-city areas that Living Cities has focused on over the last 15 years, and like the places where the Local Initiatives Support Corporation has worked even longer than that.

Of course, people are poor or “economically disadvantaged” for lots of different reasons that suggest lots of different remedies; and some people are poor for deep-seated, idiosyncratic and hard-to-alter factors. But a whole lot of folks – including many of those in high poverty neighborhoods – are poor for fairly simple and old-fashioned reasons: they cannot find work; they can't get to the jobs they do find; jobs they get don't last; their wages are too low; the cost of necessities is too high; they don't have any savings; they don't own enough; they don't have enough financial savvy – and they just plain don't really know how to go about getting any of those things for themselves or their families.

For most American families, in most places, figuring out how to get all those things isn't rocket science. In middle-class communities and families, parents play a big part in connecting their kids to education, training, world of work skills and behaviors . . . and often to their first jobs. Peers, friends, neighbors, and social networks model ambition and achievement, provide

advice about careers, help scout advancement opportunities, help manage crises, get you into the union, and provide a host of other supports as needed. Middle-class communities also offer – and strongly reinforce – opportunities to buy smart, to save, to borrow wisely, to own and to invest.

But all of these “naturally occurring” ways of learning how to succeed economically – naturally occurring in middle-income communities – are not naturally occurring at all in under-employed, under-trained, job scarce, role model scarce, unbanked, predator attracting, and discouraged neighborhoods.

I belabor all of this because one way of seeing the role of Centers for Working Families is to see them as the instrumentality for formally delivering those economic connections, knowledge, resources, opportunities, reinforcements and supports in low-income communities that occur more naturally, informally and robustly in middle-class environments.

But what is this instrumentality? What concretely is a Center for Working Families and what does it do? Like most good ideas, a CWF is not a new idea; it’s a new combination or rearrangement of existing ideas that its supporters contend produces a new synergy or more powerful impact. I think this is literally descriptive of what we actually mean by Centers for Working Families. They are hubs or networks or places that combine, bundle, or sequence a continuum of proven training, employment, and economic services, supports and resources – and then organize all these best practices under the overarching goal of helping poor households achieve a durable level of financial adequacy and stability. Put another way, a Center is a vehicle that packages the opportunities, information, resources and benefits necessary for a particular family to find jobs, to maximize wage value (e.g., Earned Income Tax Credits, or EITC), to take advantage of key benefits (child care, health insurance), to pursue career advancement, to reduce the cost of necessities, to establish credit, to begin to save and insure, and ultimately to acquire appreciating assets, like a house.

Centers for Working Families ideally do all these things by aggregating state of the art interventions, programs, and approaches / best practices. The elements and ingredients are well-known to many of you in this room: effective work preparation; strategic partnerships with key employers in key local growth sectors; transportation assistance; community college partnerships; aggressive utilization of the EITC and other refundable credits; integrated benefit eligibility screens (like “Earn-Benefits”) that help families what assistance they are entitled to; career coaching to help steady workers move up; financial education; creation of bank relationships; debt reduction and credit repair; incentives for saving (like Individual Development Accounts); assistance with asset accumulation; and protection against predatory retail and financial transactions. The critical role of Centers for Working Families is to find these programs and services in their area, and then organize and deliver all of them to families as they need them, when they need them, and where they need them.

We are now at the stage of development where we are beginning to learn just what it will take for CWFs to actually succeed in this ambitious and complicated role in tough communities. I’ve got a very preliminary list of what we, at Casey, think is required for Centers for Working Families to succeed. First, the Centers, as well as their staff and programs, have to be accessible

to and trusted by the families they are intended to serve. Second, the components offered by Centers – the training, placement, coaching, financial literacy, tax preparation, and so on – must be high quality and first rate. Third, Centers have to engage employers, financial institutions, public workforce, welfare and family service agencies, education and training institutions, and, finally, local community-based organizations as fully committed partners.

Fourth, Centers probably have to have access to an employment engine – some economic driver that will provide the scale of opportunity required to make a work and wealth strategy succeed with a significant number of families. Fifth, Centers also need the information technology infrastructure to coordinate multiple service components, track clients, screen for benefits, and measure cost-effectiveness and results. Sixth, they have to be driven by results and continuous improvement, nimbly able to add partners and services as demand changes and families move up the economic ladder. Seventh, successful Centers need a local and state policy environment that rewards work effort (e.g., EITC, minimum wage); that is generous with supports (child care, health care); that regulates predatory practices; that is willing to support lifelong training; and that subsidizes or at least creates incentives for savings and ownership. We also believe that citywide networks of CWF are more likely to be able to push the local policy environment to make them more hospitable to the needs of lower-income working families and communities. Finally, the Centers may need flexible grant money to start-up, refine, and evaluate what they do.

If we put these elements in place, and in enough places, we may be on to something here that can make a real difference – something that moves us beyond where we are today in approach to how to effectively invest in the economic success of low-income families. To begin with, Centers for Working Families have the right goal. It's not just a completed training program, not a placement made, not just a budgeting course offered. Rather, success is defined as the achievement of durable family financial stability and progress. Centers, in other words, are characterized less by single-purpose transactions, but instead by purposeful processes that move individuals and families to a lasting improvement in their economic condition. This is a key distinction – and it's what makes Centers worth expanding and testing. Furthermore, Centers for Working Families have the potential of brokering multi-sector efforts (employers, government, non-profit) on behalf of the financial success of low-income families. This too is a key and distinctive strength. Finally, Centers for Working Families have the potential of earning the trust and the willing participation of the low-income families they are intended to serve. They are capable of generating an authentic demand for help, with little stigma attached.

So, in closing let me say again, I think we're on to something that deserves our attention and investment and evaluation. We need to scale up this strategy, refine it, measure it, and, if warranted, make it an economic program and policy centerpiece over the next decade. It's work worth doing. Thanks.