

Investing in What Works for America's Communities Transcript
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Today's Policy Landscape: What are We Facing?

ELLEN SEIDMAN: So, thank you all. As Joseph said, we're going to start off trying to set the stage here a little bit, but we're going to set -- don't believe that all these people agree with each other, because they don't. So, this ought to be kind of interesting. So, the three people we have are Alan Berube, senior fellow of the Brookings Institution Metropolitan Policy Program. And next to him is Jack Shonkoff, the director of the Center for the Developing -- the Developing Child of Harvard University and a professor a pediatrics at the Harvard Medical School. And all of you who have not been following this debate carefully will now learn what a professor of pediatrics is doing at this meeting. And Sarah Wartell, my good friend and colleague and president of the Urban Institute. And the way we're going to do this is, I've got an opening question for each of them. It may, and we hope, will spark some comment among them. We've got a few other questions that are designed to spark comment [chuckles] and question among them. And then we're going to turn it over to you. And this really is about, what are we facing now, what changes have we seen, and what are some of the critical elements of figuring out what works? So, Alan, in your chapter, you make the case that poverty today is really different from poverty in, say, the '60s. Can you tell us what the major changes have been and how those changes impact efforts to alleviate poverty and how they impact efforts to alleviate poverty through community development?

ALAN BERUBE: Sure. Thank you, Ellen. And thanks for -- thanks for having me here today, everyone. As I do that, I just want to acknowledge that, when David said to me, I don't know, like a year ago or so, I'm going to do a -- you know, I'm going to work with Nancy, we're going to do this edited volume on the future of community development. We're going to get, you

know, 20 different people to write chapters. You know, my mind goes to all -- like, a lot of the edited volumes at Brookings that I've been a part of over the years and seen it just sit on shelves and gather dust and thought, oh, well, that's nice, David. Call me when that's over [laughter]. And so, but here we are today, and the volume that you guys produced, and I think, the dedication that you showed to making the ideas in there have impact is really admirable and, I think, a lesson for folks in my business about how to do this right. So, credit to you guys. And it's also, in the context of, you know, what I did in my chapter, which was ask, you know, a couple of sort of stupid questions and, you know, look at some CPS tables to try to get some answers. And then I get the book, and there are all these sort of rich idea informed by -- I just felt a little inadequate [laughter], but that noted...

ELLEN SEIDMAN: It's okay, Alan. You can handle it.

ALAN BERUBE: [Laughs] I'll deal with it. That's my burden to bear. So here -- the basic questions that I asked were these. Look at today. Look at 1970. How much poverty did we have in the United States, sort of accepting, as a premise, that part, or a lot, of what community development is about is alleviating poverty. Who are the poor in America? What's their relationship to the economy at large? And where are these people? And how much does the notion of community resonate for them and what we're trying to do for them? So, on the first question of, how much poverty is there, so, if you look back to 1970, you know, the share of the population living under --- you know, under the federally defined poverty line, with all -- with all of its faults acknowledged, fluctuated somewhere between 11% and 15%, depending upon the state of the macro economy. Here we are coming out of the recession in 2010. Of course, now we're really at the high end. We're actually just above 15%. The U.S., however, has 100 million

more people, overall, now than it did in 1970, from, you know, about 200 million to 300 million people. So, the total number of poor people in America has expanded dramatically by about 20 million over that time. Further, specifically, the share of poor people who are experiencing what we call extreme poverty, that is, living below 50% of the poverty line, is actually up over that time as well, from about 3-1/2% to over 5% today. Who are the poor? So, what are the demographic characteristics of the poor today? Well, of course, they've changed along with the American population as it's evolved over the past 40 years. The most notable difference being that Latinos are a much greater proportion of the poor today than 40 years ago -- about 29% versus 10% in 1970. And they actually constitute a larger share of America's poor today than African-Americans -- 29% versus 23%. The incidence of single parenthood has, of course, increased over time. Those folks have always been poorer than other Americans. There are just more people living in those sorts of households now, so as a result, they're a larger share of the poor, too. And the aging of our population, combined with the fact that, you know, as part of the Great Society, we made a commitment to doing much more for the elderly to reduce elderly poverty. And we did that rather successfully. So, the confluence of those two things means that the poor tend to be more working age today than they were 40 years ago. About 60% are working age versus a little over 40% in 1970. Given that, we know that the best antidote to poverty is a job, so work -- always been an important characteristic of poverty in the United States. About 46% of the poor today live in a household where the head works. But the trend, at least over the last 10 to 15 years, really since the late 1990s, has been towards less work among the poor. About 66% of poor adults today are not in work. That's up from 58% in 1999. Of course, that's due to the sort of bookend recessions we had in the 2000s. But the recovery, such as it was, from 2001 to 2007, yielded no increase in the incidence of work among the poor either.

And that's particularly true, as we know, for subgroups. Men -- young black men, in particular, suffer the most from a dis-attachment to the labor market. And then finally, where do they live? And that's really where a lot of my thinking and research tends to come in. The poor are more urban today, less rural, than they were. 52% were in metropolitan areas in 1970. Over 80% are today. They live in different parts of the country. As the population moved south and west, away from the northeast and the Midwest, that's where the poor went, too. And in particular, they are more suburban today and less urban. There are now more poor people who live in suburbs than the sort of central cities that I think -- as one thinks about urban poverty and inner-city neighborhoods tend to characterize how we've thought about it. Concentrated poverty, of course, is still with us. I did a report with the Fed in 2008 that looked at concentrated poverty. So, these communities have not gone away. But we are seeing more and more suburban residents living in areas of increasing poverty -- neighborhoods of increasing poverty and detachments from some of the things that we think matter for addressing poverty. So, I would just frame the challenge kind of broadly based on that, which is that, if community development's about alleviating poverty, here we are 40 years later. We have more poverty. It's affecting populations and affecting places that have not traditionally been the focus of community development. And it's fighting what I would characterize as a very uphill battle against the evolution of the American macro economy.

ELLEN SEIDMAN: And we will talk more about how community development has to respond to that. So, Jack, a pediatrician at a community development conference? You know, why? And what's the relationship? And how did you get here other than by plane or train?

JACK SHONKOFF: Yeah, thanks for the question. So, I -- you know, well, I'll just echo Alan's comments about the book and the project and not use any more time to say that, but I --

so, I took the strategy of identifying a really wonderful colleague to write the chapter, so I wouldn't have to do it myself -- Jamie Radner, who's the University of Toronto. So, you know, I have this sense of history. I'll just say -- so, the chair that I have at Harvard was dedicated to Julius Richmond. Now, some of you may recognize that name. And he was a pediatrician who actually worked in the Johnson administration on the war on poverty and was the first -- the original founder of Head Start and actually, I think, was part of the group that created neighborhood health centers and was very involved in the Office of Economic Opportunity. So, pediatricians come naturally to this, but not in the usual way. So, so fast forward 50 years -- almost half a century, you know, what I'm really excited about bringing to the table here is that there is a revolution going on now in biology -- in neuroscience and molecular biology and genomics. And I think a lot of people in the audience are very attuned to the fact that this is totally transforming the way we diagnose and treat disease. And it will kind of add to the national deficit burden with the cost of the new medical technology that we just have barely seen the beginnings of. But the other thing that is sitting here waiting to be used is that the same science is actually providing a wonderful opportunity to take a fresh look at what I would like to call for this conference, the basic science of human capital formation, which is, how do we understand the roots of lifelong health and learning capacity and behavioral regulation and all of the things that go into breaking the burdens of poverty. And so, my particular interest here is in looking at how community development efforts could be thinking differently about breaking the intergenerational transmission of poverty and all of the burdens that go with it. So, I'll just tee us some highlights and wait for the discussion to give you more of the details. So, the first is that, with the completion of the Human Genome Project, this old battle about nature versus nurture goes into the realm of the history of science, not current science. You can't tease those two apart,

so that what we know is that environments and experiences literally affect how genes work. So, there's nothing about any of the things that get transmitted from one generation to another related to poverty that are hard-wired. And we now have increasing understanding of how early experience literally gets into our bodies, affects the development of our brain, and therefore affects learning capacity, how it gets into our body and affects the early origins of chronic diseases. So, it's not just an accident that poor people not only have more problems in school. Children who grow up in poverty have more diabetes, have more heart disease, they have more hypertension, they have more cancer, and they don't live as long. Okay, so there's got to be an underlying reason, and would I would like to put on the table and look forward to discussing is that the science is helping us understand how experience gets into the body early, both for better or for worse, provides an opportunity for a unified single science of understanding how community-based interventions and strategies and policies could produce greater outcomes in health and learning and behavior, could lead to new theories of change that could drive new ideas, how to focus on causal mechanisms in a much explicit way and ask the question of, why are we doing this? Why are we doing that? How about some new ideas, both at a -- at a -- not just at the level of children's and their family's lives, but at a community level, that would affect the environment, that affects health and learning and behavior. So, this science is sitting here waiting to be used. It's being used by biotechnology. It's being used by the medical profession. It's waiting to be used by this audience. I'm really excited about having a chance to give you some examples of how we could do that.

ELLEN SEIDMAN: Terrific. Because I'm -- in case any of you are waiting for the question, there are a lot of adults out there, how does this help the adults, Jack has already been asked that question. He will answer it [laughter].

JACK SHONKOFF: I can't answer that...

ELLEN SEIDMAN: You want to do -- answer it now?

JACK SHONKOFF: Well, I just say, we'll get to it later. You can't answer a question about how you change the lives of children without talking about the adults who constitute the environment of relationships they live in. So, you -- this is another big issue in early childhood right now. It's not about the kids alone. It's about the adults who shape their lives.

ELLEN SEIDMAN: Okay, so Sarah, I know that Scott said we weren't going to talk about the fiscal cliff [laughter]. But you're here, so you know, no matter what happens with it, though, it's pretty clear that federal government resources for communities are going to be more constrained than they have, at least in the recent past. I mean, among other things, we had the stimulus package, which definitely increased resources from where they had been before. And not only is that rolling off, but it looks like we're going even deeper. How would you like to tell us what the best case scenario is?

SARAH WARTELL: Since that's a cheerful, but not a cheerful subject, let me stop for a moment and take a minute to say something cheerful, and then I will answer your question. And I am going to take a moment to just say how important I think this book is, because it is -- it has changed my life. It has changed the way I think about the work that we're doing at the Urban Institute. And so, I think it is an example of, that every once in a while, those volumes that usually sit on shelves can be truly catalytic. And so let me just -- I just wanted to say one minute about how I thought it could have that effect. And maybe it doesn't, for people who live in this world every day, but I actually think it will even in that case. And the reason is because it -- when you distill and crystallize and give name to things that people who are actually doing the work every day are seeing and feeling and part of, so that others can relate and intersect with it, I

think that shortens the conversation, and, if you will, increases the productivity of everyone around having conversations. So there are these extraordinarily interesting trends that have been happening and that all of you are a part of. And they -- I look around the room, and it literally is embodied in this room. There are -- have been people who've been at large financial institutions, and I see Citi and Goldman Sachs here, who have been part of investing capital in the built environment and concerned about community development in these communities. And then there are people looking at the social services and the pediatricians and those coming together. And what's interesting is that you have capital talking social services and the integration of all these silos. And this book gives us a language to describe that, so I think it's really important, and I just wanted to congratulate everyone for that. Now, to be discouraging. The best -- the reality is that fiscal cliff or not, whether or not they figure out how to avoid, in the near term, what a large increase in, essentially -- decrease in spending and increase in tax levels, will do to the economy immediately, the general direction -- the reason the cliff was put in place was because policymakers said, we got to -- we got to spend this much less as a first step, and we have to raise this much more as a first step. And so, let's force ourselves to do it, and then, if we can come back and figure out a more rational way to do it, that'd be great. But, it's going to happen, and it's going to continue to happen in that direction, so that there's -- we all know how difficult it will be to control the cost of entitlements and the nature of the demographics of the population particularly, and the nature of the dynamics within health care as such that we're going to see a increasing part of our economy consumed there. And the pressure on domestic discretionary spending, which is the part of the budget that supports the kinds of activities that we're all talking about here, is going to be dramatic. And so, whether it's 8.2% of spending, which is what the sequester would do across the board, and we tried to put that, you know -- the OMB, and HUD

developed estimates of what that would mean, and just some of HUD's programs, and you could ripple that across HHS and a variety of other areas. It's a pretty significant reduction in federal support. Now, you also all know that federal support is increasingly a smaller part of the conversation in communities when we are trying to solve these problems, but it is still an essential piece, and it's often a piece that's leveraged. So, the prospect of us being able to accomplish this agenda in the near term and be better at what we were -- because, let's go back to where David started us -- four years later, and we still have the same levels. This either has to be a moment of sort of giant leap in productivity of the sector, if you think about when big cataclysms were in the private sector and Industrial Revolution -- those were moments of giant cataclysm that created an exponential increase in productivity. And we need to use that kind of lens to think about this system. And are there insights here about how we bring these silos together so that, if we have 80% on the dollar, God forbid, of some of the -- of the funding streams that we've had for a long time, and you put all those streams together, can you somehow, with them, get 120% of the results that you were getting before? That's really what the ambition here is. It's not about, you know, how do we -- what's the least painful way to deal with 3 or 4 or 5% cuts, or how to make sure that those cuts happen -- somebody else has 10%, and I only have 6% in my cuts. That's a very -- that's what the usual Washington food fight is about. But the opportunity is in the, sort of, vast productivity leap in delivering outcomes. And there are insights that we're talking about that create that possibility. The government has started to make - - and you saw it -- the newest iteration of it came out of OMB in its funding request to agencies. The pressure on agencies to develop an evidence base for showing that the investments they're making work, and, at least in theory, the willingness to reallocate funding based on that evidence base. And federal agencies only do that so well, they really need the places in communities

where the funding comes together, and we can talk about both the way to burst silos, pierce silos at the top, and how we do that in community, I hope, in the follow-up.

ELLEN SEIDMAN: Terrific. So, that's a really good segue. Jack, I re-read the chapter that you wrote yesterday. And to some extent, what it was really about was the scientific method. And it was about, you know, okay, you have a hypothesis, and you try to figure out how you prove it or disprove it, and is that what you mean by science helping us figure out what works and responding to Sarah's question? Or did I get it wrong? You can say I got it wrong.

JACK SHONKOFF: No. Yes, but -- or, yes, and -- so, sure. The scientific method has tremendous value when applied to the kinds of things that be answered by science. So, I think in some ways, the scientific method is driving a lot of the evidence-based approach to programs that talks about, you know, let's look at what we've actually studied effectively and studied well, and what do we know about what works. And so, I think that's a part of the story. But interestingly enough, what my colleagues and I have been working really hard on recently is to bring the shackles of the scientific method, which is different from the world of innovation. The world of innovation works in the opposite way. It doesn't -- it generates ideas that it then tries. And before you can test whether something is better or not, you have to kind of figure out what it is, and you have to play around with things. And you know, I didn't learn this in most of my life in academia, but now I'm totally jazzed by this concept of fail fast and try lots of things, and that no breakthroughs come the first, second, third, fourth or fifth time you try anything. And bring a little bit of the Silicon Valley and the -- you know, in my part of the world, the kind of Kendall Square-Cambridge mentality of how innovation happens. So, I think the scientific method is critical when it comes to testing hypotheses and finding out whether A is better than B. But the scientific method, in its pure sense, is not the way to generate new ideas if it's just left to the

scientists. So, I think this is the time where people who can bring strong scientific thinking together with people who have on-the-ground expertise and experience to generate new ideas that can be tried in an environment that makes it safe to try new things and fail in order to get bigger outcomes -- better outcomes is critical. So, for me, the stranglehold -- so, I'll take an extreme position now, just to be provocative. You know, there is no National Association for the Prevention of Evidence-Based Policy [laughter]. So, nobody's going to argue against that. But people who live in the innovation world know that you don't get new ideas based on data from things you did before. You get it from new ideas. And so, what we're pushing is to expand the definition of evidence -- not throw out evidence, but say evidence includes results of randomized, controlled trials. It includes results of benefit-cost studies. And for some people, that's the end of the sentence. And I would add, evidence is scientific concepts that are coming out of kind of rigorous -- the rigorous scientific enterprise we have in this country and the world that generates principles and concepts that ought to be transformed into interventions and strategies and policies. And that is not the evidence of something you've proved that works. It's the evidence that science tells us of what we know about the human development process. What do we know about health is promoted? What do we know about how disease is prevented? What do we know about how to promote healthy brain development? There's a lot of evidence there that is not in randomized control trial terms. It's the evidence of scientific knowledge. So, that's what I would push really hard to bring to the table, matched with the wisdom and the experience of people on the ground who can turn that into something that can practically be done and replicated and affordable and not just something where you can say, we have this great idea, and if you have a multibillionaire in your community who will fit the bill, you, too, could do this for poor people, so...

ELLEN SEIDMAN: Okay, so Alan, I know you've been on the ground a lot outside of Washington. And I'm going to ask you your response there. But first, for everybody who tweets, right, we're supposed to tweet at @whatworksforUSA. USA doesn't have to be capitalized, does it? No, okay. whatworksforUSA. Okay.

ALAN BERUBE: Should I do that right now? Is that [laughter] -- no, okay.

ELLEN SEIDMAN: No, but those of you who are playing with your BlackBerrys or smartphones anyway, now you have something to do that's official [laughter]. Okay, so Jack, I'm going to ask you for some -- for at least one example, but Alan, talk a little bit about how -- I mean, what do you think about Jack's concepts, and how does this idea of fast failure and innovation work in the communities that you've been out in, where your focus has been heavily on jobs?

ALAN BERUBE: You know, I think -- I mean, I'm sure Jack would probably agree that the political system and culture does not embrace and reward failure of any kind about contested issues like poverty and government's role in alleviating poverty. What you have -- I mean, I think, outside of a few still sort of boutique programs in certain agencies, and here I'm thinking about the Investing in Innovation program and it's part of education, you know, things going -- a lot going on at HHS I think we're going to hear about a little bit later, and energy department and sort of the energy form of DARPA, what you mostly have -- and here, I mean just looking from the outside in at HUD, you have an agency that's run by the inspector general, for all intents and purposes, where -- governed by the HUD Reform Act, that prevents agency personnel from talking to anybody that, at any point in the future, they might give a dollar to do something, right? So, I think it's awful. I just want to -- I want to acknowledge that the built-up rules and regulations and culture and politics that get in the way of failure or fast failure and that, you

know, come back to haunt us very, very quickly when something doesn't go wrong. That said, I do think that, you know, when you get away from sort of Washington and how people need to operate in that context, where you can see experimentation and learning and failure, is not in sort of very small and specialized organizations, necessarily. I think you can see it in -- you have scaled organizations that have the infrastructure and have the financial flexibility and portfolio diversity that allow them to sort of move money as they see issues arise, try something new. And if it works, you know, over time, orient their organization more in that direction.

ELLEN SEIDMAN: You're not talking about the large financial institutions, or are you?

ALAN BERUBE: I'm talking about -- well, I mean, we're going to hear from Angela later -- Angela Blanchard at Neighborhood Centers...

Okay, okay.

ALAN BERUBE: ...just about, well, what is scale by you in community development, right? And I think it buys you the ability to try new things without putting at risk your one single source of capital, you know, or backing for the things that you want to do. And then, it buys you patience among your investors, I think, in a way that, again, smaller-scaled organizations, they just don't have that -- they just don't have that luxury.

ELLEN SEIDMAN: So you're saying that, even in the community development scale, there is scale...

ALAN BERUBE: I think -- yeah.

ELLEN SEIDMAN: ...that enables this kind of experimentation and failure?

ALAN BERUBE: Absolutely. I mean -- and right, scale is about a lot of things. Scale is about efficiency and unit cost and, you know, geography, integration. But one thing I'm just sort

of seeing in communities is that scale enables innovation and experimentation, at least among forward-thinking organizations that aren't just there to rest on their laurels.

ELLEN SEIDMAN: Sarah, you just got a really sort of nasty version of what HUD is these days. And...

SARAH WARTELL: Sounds shockingly familiar.

ELLEN SEIDMAN: Yeah, I understand. But you also actually have hope. I mean, what are you -- we'll hear a lot more at -- I guess in the third panel from people who are really trying hard to break up all of that, but I mean is your sense that maybe this is -- this really is a time for creativity in the federal -- in this federal sphere?

SARAH WARTELL: Well, you know, I think you have, among other things, particular individuals -- we're in the midst of an evaluation right now in the Sustainable Communities Initiative, that looked -- and evaluation in the soft form of that. And I will come back to that in a second, but that looked at the -- working with Living Cities, looking at some of the different ways that the different agencies -- and, of course, one of the big takeaways is personnel matters, right? If you have people who are open to trying to find different solutions, and there is leadership at the top and encouragement of that, that is hugely different than when you have a person trying to sort of do it all by themselves without that kind of support. But I think the thing that Jack talked about, particularly -- I mentioned before the administration's focus on evidence, and there's -- you know, you have David Brooks writing about how this gold standard of evidence and random control trials should be the sine qua non of all federal spending, you know, the good news is that I'm seeing and understanding that you can focus on evidence-based policy and mean something very different than that -- not everywhere, because some people learn more slowly than others. But, you know, it's interesting. I went to go talk to a foundation the other day,

and they said, well, we really don't fund research anymore. We don't want a program where you come back in five years or 10 years and tell me what you found as a result of your study. What we want is someone who is looking at information and data and analysis in real time and giving information back to -- oh, we don't work with policymakers. We mean practitioners -- practitioners like a school district administrator, or a practitioner like a local economic development official. I think those of -- they're policymakers, too. And that is a form of research in a kind -- that is -- that is a, what we call, a cycle of continuous learning. And it is what I think the most innovative and interesting contributors -- partners, if you will, in the partnership conversation we had before, to the field and practice can provide. So, I am optimistic, because I see a recognition of that model of continuous learning coming at a couple of different layers. We see government asking these questions and wanting information back quickly and not always in the gold standard evidence style. You see people on the ground and develop -- people who are actually delivering services and running some of these innovation models that we're going to talk about later today, who have database partners at -- or, are, themselves, learning how to become evidence-driven organizations. And, so you have a kind of culture of learning that's happening. And I think it has to converge from lots of different layers in the system for it to work. And I think that's a very encouraging sign.

ELLEN SEIDMAN: Okay, we're going to open it up for questions. But while -- oh, Jack, go ahead.

JACK SHONKOFF: Just make a...

ELLEN SEIDMAN: Go ahead. Go ahead.

JACK SHONKOFF: Because like, I think what...

ELLEN SEIDMAN: Be thinking of your questions.

JACK SHONKOFF: What Alan and Sarah both said is so important, and I want to kind of loop back and just close the circle on what I meant by my recommendation. I'm not in any way suggesting that entire systems, you know, kind of embrace a let's-fail-as-fast-as-we-can mentality. And I think what I'm actually channeling, and I kind of wish I had learned this early in my career, is this is how kind of smart business works. And this is how successful businesses work. And everybody understands that, that most -- if you're at the top of your field, most of your operations are continuing to produce what it is you're good at. And you have this little R&D component in the back that's figuring out new things. You don't change everything kind of based on a new idea. And I think the issue about where the resources are going to come from -- this is a wonderful opportunity for a private-public partnership. I don't think we can expect public funds to go into a lot of experimentation. But there's a whole new breed of philanthropy out there that - - I mean, just relating to what you said, Sarah, that doesn't want to just fund services internally. Doesn't really want to fund policy, because they don't even know what that means. Research is such a dirty word. But most of them kind of earned their money by taking risks and taking chances and making big bets and winning. So, there's -- I think there's a huge untapped -- and I'm really kind of making myself vulnerable talking about this kind of stuff in this group. I'm the babe in the woods here [inaudible] this. But there is this sense that there are investment opportunities for that part of the private sector and the philanthropic community that doesn't want to just do charity and kind of give money to feel good and wants to see big impacts with a lot of accountability built in. And that's, I think, where the opportunities are. And this is where science could inform some interesting ideas and theories of change that could be tried.

ELLEN SEIDMAN: Terrific. I'm -- we will definitely have the impact and vesting conversation at the end, if not before. Okay.

SHELDON CAPLIS: Hi, I'm Sheldon Caplis from Citi. And my question is for Jack. I thought you might comment on -- there's a recent book that Paul Tough wrote, *How Children Succeed*, which talks a lot about non-cognitive skills. And to me, it's all about the science. He's quoting pediatric brain research. But, to relate it to community development, I mean, he really talks about that scientists are now saying there's two opportunities to intervene, one is from this zero to five, and the other is during adolescence. And then he relates it to college success, which is something that we care about. So, could you comment on that?

JACK SHONKOFF: Yeah, I know, this book's getting a lot of attention. Well, there are opportunities to intervene all over the place. It's just, the earlier, the better -- you get a better return. But I think what's important about what Paul Tough is doing is, he's kind of helped to articulate what a lot of other people have been talking about, which is, you know, this is not just about IQ or cognitive development. There are other things. But here's where I think science can be really helpful. You know, these so-called soft skills -- first of all, some of these soft skills are actually cognitive skills -- things like being able to solve problems, kind of follow rules, plan, monitor. And that gets morphed into motivation and attitude. These are -- we know where they develop in the brain. These happen to be skills that develop in the one of the parts of the brain that's particularly sensitive to excessive stress activation, and -- which disrupts this whole biology of adversity and toxic stress, which disrupts brains circuits and accelerates atherosclerosis and produces all kinds of other changes in the body that lead to disease and problems in learning. So, it really underscores that these are skills that have to be built early with strong foundations, but that gets us back to the adult piece. So, you know, we -- in all -- this is my field, right? I have -- I'm like an early childhood junkie, right? The field needs to move to another place. It's been -- for half a century, it's been built on this notion of providing enrichment

and information. We provide enriched experiences for children. We provide information and support for their parents. When you do it well, you get a statistically significant difference between your two groups, and you get a positive benefit cost return. But the magnitude of the impact still isn't big enough. So, I'm kind of -- I think we need some loving dissatisfaction with how much of an impact that makes. And the science would suggest that it's not just about enrichment, that we need to be thinking about how to protect the developing brain from the stresses of deep poverty, with or without community violence, substance abuse, depression, mental health, all of which activates bodily metabolic systems that disrupt brain circuits and parts of the brain that affect your ability to pay attention, control your impulses, be able to delay gratification. So, one big -- here's one very concrete example. So, if community-based approaches, instead of providing support and information for families, focused on building capacities in the adults who take care of children and focused on -- in a community-specific way, going after the major sources of toxic stress in that community, whether it be violence or drugs or whatever, that would be a very different approach to what we're doing now. Not instead of what we're doing, but on top of -- it's grounded in strong science, so for it makes it evidence-based. But how do you turn that into a policy or an intervention? You need an environment that lets you try different things. It doesn't immediately translate. So, I think that's absolutely right, what Paul Tough is after, but I -- I mean, I've talked to him about this. I wish it weren't translated into kind of true grit and motivation, because what it does, it puts the burden on the individual who doesn't make it and says, you didn't try hard enough, you know, you didn't overcome adversity, when a lot of this is due to circumstances that mess people's bodies up and mess up their brain development. So, very important.

ELLEN SEIDMAN: Alan?

ALAN BERUBE: This is great, and I think -- I mean, I think this is the conversation we're trying to force here, right, is, what are we about? What's most important for us to achieve through community development or related public policy means? And I've just been struck in sort of going around through the suburban poverty project and sort of talking to people about, you know, what -- how does this feel different from, you know, what policy seems to be set up to allow you to do? And over and over again, it's about getting people prepared for the economy. What's the best -- what's the best way to do that? And they don't talk about housing very much, frankly, and yet, what this movement has been about for 40 years, in -- you know, in large respect, is perfecting the delivery of affordable housing. But I don't think we've operated from a consistent theology about -- you know, in service of what, right? What's the best -- what's the best -- if we're going to spend some money on housing, what's the best way to do that to get at some of the issues that Jack is talking about? And is that the way to -- is housing the way to spend that money? It's -- certainly, I think we know from the research that housing is an important platform for all sorts of things. But not the same things in every community context, regional context, metropolitan context. It doesn't mean the same thing to do affordable housing in some of these suburban communities that are 30, 40 miles from jobs that it does in an inner-city neighborhood where it just be a few blocks away. So, I just -- look, Sarah and I kind of fought this about this on the phone. So, I'm just saying, I want to provoke this conversation [laughter] about, what are we doing here? Is this what we're trying to do?

SARAH WARTELL: Yeah, but you've internalized the conversation, so I didn't have anything to fight with you about [laughter].

ALAN BERUBE: You win [laughs].

SARAH WARTELL: But I think it's important to note that there is the quick answer -- the highlight off the book title is to say, oops, we focused too long on housing. We got to focus on something else. And what I like is where Alan got to, which is, housing, health care, education, they are all central platforms. And any one of them can be a basis around which -- but you need to be looking holistically. If we try to solve for housing, and then we find, whoops, we haven't improved the employment prospects of these people one iota, because we didn't put them in a place to be able to learn and perform in the job market. Or, if we tried to solve for health, and we find out that they're -- you know, each one of these components are related to one another. And I almost don't care what platform -- there are some of us who are good at housing and some of us who are good at health care. But we all ought to be looking at how our system relates to the other systems and try to coordinate to an outcome that we all are aiming for together. And it is the -- what Nancy and David call in their chapter, the quarterback. But I would argue, it takes more than a single quarterback. So, it is the -- how do we get the systems to talk to each other so that they can -- housing, health care, education and everything else, be all working in service of a single goal.

JACK SHONKOFF: That's -- can I just jump on that? That's great.

ELLEN SEIDMAN: Go ahead.

JACK SHONKOFF: Because I think an effective quarterback works well because everybody on the team knows the game plan. And the quarterback is kind of, you know, calling the signals. So, I think just to follow up on Sarah's point, the way to bring everybody together, I think, at least from my outsider perspective, is not to get everybody together just on the basis of a common goal, but to get everybody together on the basis of a shared knowledge base. That's kind of an integration of the biological and the social sciences that says, this what we know. And then

have everybody, whether it's housing, transportation, childcare, education, health, is to say, so, based on this science, what should we be doing in housing? What should we be doing in education? What should we be doing in health? And certainly, from the health system, I mean, the last thing a pediatrician is going to do is tell us that having a regular source of medical care doesn't matter. But the first thing that a pediatrician who knows about health will tell you is that none of these problems are going to be solved in the hospital or the doctor's office. And that's -- and then, when it comes to the health part of community investment, what people do is, they say, are the kids' immunizations up to date? Do they have a regular source of health care? Have we identified medical problems? Next. And that's a huge, very narrowly short-sighted view of what health promotion is all about.

ELLEN SEIDMAN: Have we got some more questions? Oh, okay, go ahead.

RUDY ARREDONDO: Yes, good afternoon. My name is Rudy Arredondo with the National Latino Farmers and Ranchers. And I have a concern -- and first of all, I'd like to thank the Federal Reserve for holding this forum here, but I see a lack of rural focus, which is rather important. Because the farming community -- we feed you. You know, and we have been neglected forever and ever. You know, I used to work with Rural Housing Alliance, and doing housing, and the investment in -- when you're looking at money, it's got to be -- it's related to profit. You know, the myth of affordable housing -- it's a myth. You know, if it does not -- I see all these luxury -- some of the public housing is now converted -- had been converted after it came out of the public purse into luxury apartments. But you know, one agency that is missing in this is the U.S. Department of Agricultural -- next to the Pentagon is the biggest agency which

does a lot of the rural community development. And we have a very deteriorating infrastructure, which we bring the food from the farm to the cities, and that needs to be looked at.

ELLEN SEIDMAN: Thank you.

RUDY ARREDONDO: Thank you.

ELLEN SEIDMAN: It is a clear failing of the book. It's a failing we actually recognized and prevailed about Bill Duncan to help us deal with a little bit. But I think that this is -- this is a place where we need to sort of take -- it's interesting, in some ways, because it's synergistic back and forth. Alan talks about the suburbanization of poverty, and many of the lessons that rural America have learned over the years on how to think about poverty in terms of economic development rather than in terms of sort of, you know, very place-based community development are relevant there. But we haven't really given it as much thought as we should have. And if we're going to do volume two, it's going to be a lot more front and center, in part because I should not be the only person talking about rural in this room. So -- Andrew, but yes, I mean, I don't mean to dis you at all. We absolutely understand that that is a major issue, and it's one that those of who think of community development and immediately think of HUD miss all the time.

ANDREW JAKABOVIS: Hi, Andrew Jakobovics from Enterprise Community Partners. I want to thank everyone who's contributed to the book. The various chapters are circulating through our organization, in PDF form mostly, and we've got hard copies. It's terrific. So, I know you guys have identified, certainly, some of the key opportunity areas for us moving forward, but I think the big -- can you guys address sort of some of the structural challenges in getting the various solutions or solution sectors to talk to each other? I mean, it's taken us decades to get the point where preventive care -- you keep going back to the medical analogy, right, is now covered

without cost for anyone who needs it, right? And so, we realize that doing some of these things prospectively in certain segments saves the taxpayers a lot of cost on the backend. And yet, can we figure out how to adopt some of the best practices that cut across these sectors in a way that we break through some of the structural challenges, some of the political challenges that make financing some of the best practices feasible? So, if could speak to some of that.

ELLEN SEIDMAN: Okay, I'm going to ask this panel to take a quick answer to that, but the third panel is going to really -- the third and fourth panel are really going to try to go at it on that particular question. Sarah?

ALAN BERUBE: Go ahead, Sarah. Yeah.

SARAH WARTELL: So, just two observations. I think if we spend our time trying to get Washington to deliver funds in an integrated way, got through the committee jurisdictions of Capitol Hill, we will all be dead, and our great-great-grandchildren will be visiting the Federal Reserve talking about that. So, plan B. That might be the smart and rational strategy, but it's not going to happen, I don't think. But I do think there is the way in which we can begin to do two things. One, make things across silos, where you can demonstrate cost benefits eligible activities across the silos. Now, everybody and their mother has decided that health care's the pot that's not getting smaller, so we're all trying to figure out how to make our activity an eligible activity under the housing -- oh, well, you know if you have -- yeah, if you have a safe housing, then your kids won't get asthma, so it ought to be Medicare to build new housing units. And you know, I'm going to try it and whatever good ideas I get -- come up with, but I think we have to be a little bit more creative. Somebody used the phrase the other day -- instead of silo busting, which would be nice, maybe silo piercing, and trying to redirect funds, when there's a demonstrated linkage, which goes back to the evidence of the linkages being a very important

piece of this conversation. But then, I think strategy B is quarterbacks at different levels. And some people talk about portals at the federal level, or I talk about, you know, people who can have stature and can kind of drive through different agencies' bureaucracies. It seems to me, what's really important is the ability to coordinate activities rather than try to make it all one big pot or pool. That's just the reality in the world we live in, and we've got to coordinate at a bunch of different levels to be relevant with a ground-up orientation.

ALAN BERUBE: And I think we ought to be willing to try some small things, right? I mean, just to -- just to make the bias of federal policy more explicitly towards organizations that operate at scale and that integrate across programs and functions. You know, shouldn't these organizations at least have their reporting burdens alleviated or integrated? Why shouldn't they be able to say to Washington, hey, you know, under normal circumstances, what I would do is send you guys 120 reports. They're due every two weeks, because all my grants have different reporting periods. Why not just say to them, look, you guys can report to us however you like, so long as we get the information that allows us to make the decisions we need to make. You guys tell us how you want to do it. And then, in those sort of small ways, we begin to tilt towards, yeah, we value integration. We're not going to combine all of our funding streams for you guys. You've still got to figure out what's the best way to do that within the community context, but we're just going to -- we're going to treat you with a little respect for doing the hard stuff that you do on the ground.

JACK SHONKOFF: So, the only thing I'll add -- I'll give one specific example of -- without being naive to the bureaucratic and the political barriers, but to the extent that there'll be new thinking in the early childhood area about building parenting capacities, rather than just giving parents information and advice, is when you get to the kinds of capacities that need to be

strengthened, that would promote the kind of home environment that would foster healthy development, they're the same kinds of capacities you need to be employable and get a job and that gets to this prefrontal cortex executive function self-regulatory capacities about planning and monitoring and being able to solve problems and focusing attention and being more kind of future-oriented, not just in the moment. You need that to run a household. You need that to hold a good job. And so, there's -- in an environment where everybody's budget is being cut, you know -- you know, in some miracle, maybe in some one little place, you could kind of pool -- you don't need a separate stream for building parenting skills and a separate set of programs for building workforce development skills. They're the same skills, and both fields need to kind of do better at building those skills. And there's a way to kind of comingle some...

ELLEN SEIDMAN: I think one of the themes of the book is, as we're thinking about different kinds of funding streams, thinking about amplification is -- and the changes that are not only positive in one of the areas, but that also have amplified benefits because they work positively in multiple areas.

JACK SHONKOFF: I mean, the -- when I first discovered this, we had a meeting, but it was very kind of multi-sectoral. And people were talking about how to -- new ideas about how to build parenting skills. And someone sitting in the room said, those sound to me like the kind of skills you need to get a job. We ought to make those parenting programs eligible for TANF work requirement. And somebody said, well, God, yeah, how you going to do that? And she said, well, I'm the secretary of Health and Human Services [laughter]. This was in a state I was working with, and they said, we'll do that tomorrow. And that's an example, I think, of could happen.

ELLEN SEIDMAN: That's terrific. Yes?

[Silence]

BILL KELLY: Hi, I'm Bill Kelly from Stewards of Affordable Housing. I just wanted to offer an illustration of what I think were six or seven of the points that were made by this panel. So, we've been working to try to provide supportive housing as a long-term care alternative to licensed nursing home and licensed assisted living facilities. Clearly cheaper, likely to produce better health effects and much preferred by the consumer, but very hard to get through the system, because we don't...

ELLEN SEIDMAN: Bill, hold the mic a little closer.

BILL KELLY: Oh, it's on, okay, sorry.

ELLEN SEIDMAN: Thank you.

BILL KELLY: Very hard to get through the system in the absence of, you know, double-blind longitudinal studies and so on [laughter]. And HUD and HHS are investing in that, MacArthur Foundation is providing some research funding, but, you know, we're not there yet, and it'll be years before the perfect study is done. So, we're now talking to a couple of accountable care organizations who could get it in a minute, make the business judgments that Jack was talking about, and are basically, you know, ready to try to figure out what the business deal looks like. So, it's an interesting illustration of how the way the money flows out can affect what the result is.

ELLEN SEIDMAN: That's terrific. Thank you. Yeah?

REBECCA MORLEY: Hi, Rebecca Morley, National Center for Healthy Housing. Sarah, we're one of the organizations trying to tap the Affordable Care Act for healthier housing [laughter]. We'll see where we get with that. Question really is about housing condition. I was speaking at an environmental justice conference this weekend, and I updated a slide that I'd been using, literally, for 10 years on substandard housing. And the chart changes when the American

Housing Survey becomes updated, but my talking points have been the same for a decade.

People of color are two to three times more likely to live in substandard housing than their white counterparts. And the question is, why haven't we made more progress on housing condition?

And is this something that can be more explicitly embedded in our, kind of, updated community development work?

ELLEN SEIDMAN: Does that get back to the rural question, too?

REBECCA MORLEY: It's -- the data still suggests it's largely an urban issue. There are -
- you know, of course are rural problems, but the numbers are concentrated in urban settings, and the places that have the worst quality housing tend to be more urban according to the AHS.

ALAN BERUBE: Maybe Sarah has the answer to that question. I think the question that this community needs to ask is, if somebody's going to do something about it, who is that? Is it Washington? I'm not -- I'm not sure we've seen the political will to do something here. But even -
- you know, if you were to start -- if you were to start everything all over again, would what is essentially a function of sort of local market conditions be the responsibility of Washington, or would it lie somewhere else? And, given everything we've learned about the use -- you know, the function of private capital and affordable housing over the last 40 years, you know, should we be looking here, or should we be looking at state capitals, or should we be looking to local governments?

SARAH WARTELL: So, to channel to people who spend their life in this space who aren't in the room today, one Bruce Katz and one Barry Zigas, on two points. One is that -- why we haven't solved the housing problem is an incomes problem, I think. We've had stagnant wages, and at the lower end, we've had, sort of, in some cases, declining wages. People's ability to pay for the cost of housing has not risen, and so we don't have enough money in the system to

finance the improvement of anything like the stock that we need. And that doesn't answer your question, but it is, basically we -- you know, people's incomes don't support the maintain and development of enough of housing. And just -- one of the consequences of that is -- it seems far afield, but I think it's one of the reasons why -- and this is the Barry Zigas side of this point -- why we saw such obsession in every family member, especially people with multiple children, trying to become -- get into the home ownership system is because there isn't a lot of stock for families of housing that is for people whose family balance sheet really supports rental, that it provides a decent place for their family to live. And to some extent, some of the white picket fence houses didn't prove to such great -- either family balance sheet bets or even such nice places to live, it turned out, and particularly as communities went under stress. But I think that this larger conversation about home ownership and rental housing is related to your -- not only the building standards, but the quality of community where most of our rental stock lives. As we have a conversation about the federal government's role in housing finance, we're going to have to figure out -- and part of the problem is, where's the income come from to finance the housing? And that is, I think, at least a -- I don't think it's a national responsibility to solve for it, but the larger system -- having the system have ways of getting at that, ways to deliver subsidy through financing, for example, or at least to have financing work with subsidy, those are questions that I do think we're going to have a conversation. We should be bringing those points of view into the discussion about housing finances.

ELLEN SEIDMAN: So, I'm going to take advantage of this conversation to -- two of the pieces in the book, one by Clara Miller and one by Angela Glover Blackwell, make the point that we used to think of poverty -- we used to think of poor communities as these exceptions to the rule. And that the name of the game, in terms of the poverty alleviation or community

development was to bring those people or those places into the mainstream. And both Angela and Clara, in their pieces, essentially say, uh uh. With 25 years of stagnant wages and with no increase in jobs or, you know, coming out of the so-called recoveries, we got an economy-wide problem and that our focus actually has to be very different. It has to be, I'm changing the economy so that -- I hate to put it -- everybody is above average. That's sort of what you've been working on, too, Alan. Talk a little bit about it.

ALAN BERUBE: Sure, yeah, and I -- and I do think that, you know, as Sarah just alluded to, the persistence of problems, whether it's substandard housing, whether it's concentrated poverty, again, doesn't represent, in the main, the failure to weave these communities, you know, through transportation or location into a broader, sort of successful regional coming. In some cases, it's the failure of a regional economy itself that shows up in the disconnection and the poverty and the substandard housing that's affecting the most disadvantaged places. So, you know, absolutely I think that the solution starts with, you know, what we're working around, sort of purposeful strategies to shape economic growth in a different direction. If you -- if you look back over the last 10 or 20 years, you know, at the federal level, the industry that we do more for than anything else is housing, right? We give them this mortgage interest deduction, we just build housing. Well, we saw what happened with that, right?

ELLEN SEIDMAN: We already tried to have this conversation with Sarah, aren't you?

ALAN BERUBE: Just like, yeah, I just kind of piss a lot of people off [laughter]. And at the local level, who do we -- who do we reward through local economic development? Well, some places do it smart. Most people reward retailers, hospitality, convention center builders, reward the construction industry, right? What we haven't done is think about, what are the industries that are part of America's sort of global competitiveness solution that can produce

more -- not only more jobs, but better jobs and then marry-up strategies that prepare our young people and our adults for participation in those industries and don't consign them to the industries that have a lot of crappy jobs that have no career advancement possibilities. I think, you know -- so then, the bridge for this discussion, I think, is, what do you need to engage the -- sort of the people who are pulling the levers about those big decisions, about what are the industries that we're going to invest in? What are the big education -- higher-education workforce development solutions -- how do you marry that up on the human services and community development side so that people can be at that table, influence that -- influence the direction of those, and then be part of the solution? And again, I think that's about scale, too, right? If it's a -- if it's a zillion little organizations working at the neighborhood scale, they just don't have the -- they don't have the clout, and they don't have the worldview that I think is going to be necessary to participate and influence those discussions in a meaningful direction.

ELLEN SEIDMAN: There's a question over there. Oh, Sarah, did you want to say something?

SARAH WARTELL: No, no, no, I was just pointing -- you were looking for...

NOEL POYO: So, name's Noel Poyo. I'm with the National Association for Latino Community Asset Builders. And we're actually a membership organization of just such organizations. Some of them quite large, but many of them, these little organizations, which have extraordinary worldview, indeed. And I think that one of -- bringing it back to the earlier discussion that you were having about sort of innovation scale, that you see, particularly out of HUD, I guess to shock some people, the use of the consortium structure among non-profits -- local non-profits, which I do -- I'm being a little combative with you, but I actually do agree with you fundamentally that individually, these organizations cannot do what they can do together.

But then, when working together in collaborative, I would argue that the innovation, that's indeed where it is. When you're bringing practitioners together in a room, and indeed in operational relationship, which is taking that a whole'nother very large step, that's when you start seeing people sitting down and saying, how did you solve that problem? Well, we did it like this. And we did it like this. Well, I'm working in a rural area, and you're in an urban area. So what's the connect there? That's the conversation we're having all the time. We have one of the larger NSP grants, \$137 million, which was just fully spent down, actually -- went very, very well, and based on that structure. And the recent Border Community Capital Initiative, again, created a consortium category. Don Graves was down talking with groups in the border region about the potential for economic development using those sorts of models. In any case, I want to toss that back and enrich that conversation.

ELLEN SEIDMAN: So, Sarah has something to say about that, and then Jack, I think that this got to your notion about, how do you spread innovation and it would be interesting if you would talk about that, but Sarah, go ahead.

SARAH WARTELL: So, this is not the only answer to spreading innovation, and I think what Jack will say will be more interesting, but one thing that I think is important is that we have this constant debate between, nothing is one size fits all. We need to be able to have custom, and this problem that we need to get to scale. And we kind of go back and forth and ping pong what we think about that. And one of the things I think is really interesting is to have -- this is a kind of an information analytics that need to get fed back into the system in real time. What are the characteristics of places that make particular innovations work there and understand those. So that, when you're having your conversation and some -- it may be that a rural and urban place have those same underlying characteristics that made something be successful, but that another

urban place might not. And so, trying to get the evidence base about that information into the conversation in these peer-to-peer sharing networks seems to be a pretty important thing and one thing we're thinking at Urban.

ELLEN SEIDMAN: Terrific. Jack, and then we're down to our last two questions. You and Elyse.

JACK SHONKOFF: So, I was actually listening carefully to these last couple concepts, thinking about this issue of how the outcomes have also changed in a lot of these interventions over here. So the point about the -- everybody here knows all the discussion about the fact that you need higher-level skills now to kind of be economically viable in this economy. The early childhood field is still kind of focused on high school graduation as an outcome. And high school graduation is like a -- is no longer a meaningful outcome. It doesn't get you anywhere. It gets you not much further than not graduating high school got you 20 or 30 years ago. And I was thinking about how, at least from innovation, this spread of innovation, so we struggled a lot with how we would define what we meant by innovation. And we decided that we would define innovation not by what it was, but by what it achieved. So for us, the definition the innovation is something that achieves a substantially greater breakthrough impact on whatever it is we're measuring than something that was just, like, really different and really cool and was tested and found to be somewhat effective. And so when you talk about cross-sectors, I mean, I think all of us have been in those position of, in our field, we get pretty nuanced about kind of what we're trying to get at. And when we step into other people's fields, we're awfully primitive in what we talk about [laughter], you know, and the people in those fields, you know, what kind of -- you know, you have no idea what's going on in our field. So, this is where I think this need for redefining what the core set of outcomes is is critically important. So, I know, in the area I know about, the

outcomes that we've been talking about for decades are not adequate outcomes anymore. I'm assuming there must be analogs in housing and transportation. And so again, going back to, like, my pet theme here, which is, we need a core set of agreed-upon outcomes and a core knowledge base that's shared that comes from multiple disciplines. And then, that sets the table for being able to do innovation that's meaningful. Otherwise, you're doing innovation in housing. You're doing innovation in transportation. And you still can't bring it together. In fact, it probably will be even harder to bring those together. And I think what's powerful about the science -- now, it's not that I'm kind of a -- you know, a biological scientist imperialist here, it's like -- because there's a lot of very powerful social science as well. It's that it needs to be brought up to date, and it needs to really drive everything we do up against the wall and answer the causal mechanism question. I don't think it's adequate anymore to talk about anything without being able to explain why you think this particular strategy is going to produce a bigger outcome than anything else. There has to be a causal explanation. We know too much now. In the old days, it was enough to show a correlation. I don't think a correlation buys us anything anymore. We have to explain why, and that will, I think, lead to really more productive cross-sector innovative thinking.

ELLEN SEIDMAN: Before your words get turned into -- everything turns into a randomized control trial...

JACK SHONKOFF: Right.

ELLEN SEIDMAN: That isn't what you mean, right?

JACK SHONKOFF: Exactly. No, that's exactly what I'm not talking about. I'm talking about the kinds of things that you first figure out before you even know what to do a randomized trial for. Who can do a randomized control trial on a new idea? You don't even know whether it's worth replicating?

DIANA MEYER: Hi, my name is Diana Meyer, and I'm with Citi Community Development. But in a previous life, I worked at Enterprise Community Partners on a national program to help coordinate local services for people -- you know, a whole variety of services. So, I'm getting back to Sarah's comment about, how do you get 120% better with 10% less money? And one of the barriers we had in coordinating services, whether it's the community level or in housing, which was our platform, is that, you know, we created software -- no one's talked about technology, but we created software that had all of the service agencies, all the requirements, you know where the services were best, so that people who coordinated services could do their work much faster, and based on evidence of good services, know that they're providing the best services to the clients, and then track the outcomes. And one of the ways we demonstrated this software was in Seattle, and it was part of a National League of Cities demonstration, where they were trying to have one social service -- one social worker work with each client instead of having six social workers in the community working with that client. And one of the biggest barriers is confidentiality. And it -- you know, it really, like, put the skids on that project in Seattle. And it's a problem, but I think that this is a great solution, because I agree that the federal government will never change the way it allocates social service dollars as long as Congress is organized the way it is. But I do think we can improve that at the local level.

ELLEN SEIDMAN: Okay, thank you. Last question here.

ELYSE CHERRY: Hi, thanks very much. Elyse Cherry, Boston Community Capital. And let me just say first, many, many thanks for doing all of the, I know, incredibly long and arduous work on this book. I think it's terrific, and I -- and as I have been listening to this very interesting conversation, I find myself thinking about, well, what next? What comes out of this, right? And one of the things, it seems to me, is most important, is to begin to change the national

conversation about who needs to be in the room and to really think about how we do some of this cross-sectoral work. And I'll give you a brief example of this, which at least for me, highlights exactly what we're talking about. So, at Boston Community Capital, we do lots of different things. And I sometimes sit in rooms and hear about the few numbers of words that poor children hear before they get to the age of five, and how that impacts -- but among the things that we do, we finance a lot of housing, a lot of housing renovation. We do it in a lot of neighborhoods that have very high levels of asthma and other kinds of environmental diseases. And we finance lots of health care centers. And so we're having a conversation one day, and we say, why don't we figure out how to improve lots of the housing so that actually you could reduce lots of the cost to the health care centers, because you would be reducing the number of times people actually had to go to a health care center, and that would also help them remain in jobs, because they wouldn't be out sick all the time, or their kids wouldn't be out sick? Seems fairly straightforward. So, then we said, well, okay, but we don't like to build business lines that need an internal sense of either philanthropic or government finance. Who would save? Who would earn money, who would save money, if we got that done? The health insurers, right? They're the ones who are now paying for six visits when they could pay for one visit. As it happened, a couple days later, I was at a dinner party with a guy who advises health insurance. And so, speaking about primitive understanding of other industries [laughter], so I lay out this idea to him, and he says, don't be ridiculous. All those people cycle through each of those health insurers every other year or two. Who would want to invest in that, because they're not going to get the long-term benefit. Well, you know, the truth is, I can think of a solution to that, which is to say, look at your rough levels of insurance for people in particular income levels across, in this case a state, right, because typically that's how insurance is. If you're typically at 30%, it doesn't really matter whether it's

30% of the same family or a different family. You take 30%, somebody else takes 40%, whatever it is. But what I got to was recognizing I'm never going to get those guys in the room, right? Because they say, doesn't apply to us. It's inconsistent with our business model. So, I say, okay, so now I need to go and get the secretary of health, the secretary of economic development and the insurance commissioner in the room to make them all come in the room. Well, that's not so hard to do. It's Massachusetts, after all, we all know each other [laughter]. But thinking about then, how to take that and moving it out into other arenas and across the country, now it begins to seem like a really daunting task. And so it seems to me that a change in the national dialog about who needs to be in the room, about why it's important for pediatricians and health insurers and community activists and economic development people and contractors to sit in the same room and say, what is the broad problem we're trying to solve? Who benefits, and who's burdened, right? Because the issue isn't just that there's not enough money coming out of government. The issue is about the money we waste. And I'm not talking about waste because we don't do things well. I'm talking about the kind of waste that gets you six visits to the health center when in fact, if you spend some money fixing up the house, you'd be down to one. And I think if we can create some efficiencies there, which really, really require lots of other people in the room, it would be an interesting step forward. I mean, we've sort of divided this way, and in some ways, we need to divide this way. So, if you're looking for the next project, it seems to me that really taking this book and figuring out how to get it to be part of that conversation would be great.

ELLEN SEIDMAN: That's terrific. And I think it's actually a really good last word, except I'll have one more. Elaine]? Is the booth video going to be on your website?

Yes, and it's going to be on -- there's -- just quickly, this is a LIIF grant that was designed to renovate the Booth [assumed spelling] childcare center. And to make it a -- you know, a better place for the kids to lower the water fountains so they could drink and, you know, just great things. Well, it turned out, as Nancy tells the story in the video that we worked with them to produce, that there were health benefits as well. That was not the intention. But the idea is that, if you're investing in this case and renovating a childcare center, asthma rates went down, kids weren't in the emergency room. Their parents were at work. And they were paying the daily fees. And the providers also -- they changed the changing tables so kids could walk up by themselves, so the caregivers were not lifting, were not having backaches -- also were not having asthma attacks. So, the cost of the childcare center went down while the health went up. So, our -- part of why the Robert Wood Johnson Foundation is trying to do, exactly, and changing that national dialog is to say that there are health implications for the work that is done in community development, not necessarily intentionally. But we can have a bigger impact on the big problem if we make them intentional.

ELLEN SEIDMAN: Okay, well, thank you. Thank you to the panel. You were all great. And thank you to the audience. The questions and the comments were really a great start to a day. Thank you.

[Applause]