

NATIONAL COMMUNITY ACTION FOUNDATION

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The Community Action System Today

The Community Services Block Grant (CSBG) provides the core funding for the nationwide, locally-based system of community services agencies which makes up the Community Action network.

CSBG was created by the Omnibus Budget Reconciliation Act of 1981 and has as its purpose ameliorating the causes of poverty through the support of such services as employment, education, housing, emergency assistance, and nutrition and through the coordination of other resources in the community.

It initially represented the consolidation of eight categorical grant programs administered by the US Community Services Administration: Local Initiatives, Community Food and Nutrition, Senior Opportunities and Services, State Agency Assistance, Community Economic Development, National Youth Sports, Housing and Community Development, and the Rural Development Loan Fund.

The CSBG authorizing legislation calls for the distribution of the block grant funds to the states with funding restrictions. The states are required to allocate 90% of their block grant funds to organizations officially designated as Community Action Agencies (CAAs), limited purpose agencies, or migrant and seasonal farmworker organizations. States may also create new CAAs or fund local units of government in unserved areas. Up to 7% of funds may be used for new agencies in each year. Under provisions of legislation effective December 1982, three states in FY88 received waivers from this 90% pass through requirement.

The information available on the system comes from a CSBG reporting system voluntarily established by the states. The annual activities of the network and the uses of CSBG funds are outlined based on reports filled out by the local agencies themselves. As drawn from the Community Services Block Grant Report 1988, NASCSP, Washington, DC, 1990, the latest data is from FY88 and is presented below.

Introduction

On August 20, 1964 President Lyndon Johnson signed the Economic Opportunity Act establishing the Office of Economic Opportunity in the Executive Office of the President. The programs launched by OEO in the succeeding years ranged from those best known like Head Start and Job Corps to Senior Opportunities and Services (SOS), Legal Services, and Community Economic Development. All had the same goal: to help the poor break the cycle of poverty and advance to a better, fuller, more productive life. At the heart of the OEO idea was the belief that the poor themselves knew best what their problems were, and should have a major role in designing and operating programs to address them; and that what the poor needed was a hand up, not a hand-out. Local Community Action Agencies were the embodiment of that belief, and were the centerpiece of the anti-poverty program.

The reauthorization of the Economic Opportunity Act which was signed into law in January of 1975 changed the name of the agency to the Community Services Administration (CSA) and moved it from the Executive Office of the President to become an independent agency in the Executive Branch. This was a clear case of 'changing the name to protect the innocent', and it succeeded in diffusing much of the political opposition to reauthorizing the agency. CSA was thus able to continue until 1981, when the Economic Opportunity Act was replaced by the Community Services Block Grant. In the meantime, starting as far back as the Sixties, many of the OEO programs were transferred to other, 'permanent' departments and agencies, where many continue today. Others did not survive, such as Project Mainstream and the Neighborhood Youth Corps, which had been delegated to the Labor Department.

This little booklet commemorating the 25th anniversary of OEO is for both those who were around in the early days who may wonder what ever became of some of the early programs, and those who have come to anti-poverty work more recently and who may wonder where some of today's programs had their origins. In either case, the reader may find some surprises. We hope in all cases there will be useful information. Where we have made mistakes or omissions, or have been less than accurate, please let us know, so that we can make corrections for the next edition (50th anniversary?).

The Editors

1. Community Action Program.

Community Action was the cornerstone of the Economic Opportunity Act, embodying the radical idea that the poor know best what their problems are and how best to allocate resources to correct them. Hence the requirement for 'maximum feasible participation' of the poor in the direction and work of Community Action Agencies. Originally, Community Action Agencies (CAAs) were given 'Local Initiative' funds to support locally designed and administered programs to combat poverty in their communities.

As the years went by the Local Initiative programs became more entrenched and the local CAAs had less 'free' money with which to start new programs; but at the same time other program funds became available, not only through Title II of the Economic Opportunity Act, but through other federal — and State — Agencies and Departments as well. By 1970 there were some 1200 CAAs nationwide, serving areas in which 90 percent of the nation's poor resided. For the typical CAA, about 20 percent of its funding came from OEO. Community Action was truly the mobilizer of resources for the poor at the local level.

And financial resources were not the only resources mobilized. One of the most significant and enduring legacies of Community Action is the people who rose through the system to assume positions of leadership in their communities, in their States, and in the Congress of the United States. A significant number of African Americans who now hold public office began their public careers working with the Community Action Program.

During the Seventies the number of CAAs nationally leveled off at slightly under a thousand. Under CSA in the mid-to-late Seventies, in response to the devastating effect of soaring energy prices on the poor, most CAAs got heavily into energy programming, both weatherization and energy assistance, which brought new vigor and a new popularity to Community Action at the local level.

The Economic Opportunity Act, and with it the Community Services Administration, expired on September 30, 1981; but Community Action lives under the Community Service Block Grant (CSBG). Despite the fact that the Reagan Administration proposed zero budget/elimination of the program every year, today there are still over 900 CAAs in all fifty States, D.C., Puerto Rico, the Virgin Islands, and the Trust Territories. Combined, these agencies represent more than \$3 billion in programs; 160,000 employees; and services to more than 26 million needy people — nearly 80 percent of the people living below the poverty line. For the estimated 11 million people below the poverty line who do not receive welfare benefits — the working poor, intact families, and childless adults — CAAs are their chief source of assistance; and there are many remote rural areas and sections of urban America where the CAA is the only group able and willing to reach out to the poor.

1. Community Action Program, cont.

\$335 million was appropriated to the Block Grant in FY 1987, a slight increase over the previous years; but due to Graham-Rudman across-the-board budget cuts that amount fell to \$325.5 in FY 1988 and again to \$318.6 in '89. It is likely to be about the same in FY 1990. Unless made up from other sources, this has meant a loss in real purchasing power for the typical CAA of close to 40% since 1982.

Contacts:

CSEB Administering Office: Office of Community Services/Family Support Admin./
Dept. of Health and Human Services 20447. John Buckstead, (202) 252-5284

Oversite Committees: House: Education and Labor Comm./Human Resources SubComm./
Susan Wilhelm, Staff Dir. (202) 225-1850

Senate: Labor and Human Resources Committee/SubComm. on
Children, Family, Drugs, and Alcoholism/Richard Tarplin, Staff Dir. (202) 224-5630

Constituent Organizations: National Association of Community Action Agencies
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2. Community Development Credit Union Loan Fund.

Credit Union development in the 1960's was the result of a cooperative effort of OEO funding, Credit Union National Association (CUNA) technical assistance, and National Credit Union Administration (NCUA) training. More than 400 'limited income credit unions' were established, mostly by CAAs, to provide credit and services to the poor. An NCUA study pointed out that the \$10 million in loans made to poor people by these credit unions in 1969 represented a savings to member-borrowers of some \$2 million in interest charges when compared to the credit usually available.

In 1970 cutbacks in technical assistance and local initiative funding of CAAs weakened the support needed by many credit unions just as the Share Insurance law was passed and NCUA imposed stricter fiscal and managerial standards, resulting in the liquidation of many 'limited income credit unions'. Today about 100 of the strongest remain, in 35 states, now designated Community Development Credit Unions, with total assets of approximately \$100 million and some 75,000 members. Many belong to their own Federation, which was started with OEO funding in 1973. The Federation now has a capitalization program which has placed more than \$4 million from private philanthropic sources into eligible credit unions, and provides ongoing technical assistance to its members and to those wishing to begin a credit union in their community.

In 1979 CSA established, in cooperation with NCUA, a revolving loan fund for Community Development Credit Unions. After operating successfully for a number of years, with an excellent repayment record, it became apparent that the administration at HHS/OCS was less than enthusiastic about the program. It was transferred in 1986 to NCUA, but despite strong supportive Congressional language every year since the transfer, NCUA has been prevented by the Office of Management and Budget from disbursing the \$6.5 million that languishes in the fund while many of the eligible credit unions are short of capital.

Contacts:

Loan Fund Administering Agency: National Credit Union Administration/1776 G Street NW, Washington, DC 20456/Contact: NCUA Board (202) 628-9700

Oversite Committees: Senate Banking, Housing and Urban Affairs/(202) 224-7391
: House Banking, Finance and Urban Affairs/SubComm. on
Financial Institutions Supervision, Regulation and Insurance/(202) 226-3280

Constituent Organization: National Federation of Community Development Credit Unions/59 John Street, Eighth Floor, New York, NY 10038/Cliff Rosenthal, 1-800-437-8711, (212) 513-7191.

3. Community Economic Development.

The Community Economic Development Program had its beginnings in the Special Impact Program, Title ID of the Economic Opportunity Act, which was added under the 1966 amendments. The Special Impact Program was delegated to the Department of Labor (DOL), which launched the first program in late FY 1967 in the Bedford Stuyvesant section of Brooklyn, NY, making training and job opportunities available to 4,000 residents at a cost of \$7 million. In FY 1968 Special Impact was jointly administered by DOL, OEO, the Small Business Administration (SBA), and the Department of Agriculture (USDA). That year OEO made its first direct Special Impact grant, to the Hough Area Development Corporation in Cleveland, a truly community/neighborhood based grantee which was the first 'Community Development Corporation', or CDC, and the first Special Impact grantee to meet the legislative goals of community participation. The two-year grant of some \$1.5 million was for development of a shopping center and related economic development activities in the low-income Hough area of Cleveland.

In FY 1969 OEO administered a major share of the Special Impact program, \$10 million, which went to support other CDCs in the Hough mold, including the Bedford Stuyvesant Restoration Corporation. On the strength of this record, and with the support of one of Special Impact's original sponsors, Senator Javitz of New York, in 1970 the entire \$30 million in Special Impact was brought back to OEO. This was the first and only time that a program was transferred back to the agency. In 1972 Special Impact became Part A of Community Economic Development under a new Title VII, whose purpose was 'to encourage the development of special programs by which the residents of urban and rural low-income areas may, through self-help and mobilization of the community at large, with appropriate Federal assistance, improve the quality of their economic and social participation in community life in such a way as to contribute to the elimination of poverty and the establishment of permanent economic and social benefits'.

At the time of the expiration of the Economic Opportunity Act in 1981, there were 35 Title VII grantee-CDCs in operation. Thirty-two remain active today, supported in part by the Discretionary Funding under CSBG, which in effect has continued the Title VII program, and has an FY 1989 funding level of \$20.254 million. In FY 1988 58 economic development grants were made under a competitive process. FY 90 appropriations are expected to remain at the same level.

Contacts: Administering Agency: OCS/Family Support Admin./HHS Washington, DC 20447/Joe Reid (202) 252-5267

Oversite Committees: See Community Action Program

Constituent Organization: Nat'l Congress for Community Economic Development/1612 K Street NW, Suite 510/Washington, DC 20006/Robert Zdenek, Dir. (202) 659-8411.

4. Community Food and Nutrition Program.

Originally the Emergency Food and Medical Services, established by the 1967 amendments to the Economic Opportunity Act under Section 222(a), this program was designed to provide 'on an emergency basis financial assistance for the provision of such medical supplies and services, nutritional foodstuffs, and related services, as may be necessary to counteract conditions of starvation or malnutrition among the poor'. \$10 million was allocated to EFMS in 1968, and was spent largely for direct services. \$5 million was allocated for use in 256 priority counties where there was a high concentration of poverty, hunger, and malnutrition, and \$2.6 million went to USDA to expand the food stamp program. It was quickly evident that the funding was inadequate. For example, it was only possible to serve 750,000 of the 3.6 million in need of the services in the 256 priority counties.

The Senate report on the 1969 EOA Amendments asked for increased funding for EFMS, pointing out that the problems of 'overcoming hunger and malnutrition on the local level . . . far exceed the \$25 million scheduled by OEO for EFMS purposes in fiscal year 1970'. There were those who questioned whether this was an appropriate role for OEO, and who felt that such a program belonged with traditional agency feeding programs such as food stamps and child nutrition.

In the end, this view won out, and in 1976 EFMS became the Community Food and Nutrition Program (CFNP), which was henceforth to be a catalyst and an advocate. The role of CFNP became that of linking eligible people with the larger federal feeding programs, and encouraging the poor to develop skills necessary for their self-sufficiency. The program only provided food directly on an emergency basis. In succeeding years CFNP fulfilled this role at annual level of about \$25 million. In FY 1980 there were 520 CFNP grantees who shared an appropriation of \$26 million. More than two-thirds of the grantees were CAAs.

With the coming of the Reagan Administration, CFNP's 'advocate/catalyst' role spelled its doom. In their report to President Reagan, the Heritage Foundation referred to CFNP as 'One of the most politicized of CSA's programs, consisting largely of advocacy and activists' harassment of state and federal agencies'. The 1981 Omnibus Reconciliation Act terminated the program. But Congress reauthorized CFNP in FY 1987, and has provided \$2.5 million each year since, administered by the Office of Community Services in HHS. Sixty percent of the funds go to statewide anti-hunger groups by allocation, and 40 percent, on a competitive basis, to other statewide or local grantees.

Contacts: **Administering Agency:** OCS/HHS/Jim Hearn (202) 252-5252
Oversite Committees: see Community Action Program
Constituent Organization: Food Research & Action Center/1319 F St. NW,
Suite 500/Washington DC 20004/Robert Fersh, Dir. (202) 393-5060

5. Consumer Action and Cooperative Programs.

As described in an early OEO report ' . . . the problems of a poor person as a consumer of goods and services are the daily manifestations of poverty itself: poor quality, high prices, expensive credit (or no credit), inordinate deposit requirements, inadequate services, inconvenience, long delays, humiliating procedures, and the lack of even rudimentary justice.'

OEO's consumer programs took two principle forms: support of local credit union development, and funding of a series of consumer action demonstration projects which sought innovative ways to improve the conditions of the poor consumer. [Credit Union development is discussed under #2, Community Development Credit Union Loan Fund.] One of the demonstration projects is worthy of particular note: The Consumer Action Program of Bedford Stuyvesant, CABS, which was funded in the late Sixties for a total of about \$1 million over four years.

Today CABS comprises a network of six non-profit corporations with an annual budget of \$30 million which is the second largest employer in Brooklyn, having more than 2500 employees. CABS major employment activities are in the Homecare field funded through the City of New York by Medicaid, Title XIX of the Social Security Act. Almost all the home attendants trained and hired by CABS were formerly on welfare or AFDC and/or received food stamps. CABS' other activities include a Nursing Home, Senior Housing, and low-income housing.

Homecare is an entitlement program for low income elderly and disabled under Medicaid which requires up to fifty percent matching funds from local/state government. Ninety percent of all federal homecare dollars in the U.S. under Medicaid now comes to New York City. This is undoubtedly due in part to some resistance on the part of local communities to the match requirement; but even with the match, homecare is far less costly to the local community than providing nursing home beds, without even taking into account that a program like CABS' is taking the vast majority of home attendants off transfer payments and providing them with medical insurance as well. In a time of aging population and escalating medical costs, Homecare could be an important resource for many communities. CABS is prepared to offer assistance to communities interested in pursuing the Homecare solution.

Contacts (Home Care Services): Administering Agency: Dept. Of HHS/Health Care Financing Administration/Office of Intergovernmental Affairs/Public Liaison/Rm. 403B Humphrey Bldg., 200 Independence Ave. SW/DC 20201/Contact: Mary Vollin (202) 245-6257/Bureau of Policy Development/Robert Wardwell (301) 966-5659.

Constituent Organization: Consumer Action for Bedford Stuyvesant (CABS, Inc.)/#7 Debevoise St., Brooklyn NY 11206/ Adolfo G. Alayon, President (718) 388-1601; Bill Pernisek, Mng. Dir., CABS Home Attendants Service, Inc. (718) 388-0220

6. Demonstration Partnership Program.

The Demonstration Partnership Program (DPP) was originally added to the Economic Opportunity Act in the 1974 amendments. Early supporters, including Senator Javitz of New York, proposed a \$50 million appropriation for the program; but in the end it was never funded or implemented, and expired with the EOA in 1981.

- The DPP was revived and reauthorized as part of CSBG for FY 1987, 1988, and 1989 at a level not to exceed \$5 million for each of those years. The appropriation for FY 1987 was \$1 million, for FY 1988 \$2,872,000, and for FY 1989 \$3,512,000.

The program, which represents the first appearance of an R&D element in the Community Services Block Grant Program, parallels the Reagan Administration policy on welfare reform. In his 1986 State of the Union address, the President called for 'experiments in welfare policy through state-sponsored and community-based demonstration projects' to find new solutions to the problems of poverty and dependency. In his 1988 State of the Union address, the President again stressed the need to test, at the local level, new approaches to the twin problems of poverty and welfare dependency. 'There are', he said, 'a thousand sparks of genius in 50 states and a thousand communities around the nation. It is time to nurture them and see which ones can catch fire and become guiding lights.'

In FY 1987, 94 Community Action Agencies, in partnership with units of State and local governments and private sector organizations, applied for funds under the DPP. Five applicants were awarded two-year grants averaging \$200,000 each. Two of the grants were for micro-entrepreneurship projects in rural areas, while the remaining three were for projects testing new approaches to the problem of chronic dependency among female-headed welfare families.

In FY 1988, 63 CAAs applied and eleven were selected for funding. Two deal with the problem of homelessness -- one aimed at preventing families from becoming homeless and the other addressing the needs of individuals and families already homeless who are deemed capable of becoming self-sufficient. Four focus on barriers that prevent young males in inner city areas from obtaining employment; two target single headed families on AFDC; two others deal with the problems of teenage parents; while the remaining project seeks to help poor people become entrepreneurs. The FY 1989 appropriation for DPP will make it possible to award another 18 grants which will bring the total to 35.

Contacts: Administering Agency: OCS/HHS/Contact: John Buckstead (202) 252-5284

Oversite Committees : See Community Action Program

7. Energy Assistance Program. (Emergency Energy Conservation Services)

The OEO/CSA Energy Assistance Program had its origins in the Great Energy Crisis of 1973. As the cost of fuel soared and shortages became more serious the poor found themselves often without access to fuel and, where it was available, at prices that literally forced them to choose between food and heat. In the first years of the crisis OEO responded by encouraging CAAs and other grantees to reprogram funds to try to avoid the worst hardships. By the winter of 1979-80 the price of fuel oil had quadrupled and the price of natural gas had tripled.

In the meantime, in 1975 a new Section 222(a)(12) was added to the Economic Opportunity Act creating the Emergency Energy Conservation Services. The first appropriations under the section came at the end of the fiscal year, which made a few million dollars available for 'Crisis Intervention' activities designed to assist families without fuel or faced with shut-off or other energy emergencies. It was only after the severe winter of 1976-77 that Congress, in a second supplemental appropriation in June 1977, provided the first of three successive \$200 million appropriations for fuel payment assistance for the poor. Called the 'Special Crisis Intervention Program' it served over 1 million households over three summer months. Comparable programs were carried out in the next two years, FY 1978 and 1979.

In FY 1980 the program, known as the Energy Crisis Assistance Program (ECAP), rose to \$400 million, and in 1981 was jointly administered by CSA and HHS as the Low Income Home Energy Assistance Program (LIHEAP) at a level of \$1.2 billion. With the demise of CSA, LIHEAP moved to HHS where it was funded at a level of \$1.85 billion in 1982, serving 7.1 million households that year. Even so, this was less than 35% of those eligible under the legislation; and by FY 1989 the program funding was down to \$1.44 billion, serving probably a million fewer households at lower levels than in 1982. Moreover, in 1982 annual low income household energy expenditures remaining after LIHEAP were less than \$450 in only eleven of the contiguous states and DC, and in eight states they were over \$1000. The outlook for FY 1990 appears to be for about the same amounts as 1989.

In 1988 the LIHEAP program was transferred within HHS 'back' to the Office of Community Services. Since 1977 when it started in CSA, the combined program has totalled \$19.2 billion and served 69 million households.

Contacts: Administering Agency: OCS/HHS

Oversite Committees: See Community Action Program

Constituent Organizations: Nat'l Community Action Foundation/2100 M Street NW, Suite 604A/Washington DC 20036/Contact: Meg Power (202) 775-0223

8. Foster Grandparents Program

In May of 1965 the National Council on Aging, under contract to OEO, prepared a document 'A Model Community Action Program to Employ Older People as Aides to Work With Very Young Children'. The document proposed 'Project TLC' 'to serve the poor at both ends of the age scale, the very young and the elderly'. 'Project TLC' with minor revisions became the Foster Grandparents Program, initiated on June 30, 1965 by a contract with the Administration on Aging in HEW as a 21 program R & D project for 'the provision of 'tender loving care' to young institutionalized children, two hours per day, by older poor adults. . '

OEO in 1966 reported that there were 2500 Foster Grandparents 'giving tender loving care to 4,500 institutionalized children who are dependent, neglected, emotionally disturbed or physically handicapped.' Foster Grandparent projects were reported to be operating in 27 states and Puerto Rico. By 1967 the program had expanded to 65 programs in 38 states with nearly 4,000 enrollees serving 8,000 children; and had gone beyond institutionalized settings to placements in Headstart programs, single parent homes, and public schools.

Transferred to AoA in 1969 and to ACTION in 1971, Foster Grandparents is proof that you can't keep a good program down! The 1966 Report language would be an apt description of the program today, except that the program itself has expanded ten-fold, and with it the range of services provided. As in the Sixties, within health care, special education, and community service settings, Foster Grandparents use their patience, resourcefulness, and skills to address the physical, mental, social, or emotional needs of the children they serve.

Today, with the program funded at \$59 million, about 27,000 Foster Grandparents assist approximately 70,000 children on a given day in all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. And one-third of these Foster Grandparents are supported by non-ACTION funding from states and the private sector which amounts to some \$23 million per year. Forty-five percent of the Foster Grandparents are minorities.

In addition ACTION has extended the Foster Grandparents idea to its 'Senior Companions' program where older low-income stipended volunteers work 20 hours a week with other older persons with special problems.

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ACTION/1100 Vermont Ave. NW/Washington, DC 20525/ Constance Burns, Dir. (202)
634-9355

Oversite Committees: See Community Action Program

9. Head Start.

Probably the best known and most popular of all OEO programs, Project Head Start was launched as an 8-week summer program by the Office of Economic Opportunity in 1965 and was designed to help break the cycle of poverty by providing preschool children of low income families with a comprehensive program to meet their emotional, social, health, nutritional and psychological needs. Recruiting children ages 3 to 5, Head Start has become an eight month program and now serves over 425,000 children and their families each year in urban and rural areas in all 50 States, the District of Columbia, Puerto Rico, and the U.S. Territories. There are also special programs for American Indian and Migrant children.

In 1969, Head Start was delegated from OEO to the Department of Health, Education, and Welfare. A well established, though still an innovative program,, Head Start has had a strong impact on communities and early childhood programs across the country. Since 1965 Head Start has served over 11 million children and their families.

The Congressional appropriation has been increased from \$96.4 million in FY 1965 to \$1.235 billion appropriated for FY 1989. President George Bush has requested an increase of \$250 million for the Head Start program in FY 1990 which would expand the enrollment to 95,000 additional four year olds.

The program is administered locally by 1900 community based non-profit organizations and school systems. Grants are awarded by the Health and Human Services Regional Offices. Some interesting facts:

- 13.3 percent of Head Start enrollment consists of handicapped children.
- 45.3 percent of the classroom staff have degrees in early childhood education or have obtained the Child Development Associate (CDA) credential.
- 34.8 percent of the staff are parents of current or former Head Start children.
- 54 percent of the Head Start families are headed by a single parent.....
51 percent have an annual income below \$6000..... 62 percent of Head Start parents are between 20 and 29 years old.

Contact: Administering Agency: Head Start Bureau/Department of Health and Human Services/Washington, DC 20201/ Rosside Kelly (202) 245-0571 or 0572
Oversite Committees: See Community Action Program
Constituent Organization: National Head Start Association/1220 King Street, Suite 200/Alexandria, VA 22314/Jim Matlock, Dir. (703) 739-0875

10. Health Services.

Comprehensive Neighborhood Health Centers, the centerpiece of OEO's health program for the poor, were started as demonstrations in 1966. OEO's Annual Report for that year explained that "OEO-sponsored Neighborhood Health Centers will offer virtually all non-hospital medical services for all members of a family within one centrally located facility in a designated poverty community. The coordinated medical services to be offered include preventive medicine, diagnosis, treatment, rehabilitation, dental care, drugs and appliances, mental health services, family planning and health education".

By the end of June, 1967, 41 Centers had been approved with a total funding of over \$50 million. Seven were in full or partial operation, and thirty-four others were preparing to open their doors in the months to come. The program continued to grow, and in 1973, federal responsibility for support was transferred to the Department of HEW, together with support for Migrant Health Centers.

By 1986, twenty years after their initiation by OEO, federally-funded Community and Migrant Health Centers had increased in number to 560 in all 50 States, DC, Puerto Rico and the Territories, in areas rural and urban, with approximately 1500 clinic sites serving almost six million people, thus comprising a significant component of America's health care resources.

All the Community and Migrant Health Centers are governed by a community-based Board of Directors, a majority of whom are users of health center services; and are administered by an Executive Director responsible to the Board. They render health care to populations and areas that have been federally designated as medically under-served; and they adjust the cost of services to the patient's and family's ability to pay.

Contacts:

Administering Agency: Bureau of Health Care Delivery and Assistance/DHHS, Washington DC 20447/ Dr. Sheridan Weinstein, Interim Director/ (301) 443-2320

Oversite Committees: see Community Action Program

Constituent Organization: National Association of Community Health Centers/1330 New Hampshire Ave. NW/Washington, DC 20036/Tom Van Coverden, Executive Director (202) 659-8008

11. Indian Opportunities. (Native American Programs)

No special provision was made for American Indians in the Economic Opportunity Act; they participated fully in the regular Title II and other programs of OEO, including Community Action, Legal Services, Head Start, remedial education, credit union development, health, home construction, and prevocational training. During FY 1967 114 tribes in 20 States administered these programs at a total cost of over \$21 million, reaching 80 percent of reservation Indians in the U.S. These programs were funded directly to the Tribal Councils involved.

Before OEO, perhaps the greatest failing in all the programs administered to reservation Indians was that Indians were seldom consulted as to their needs and desires. So-called experts in a government bureaucracy designed programs on the assumption that they knew best what was good for the Indian, which robbed the Indian of his initiative and replaced it with a chronic dependency.

The basic philosophy of the OEO approach was that the Indian people on reservations would have to do things for themselves. They would analyze their needs, plan, organize and administer their own programs. To implement this policy was not easy. Tribal councils were not accustomed to handling funds and running their own programs. They were not aware of the resources available to them nor did they know how to coordinate these resources. They wanted to retain their own heritage and culture, their own values and their own identity; and at the same time they wanted to participate in the programs.

The success of OEO's Community Action approach was reflected in the statement of the Executive Director of the National Congress of American Indians. Appearing before the Senate Subcommittee on Employment, Manpower and Poverty at Albuquerque on April 24, 1967, he said,

'The genius of early development of programs under the Economic Opportunity Act was that the Indian was not required to wait hat in hand outside a State office, then a regional office, then a district office, then finally a national office, simply to get a program.'

In 1973 OEO's Indian programs were transferred to the Office of Native American Programs at HEW (now Administration of Native Americans, HHS) where strengthened tribal governments established by OEO are today active participants in running programs under the Native Americans Act of 1974 as well as the Job Training Partnership Act and a host of other federal programs such as Weather-ization, LIHEAP, Health Centers, Housing, VISTA, Legal Services, and Community Action.

Contacts: Administration for Native Americans/ HHS, Wash.DC 20201/ Vilma Guinn, Dir. of Planning and Administration (202) 245-7730

Oversite Committees: See Community Action Program

Constituent Organization: Americans for Indian Opportunity/ 3508 Garfield St.NW Washington, DC 20007/LaDonna Harris, Pres., Carol Larkins (202) 338-8809

12. Job Corps.

One of the best known of the OEO programs, Job Corps was also ultimately one of the most successful, more than fulfilling President Johnson's ambitious promise in 1964 that 'A new national Job Corps will build toward enlistment of 100,000 young men [who] will be drawn from those whose background, health, and education make them least fit for useful work. . . [and who will] emerge better qualified to play a productive role in American society.'

Congress enacted the Job Corps as part of the original Economic Opportunity Act of 1964, with administrative responsibility for the program within the Office of Economic Opportunity. Thus was born a partnership involving the federal government, organized labor, and private industry, which over the years has provided the benefits of Job Corps participation to over two million of America's hardest-to-employ youth, who have exchanged joblessness, welfare dependency and, in some cases, jail cells for productive, self-reliant lives.

But for many years progress involved controversy and struggle. From a high of 106 centers in 1966 the program was cut back to 53 in 1969, at the time that responsibility for administering the program was delegated to the U.S. Department of Labor. The early failures revealed the fact that conventional approaches to education and training, by and large, were ineffective with the Job Corps population, and that to succeed Jobs Corps would have to build its own model for residential, open entry/open exit, vocational and academic training.

Through hard and determined effort this objective was accomplished, and with success came increased funding in the late 1970's which permitted the program to expand to its present level of 106 centers, serving approximately 100,000 youth each year. The recent history of Job Corps has been one of unequalled achievement: according to Labor Department sources, during program year 1985, Job Corps produced a rate of positive outcomes of 81.3 percent, representing 66.1 percent of graduates who found unsubsidized employment, and 15.2 percent who went on to further education or advanced training.

In 1973, Congress reauthorized the Job Corps program as Title IV, Part B of the Comprehensive Employment and Training Act of 1973 (CETA). In 1982 Job Corps was again reauthorized, virtually intact, as Title IV, Part B of the Job Training Partnership Act (JTPA). Under JTPA the authorization for Job Corps was made permanent.

Contacts: Administering Agency: Office of Job Corps/Employment and Training Administration/U.S. Department of Labor/Washington DC 20210/Peter E. Rell, Dir. (202) 535-0550

Constituent Org.: Nat'l Job Corps Alumni Assoc./5225 Wisconsin Ave. NW, Suite 404, Washington, DC 20015/ Ms. Marilyn Larsen, Dir./ (202) 362-8797

13. Legal Services.

OEO's first 'Congressional Presentation', in April 1965, quotes Attorney General Nicholas Katzenbach: 'The problems of the poor which a lawyer can help solve are so far outside the experience of most of us that they are invisible problems. But for the poor person, living in helplessness, they are overpowering.'

Authorized in Section 222(a) of the Economic Opportunity Act, the Legal Services program, in its first year, FY 1966, funded 157 programs with more than 500 Legal Services Offices staffed by over 1,000 full time lawyers providing legal advice and services to the poor in 43 States, in 37 of the nation's 50 largest cities, at a cost of over \$23 million. By the end of 1967 funding had risen above \$25 million, and the number of Legal Services Programs had risen to 250, in 48 States, including 45 of the 50 largest cities, with 850 Neighborhood Law Offices staffed by 1,800 full-time lawyers. In that year 35% of the cases involved family problems such as divorce, nonsupport, and adoption; 32% involved juvenile problems, school cases, and misdemeanors; 18% involved consumer problems; 8% involved landlord-tenant disputes, housing code violations, and public housing cases; and about 7% concerned welfare, social security, and other administrative agency problems. Slow, steady growth brought the program to a funding level of \$71.5 million in 1972.

By its nature the Legal Services Program was often involved in controversy and made political enemies. In 1973 the Congress adopted 24 restrictive amendments limiting the types of cases which Legal Services attorneys could bring, and severely restricting the activities of the Legal Services Back-up Centers. In an attempt to remove the program from political debate and assure its continued growth, Congress passed the Legal Services Corporation Act in 1974, providing for a bi-partisan board appointed by the President and confirmed by the Senate. The Act was the last signed by President Nixon on the day he resigned.

The strategy worked. Funding increased dramatically from \$79 million in 1976 to \$295 million in 1981, and the Corporation engaged in a significant broadening of legal services to areas previously unserved, especially in the South and in rural areas generally. The Reagan Administration proposed zero funding for the Legal Services Corporation every year but one it was in office. After 1981, as a result of across-the-board reductions, the Corporation was cut 25 percent. It has inched back up to pre-Reagan levels, receiving \$312 million in 1989. Today the Corporation has a staff of 6000 of whom 4000 are lawyers, serving in 285 field programs plus 40 special programs including Indians, Migrants, and State and national support.

Contacts: Constituent Organization: Center for Law and Social Policy/
1616 P Street NW Suite 450/Washington, DC 20036/
Alan W. Houseman, Esq. (202) 328-3140

221-7207

14. Migrant Opportunities.

Prior to the Economic Opportunity Act of 1964 the existence of Migrant and Seasonal Farmworkers was virtually ignored in federal and state legislation. Farmworkers' labor is unskilled, bonded to the soil, and away from home for months of each year. They are ineligible for state welfare programs where residency requirements must be met. They are not covered by unemployment insurance or workers' compensation. The seasonal nature and geography of farm work prohibits the completion of education or even the learning of other skills. Very few areas provide adequate housing and sanitation facilities for the workers. These were the conditions, as described in OEO's 2nd Annual Report, that faced the new Title III-B of the Economic Opportunity Act.

The budget for the first fiscal year (FY 1965) was \$15 million. The first grants were made March 19, 1965 totalling \$8 million for sanitation, housing, education, and day care. There was no competition for these funds. With few exceptions, there were no farmworker organizations, no migrant advocates, no support structures, little or no consciousness of the plight of the 2 1/2 million migratory farm worker families who followed the crop season each year throughout the country. OEO staff actually had to develop programs and sell them to public and private non-profit organizations.

The Migrant Programs were transferred to the Department of Labor in 1973 and became part of the Comprehensive Employment and Training Act (CETA). When CETA expired, they became part of the Job Training Partnership Act (JTPA) where they are today, geared to result in new skills and jobs which will help the migrant workers find permanent, stationary employment out of the migrant stream.

Today Migrant and Farmworker grantee organizations, many of which were developed under OEO, now exist in every state but Alaska, Rhode Island, and D.C. There is keen competition not only for the \$68.5 million annual budget in the Department of Labor, but also for a broad network of support programs in areas such as health, housing, and energy conservation and fuel payments from HHS, HUD, and DOE.

Contacts: Migrant Programs Administering Office: Migrant Programs Division/
Employment and Training Admin./U.S. Department of Labor, Washington,
DC 20210/Contact Person: Charles Kane (202) 535-0500

Oversite Committees: House Education and Labor Comm./SubComm. on Employment
Opportunities/Contact: Eric Jansen (202) 225-7594

Senate Labor and Human Resources Comm./SubComm. on
Employment and Productivity/Contact: Jim Brudney (202) 224-5546

Constituent Organization: Association of Farmworker Opportunity Programs/
408 7th Street SE/Washington DC 20003/Diane Mull, Dir. (202) 543-3443

15. National Summer Youth Sports Program.

Originally launched as a pilot and demonstration program in 1967 and continued as such for the two succeeding years, the National Summer Youth Sports Program was designed to provide disadvantaged youth recreation and physical fitness instruction and competition with high-quality facilities and supervision and related educational and counseling services. The program was administered by the National Collegiate Athletic Association (NCAA) through its member colleges and universities, and brought disadvantaged youth to college campuses for instruction by college instructors and athletes during the summer.

The program was delegated by OEO to the President's Council on Physical Fitness and Sports until 1975, after which it returned and was funded directly by OEO's successor agency, the Community Services Administration (CSA). At that time the name was changed to 'National Youth Sports Program', which it remains today.

The National Youth Sports Program is today carried on by the Office of Community Services with funding under the Community Services Block Grant (CSBG). Grants are made to the NCAA to provide a comprehensive developmental and instructional sports program for approximately 55,000 low-income youth. The major goal is to motivate low-income youth to earn and learn self-respect through a program of sports instruction and competition.

The NCAA contracts with some 145 colleges and universities in 45 States to provide sports instruction and enrichment activities to disadvantaged youngsters from ages 10 to 16. The program includes supervised sports instruction over 4 to 6 weeks during the summer in at least four sports, using the campus facilities of the colleges and universities. The enrichment component provides low-income youth with information concerning career and educational opportunities, study habits, drug and alcohol abuse and nutrition. FY 1989 funding amounted to \$6,669,000.

The Anti-Drug Abuse Act in 1989 includes \$3 million which is being used for anti-drug abuse projects funded through the NCAA.

Contacts: Administering Agency: Office of Community Services/Family Support Administration/DEpt. of HHS, Washington DC 20047/Contact: Mary Ann Mackenzie (202) 252-5272.

Oversite Committees: See Community Action Program

Constituent Organization: National Collegiate Athletic Association/P.O. Box 1906, Mission KS, 66201/Ed. Thiebe. Director of Youth Programs/ (913) 384-3220

16. Neighborhood Service Centers.

Section 224 of the Economic Opportunity Act provided that the Director 'shall encourage the development of neighborhood centers, designed to promote the effectiveness of needed services in such fields as health, education, manpower, consumer protection, child and economic development, housing, legal, recreation, and social services, and so organized (through a corporate or other appropriate framework) as to promote maximum participation of neighborhood residents in center planning, policymaking, administration, and operation'.

Almost all communities incorporated a neighborhood centers component in their Community Action Program. While urban areas placed the centers in traditional neighborhoods, many rural areas adapted the concept for whole counties. Neighborhood Centers were both a natural extension of the Economic Opportunity Act's focus on defining and serving the needs of low income areas with the full participation of low income people, and a concept tracing its lineage to the old Settlement Houses.

The nature of neighborhood centers varied considerably among communities, but most emphasized providing outreach and social services, and doing community organization work. The centers were staffed and advised by people from the neighborhoods being served who were skilled in reaching out to people in need - often the 'hidden poor' - and in advocacy on both an individual and group basis. Some centers were 'mini-Community Action Agencies' with a full range of services mobilized from the community and an active policy making board composed of neighborhood residents. Centers serving primarily as gathering places for the residents in dispersed rural areas were at the other end of this continuum.

The 1966 OEO pamphlet 'Community Action: The Neighborhood Center' described the centers as follows:

[Neighborhood centers are a process and] a program through which an almost limitless variety of anti-poverty programs -- a combination chosen by the people in the neighborhood, reflecting what they know are their own special needs -- can be organized, coordinated and delivered . . . The main function of [a neighborhood center] is to respond to the needs of the neighborhood it serves, whether that neighborhood be a few square blocks in a crowded city slum . . . or a rural county.

By the end of 1967 CAAs had opened more than 700 Neighborhood Centers which served four million poor people. The Neighborhood Center remains a central part of the operations of the more than 900 CAAs in operation today.

Contacts: see Community Action Program.

17. Older Persons Programs (S.O.S., Green Thumb, Project FIND, Medicare Alert)

Older Persons Programs were first addressed in the 1965 amendments to the Economic Opportunity Act expressed a Congressional intent that special problems of the elderly poor be considered with regards to OEO programs. The 1966 amendments instructed the Director to carry out investigations and studies in order to develop programs for the elderly.

A variety of innovative programs involving older persons were started in these early years of OEO. Foster Grandparents, discussed more fully elsewhere, was one. Another was Project FIND (Friendless, Isolated, Needy, Disabled), launched in 1967 through a \$1.2 million contract with the National Council on Aging. It was found that an appalling number of older people had literally dropped out of sight, and were living out their days in impoverished isolation. Project FIND, operating through 12 CAAs in 11 states and DC, trained and hired 372 low income persons over 55 to locate older persons in the community who needed housing, health, employment, nutrition and other social services.

In February 1966 OEO and the Social Security Administration launched a crash program known as Medicare Alert, designed to help inform older poor persons in hundreds of communities about the new benefits available to them under the Social Security Amendments of 1965. Working in teams, as part of local CAA programs, 14,150 persons over 55 years of age contacted 4,076,940 people in 47 states concerning their participation in Medicare. OEO funded 466 community action agencies at a cost of \$6.8 million. [CSA undertook, in 1974, a similar but much more modest program to alert eligible older persons to benefits available under SSI.]

In 1965 Sen. Gaylord Nelson introduced an amendment to the EOA for community betterment and beautification programs. A demonstration program known as Project Green Thumb was set up in Minnesota, New Jersey, Arkansas, and Oregon to test the training and future employment possibilities for over 300 older men with low-income and farming backgrounds as workers in community development and beautification projects. By 1967, Green Thumb, no longer a demonstration program, was administered by the Department of Labor and functioned in six states, employing 721 older men to plant, weed, cut and clean along the highways and build roadside parks and rest facilities. Today Green Thumb is funded by the Department of Labor to Green Thumb, Inc, a subsidiary of the National Farmers Union, at an annual level of \$88 million and hires 16,345 older workers.

Senior Opportunities and Services (SOS) was established by the EOA amendments of 1967, and was carried on by OEO and CSA until the demise of the agency in 1981. Its major activity was the funding of more than 1500 senior centers, mostly through CAAs. The program ended with the expiration of the EOA, but many of the centers continue with other federal funding.

18. Upward Bound.

Building on the successful experience of the first 18 demonstration Upward Bound projects in the summer of 1965, OEO in fiscal 1966 made grants to more than 200 colleges, universities, junior colleges and secondary schools for full 12-month Upward Bound programs, with over 20,000 secondary school students enrolled. The pre-college program included, in most instances, a six-to-eight week residential summer program on a college campus, involving academic, cultural and recreational activities. Medical and dental care were provided, psychological counseling when needed, and undergraduate college students served as tutors and personal counselors, living in dormitories with the Upward Bound students.

Follow-up activities to maintain the motivation of Upward Bound students during the school year generally involved academic instruction, tutoring and counseling after school and on Saturdays. Ninety-five percent of the participants in the 1966 summer program voluntarily continued in the follow-up phase through the regular school year. By the summer of 1967 some results were coming in: of the 5,717 Upward Bound graduates, 83 percent had been admitted to institutions of higher education or had applications pending awaiting summer session grades. Only 0.6 percent were refused college admission.

Upward Bound was originally authorized under Section 222(a)(5) of the Economic Opportunity Act of 1964. The program was transferred to the Commissioner of Education, HEW, as of July 1, 1969; and went to the Department of Education when that agency was created in 1979. There it is one of the department's six TRIO programs for the disadvantaged. Today approximately 37,000 students participate in 470 Upward Bound programs nationwide each year. The program was funded at \$75.3 million in FY 1987; and despite a Reagan Administration proposal to cut funding by more than 43 percent, received an increase to \$83.3 million in 1988. FY 1989 funding for Upward Bound was \$94 million; and the prospects look good for a 10 percent increase for 1990. This is largely the result of success: a 1981 study found that overall more than 90 percent of Upward Bound graduates enter institutions of higher learning ...[and] four years after high school graduation . . . were four times as likely to have earned an undergraduate degree as students from similar backgrounds who did not participate in Upward Bound.

Contacts: Administering Agency: Div. of Student Services/Office of Post-Secondary Education/Dept. of Education, Washington, DC 20202/Joveva Leggett (202) 708-4804

Oversite Committees: House Education and Labor Comm./SubComm. on

Postsecondary Education/Ric Jerue, Staff Dir./ (202) 226-3681

Senate Committee on Labor and Human Resources/SubComm. on Education, Arts, and the Humanities/Sarah Flanagan (202) 224-7636

Constituent Organization: Nat'l Council of Educational Opportunity Associations/1025 Vermont Ave, NW, Suite 310/Washington, DC 20005/Dr. Arnold Mitchem, Maureen Hoyler (202) 347-7430.

19. VISTA

VISTA originated with Title VIII of the Economic Opportunity Act of 1964 and for its first seven years was administered by OEO. During much of that time the great majority of VISTA volunteers were 'national' volunteers, recruited from communities and campuses across the country and, after a period of residential training — usually six weeks — assigned to projects far from their homes. Early projects sent VISTAs to Appalachian 'hollers', to the Navajo Reservation, to East Harlem, to the Rio Grande valley, to the slums of Houston and West Oakland, to the rural South; where they lived and worked with the poor to improve the conditions of their lives and to offer them hope. By the end of 1967 VISTA had 3,174 volunteers serving in 412 projects in 48 States, the District of Columbia, the Virgin Islands, and Puerto Rico.

Effective July 1, 1971, the administration of VISTA was transferred to ACTION, where the program remains today. By the time of the transfer, many more VISTA volunteers were themselves low income, locally recruited and working in their own communities. This reflected a significant change from the Sixties: many low income communities wanted the benefits of VISTA support for their own people, to enable them to work for the betterment of their own neighborhoods. The result in many projects was a leavening mix of local and national volunteers that brought a new vitality to the VISTA program. In 1975 VISTA reached its peak with 4,508 volunteer service years, a level it maintained, or nearly, until the coming of the Reagan Administration.

Today, there are 2,600 service years in VISTA with an additional 335 service years provided by the VISTA Literacy Corps. More than 95 percent of today's volunteers are locally recruited. There has been virtually no national recruitment effort by VISTA since 1981. Supporters hope that the current VISTA reauthorization coupled with renewed interest in national service will result in restoring VISTA to at least pre-Reagan levels by 1993, including the commitment of resources and effort that will ensure that a significant number of volunteers are nationally recruited.

Contacts: Administering Agency: VISTA Program Office/ACTION/1100 Vermont Ave. NW, DC 20525/Tricia Rogers, Dir./Contact: Diana London (202) 634-9424

Oversite Committees: House Education and Labor Comm./SubComm. on Select Education/Contact: Braden Goetz (202) 225-6231 (staff of Cong. Owens)
Senate Labor and Human Resources Comm./SubComm. on Children, Family, Drugs, and Alcoholism/Contact: Jackie Ruff (202) 224-5630

Constituent Organization: Friends of VISTA, 1000 Wisconsin Ave. NW, Washington, DC 20007/Deborah Koch, Dir. (202) 342-0717

20. Weatherization (Emergency Energy Conservation Services)

Most poor people live in dwellings that are older and without adequate insulation, even by pre-energy crisis standards. Many live in dilapidated housing with no insulation at all, with broken windows and gaps below doors or around frames. When the oil embargo of 1973 caused fuel prices to soar, what for most Americans was the Great Energy Crisis, was for the poor a genuine catastrophe which literally caused many to choose between food and heat.

OEO responded with the nation's first weatherization program in the fall of 1973 which insulated low income homes in Maine: Project F.U.E.L., funded through the Maine State Economic Opportunity Office (S.E.O.O.). In the same winter of 1973-74 OEO Regional Offices diverted funds to support a number of assistance programs in the colder states, including both weatherization and programs of emergency fuel assistance.

The Economic Opportunity Act amendments of 1974 added a new national emphasis program, Emergency Energy Conservation Services, under a new Section 222(a)(12) [later changed to 222(a)(5)]. The major program components were: Weatherization, Crisis Intervention, Consumer Information, Education and Legal Assistance, and Energy R & D (including alternative energy development).

A total of approximately \$160 million of Section 222(a)(12) funding went into weatherization in the three years before transfer of the program to the Department of Energy (DOE) in FY 1979. From 1973 until the transfer some 750,000 low income homes were weatherized by CAAs in every state. Since 1978 DOE funding for its Weatherization Assistance Program (WAP) has totalled \$3.86 billion, including funds from oil overcharge, states and LIHEAP transfers. Since 1973 the combined program has weatherized some 4 million homes at a cost of \$4 billion. CAAs have remained an important local deliverer of the program.

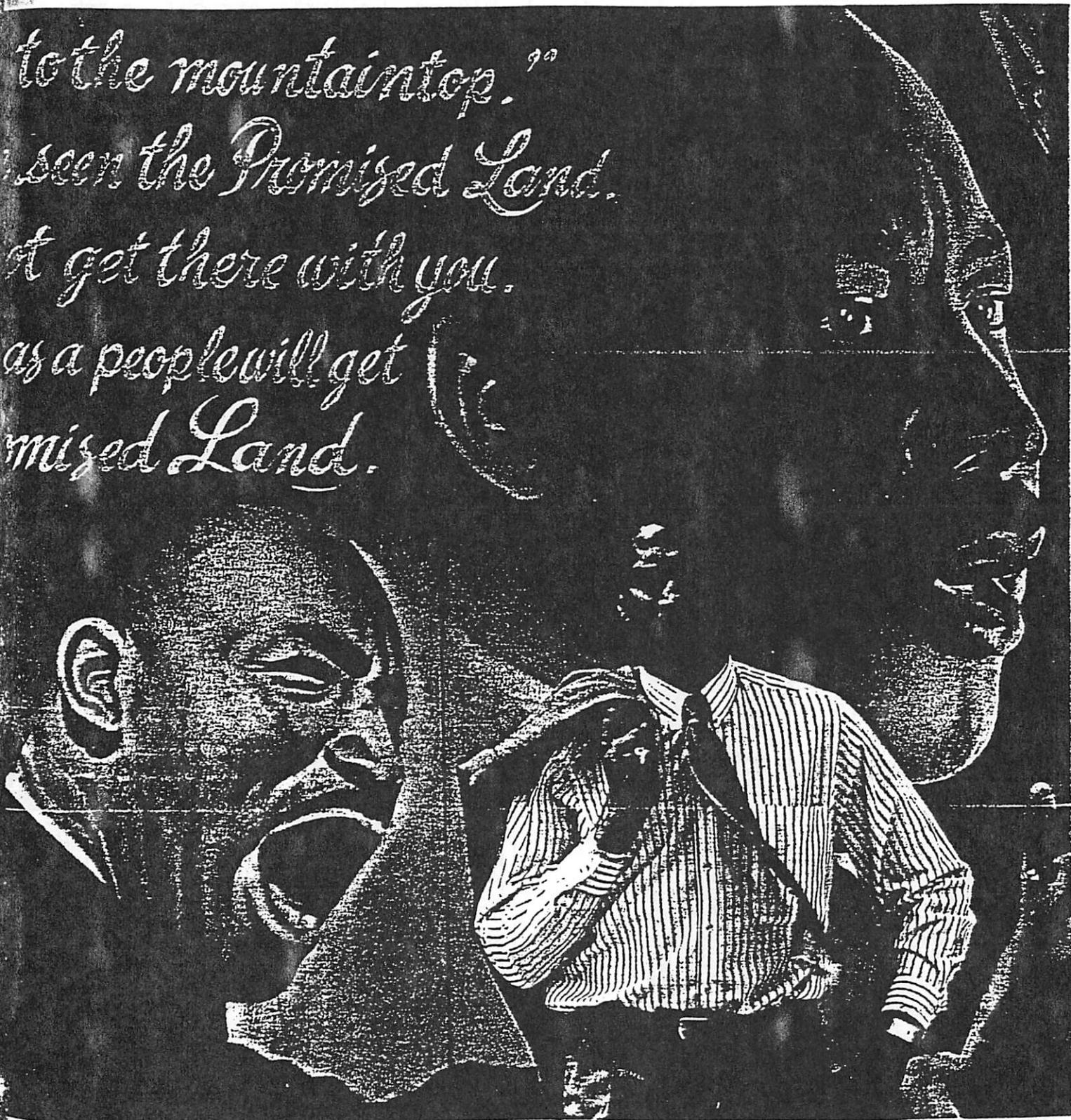
Current estimates are that 13 to 15 million eligible dwellings of the poor and near poor are in need of weatherization today. At the current level of WAP funding — an estimated \$170 million for FY 1990 — even if we assume the continued availability of oil overcharge, State, and LIHEAP transfer funds, which is extremely doubtful, it will take 52 years to finish the job.

Contacts: Administering Agency: WAP/State and Local Assistance Programs/
Conservation and Renewable Energy/DOE 20585/Mary Fowler, Dir. (202) 586-2204
Oversite Committees: House Energy and Commerce Comm./SubComm. on
Energy and Power/Contact: Ric Counihan (202) 226-2500

Senate Energy and Natural Resources
Comm./SubComm. on Energy Regulation and Conservation: Alf Stayman (202) 224-4971
Constituent Organization: National Community Action Foundation/
2100 M St. NW Suite 604A/Washington, DC 20036/Contact: Meg Power (202) 775-0223

HOW WE CAN WIN THE

*to the mountaintop.⁹⁹
I've seen the Promised Land.
I'll get there with you.
As a people will get
to the Promised Land.*



THE SOCIETY

four basic principles suggest a template for rebuilding an effective antipoverty effort:

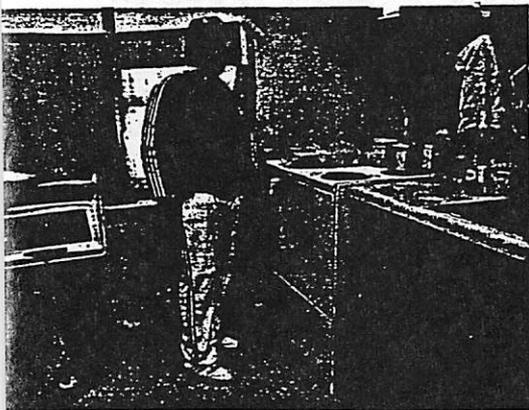
- Work from the bottom up. There is no splashy grand solution, but programs that bubble up from the community fare better than those mandated from the top down. They are most effective when they can be flexible in meeting local needs.
- Spend money carefully, but spend it. Though federal dollars aren't a solution in themselves, they are absolutely essential to any reasonable blueprint for progress. Ex-

isting resources can be more effectively marshaled than they are, but we shouldn't expect a cure on the cheap.

- Start early. It costs less, and is more effective, to get children on the right track than to change adults. And early interventions are vital to perhaps the most important element in breaking the poverty cycle: instilling values.
- Programs that incorporate the discipline of the marketplace, such as housing and commercial development built partly with

private financing, work better than old-fashioned, wholly subsidized projects.

The successful models that have emerged from these underlying principles address the most glaring of America's poverty problems, though not necessarily the most widespread. As the tables below show, a majority of the poor are white and live outside the central cities; a great many are only temporarily in poverty. But the urban poor who haunt the TV newscasts are more likely to be black or Hispanic and to stay poor

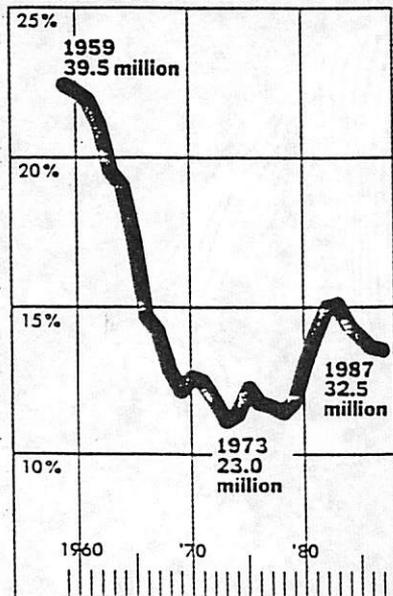


AP/WIDE WORLD



FAILURES OF THE PAST: In America's first federal public housing project, Techwood Homes in Atlanta, Fred Chaney, 59, wears a pistol for security, and Maria Perez, 27, struggles to raise her four kids. Decades of spending may have helped shrink the proportion of poor, but it hasn't made life better for those in the central city.

PERCENT OF AMERICANS IN POVERTY



Percentage of the poor in 1987

WHO THEY ARE

Single-mothers and their families	37%
People in other families headed by someone under 65	37%
Under 65 living alone	15%
65 and over	11%

THE RACIAL MIX

White	66%
Black	30%
Hispanic	17%

WHERE THEY LIVE

Central cities	43%
Other metro	29%
Non-metro	28%

WHO'S IN THE CENTRAL CITY

Single mothers and their families	
Black	3.6 million
White	2.5 million
Hispanic	1.4 million
People in other families headed by someone under 65	
White	2.7 million
Black	.9 million
People under 65 living alone	
White	1.5 million
Black	.6 million
People 65 and over	
White	.8 million
Black	.4 million
TOTAL 1987	13.9 million

NOTE: Black and White categories include some Hispanics; Hispanic category includes some whites and blacks.

SOURCE: BUREAU OF THE CENSUS AND FOR THE ANALYSIS OF CENSUS DATA

for life, or for generations. Their problems are the most stubborn—and the most threatening. Nearly one of four New York City residents lives below the federal poverty line, an annual income of \$11,611 for a family of four. Okay, that doesn't include the value of food stamps, housing subsidies, and health care, but it adds up to a lot of trouble. A growing number of the poor are members of what we define as the "underclass"—people attached to virtually no institutions in our society. In 1985, 19% of black men aged 20 to 29 reported no earnings at all, compared with 9% in 1973, according to Northeastern University economist Andrew Sum. Today, 52% of all poor families are headed by a single woman, up from roughly 25% in 1960.

Political and academic ideologues still argue about poverty's scope, causes, and cures, but the centrists among them increasingly agree on certain truths: The current federal welfare system, which expends about \$17 billion annually to alleviate symptoms, creates destructive dependency, and reform should continue in the direction of workfare and mandatory child support. The bounty of economic growth doesn't always "trickle down" to the poor. It is no longer assured—maybe it never was—that if you just work, you can make it in America. These truths also underlie the examples of what works and the agenda for change that follow.

Why should affluent people—particularly busy corporate executives—care about poverty? Because, says Stuart Butler, director of domestic policy studies for the conservative Heritage Foundation, "it's a question of faith in the system to deliver to everyone." He says, "The system is not working because, says Peter Goldmark, president of the Rockefeller Foundation, "the system is not working because of the things that make our country work and the things that make it possible to believe that there will be real opportunity and stability for our kids depend on this country being a fair and just society." And because, economists warn, our work force is expanding too slowly to sustain the economic growth we'd like—while we have millions of poor people languishing on the sidelines.

More important, recent signs indicate that Americans like to see themselves as compassionate, that they are turning away from an obsession with materialism and voicing increased concern for the disadvantaged. A January New York Times/CBS poll revealed that half of those surveyed said they would pay \$100 a year more in federal taxes to help solve the homeless

problem. Other polls show a decided willingness to pay more taxes for improving schools, health care, and child care.

There is some national embarrassment—if not shame—involved here, beginning with the state of American childhood. Consider a few more statistics, remembering that this is no Depression, these are "good times": Almost 40,000 of the 3.8 million American children born in 1986 died before their first birthday. Today, we rank 20th in the world, behind Spain and Singapore, in infant mortality; our black infant mortality rate would place us at 28th, behind Cuba and Bulgaria. About 11 million American children had no health insurance in 1987. About 40% of American children under age 4 didn't receive basic immunizations in 1985. Roughly half the black children in America live in poverty.

DEVELOPING VALUES

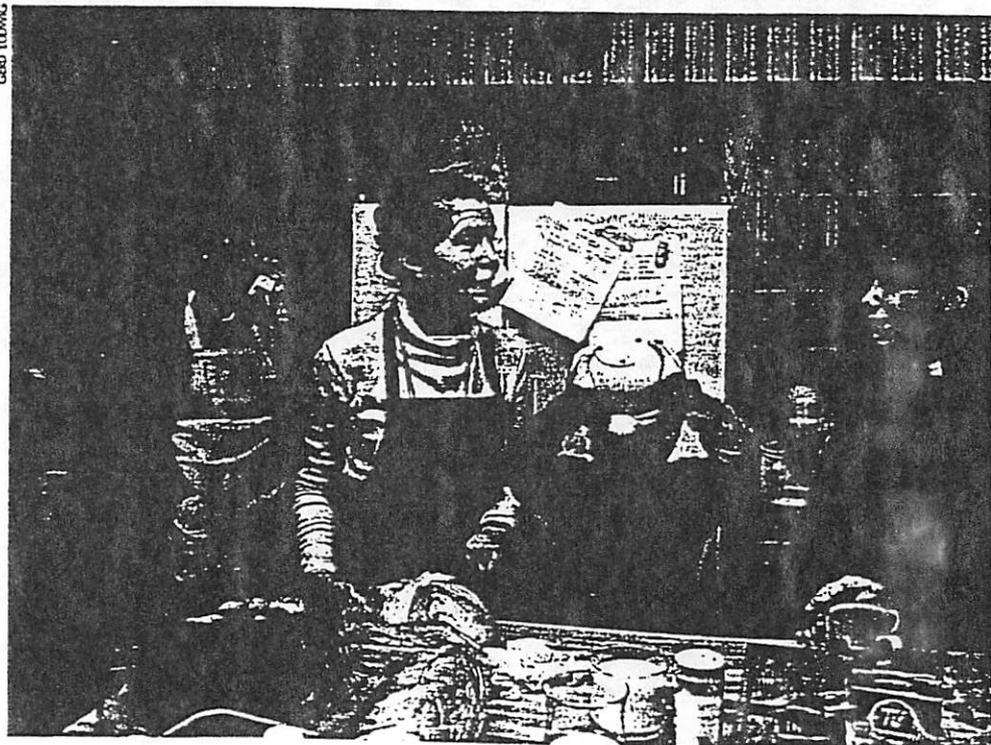
One theme running strongly through most current thinking on poverty is the need to inculcate poor people with "values"—respect for work, family, and community institutions. But little attention has been paid to the way the values of society as a whole shape and skew the values of those in poverty. In many ways, it's a designer society

in the projects too. "A lot of people measure success by material things," says Margie Smith, a 1972 Job Corps graduate and mother living in Atlanta's 52-year-old Techwood Homes, America's first federal public housing project, built in the inaugural optimism of the New Deal. "I'll tell you why they're out on that corner selling crack cocaine. All they do with the money is buy clothes and cars. If you ain't walking around with somebody's name on your butt, and on your head and on your feet, you're nobody in here."

Thus, anti-designer values have even been incorporated into some solutions. To combat such pathology, for example, Charles R. Drew Elementary School in Miami's Liberty City requires student uniforms. But many believe a national reassessment of values is more to the point. Says David Stanley, 53, the heavily involved social activist CEO of Payless Cashways Co., a big building-materials retailer: "Let's not figure out how everybody can retire to Boca Raton. Let's see how we can educate our children to make them productive."

Contrary to conventional wisdom, persuading the poor to take jobs is no longer enough; in fact, the plight of the working poor may be the most misunderstood as-

HOMELESS NO LONGER: Phillipa Gilman prepares dinner for the Haas family in a Kansas City suburb. She had no home for a year and a half but found work and shelter when Elizabeth Haas, abandoned by her husband, took her in to help with Nikolas and Vanessa.



Southeast Bank, and Equitable, as well as a \$1.6 million grant from a developer called Swire Properties. Swire contributed in return for a zoning change that allowed it to build expensive condos elsewhere in Miami.

The Edison Towers' tropical pink and aqua elegance is something of a shock to its surroundings, and Pitts loves it. "We believed there are people in our community who want a decent place to live and will take care of it," he says. "We proved it, but not by accident. Before you get in here, we visit your apartment—not to see if you have nice furniture or anything like that—but to see if you have pride, if you take care of what you have."

Tacolcy Economic Development Corp. is building a garden apartment project next door and is refurbishing facades up and down the streets of Liberty City. How did his shopping center and apartment escape damage in the riots this year? "I was out front," says Pitts. "I haven't forgotten how to police." What's more, Pitts's influence is spreading, and he has dented one Miami

race myth by joining forces with Cuban-born Manny Rivero of the LISC-sponsored East Little Havana Community Development Corp. LISC and Pitts supported Rivero in his successful efforts to build the sparkling new RioPlaza condominium projects for low-income Latinos, mostly Cuban and Central American immigrants.

The point of Edison Towers and all this development: to keep upwardly mobile people from leaving the community and to draw others like them back. It's a long haul, but Otis Pitts—who waves and smiles at the police and the street-corner crack dealers alike as he cruises around Liberty City—can point to tangible progress. "We're building economic strength and real investment momentum, the kind of thing that eventually stops redlining," he says. "Yes, we have real pockets of hardcore problems. I'll show them to you. But what's happened here proves that we also have a core of middle-class or aspiring middle-class people who want the same things anybody else wants in a community."

LISC—basically a creation of the Ford Foundation—is far in front of the curve on business involvement with poverty. With tax credits as a partial inducement, it has assembled more than \$200 million from some 500 corporations and foundations and leveraged over \$1 billion of direct investment in more than 500 community development corporations across the country. In the South Bronx alone, LISC has invested upwards of \$5 million in some 36 development projects.

"We make it an attractive proposition for a corporation or foundation to work through us," says LISC President Paul S. Grogan. "They may want to attack these problems, but they don't have the capacity themselves to evaluate the opportunities, or to make judgments about these community organizations. They don't know the landscape. There's still sort of a stereotype of unscrupulous neighborhood organizations that don't do anything but take the money."

LISC officials admit that many community development corporations aren't as successful as Pitts's or Rivero's, but all of them counter the "poverty pimp" images from the 1970s. "We're able to provide the opportunity recognition and the screening, and that's been crucial to us," says Grogan. The lesson we can learn from LISC: "There's an appetite and an interest on everybody's part if you can make something happen in a businesslike way, and that says something about the directions for the future."

R IPE FOR WORK: Students at Ira Cohen's Produce Academy of New York in the South Bronx learn the ins and outs of grapefruit and lettuce, as well as positive thinking. If they stay in the business for two years, they are in line for \$10-an-hour union jobs.

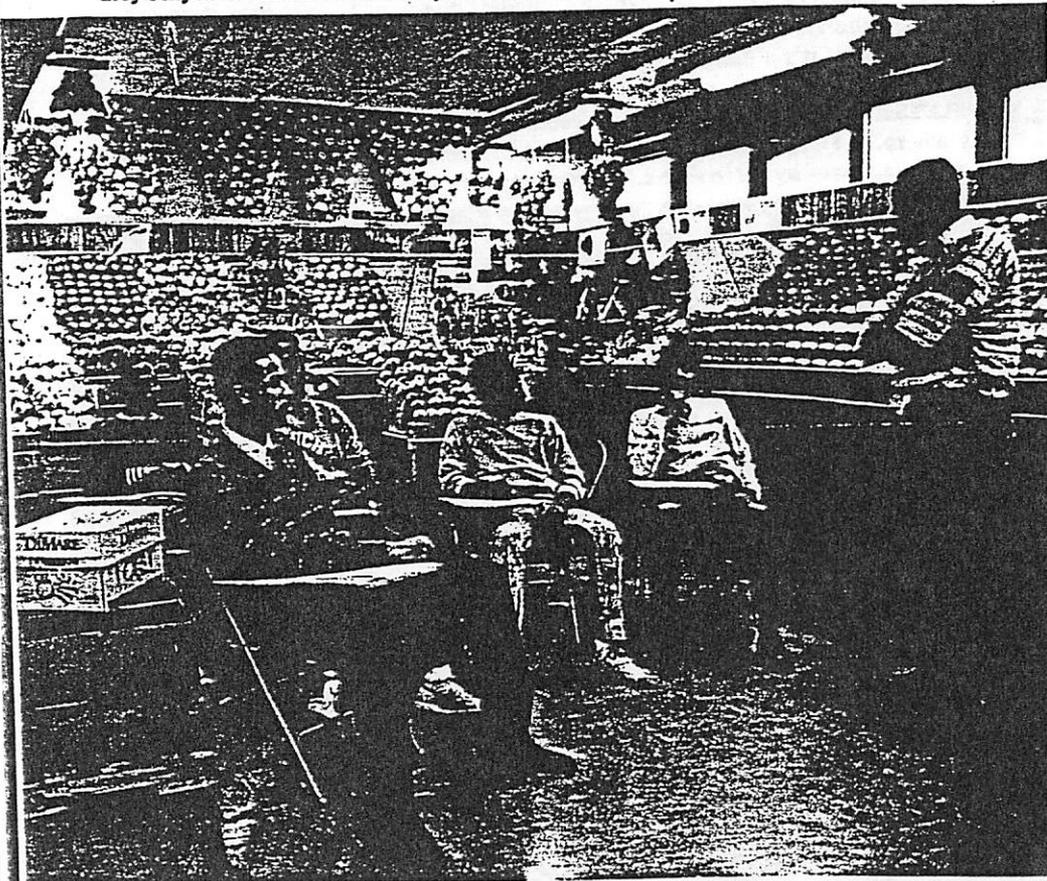


PHOTO BY JANE COULTRIDGE

REACHING CHILDREN EARLY

An entirely different point of light burns away in an Atlanta ghetto, fired by a white veteran of the civil rights movement, 60-year-old Reverend Austin Ford, attached to the Atlanta Diocese of the Episcopal Church. Ford left a suburban white church 22 years ago to found his Emmaus House—really an old-fashioned settlement house, with pruned English-style flower gardens and grounds that stand as an oasis in a desert of urban blight.

If one principle approaches consensus across all ideological boundaries, it is that "early intervention" is essential and effective in the crusade against poverty. This means simply reaching children at a very young age and steering them in a productive direction, the principle embodied in the federal Head Start program. Today, at least 26 neighborhood children aged 3 to 5 are assured one nutritious meal a day and lots of encouragement through Emmaus House's meticulously run preschool pro-



EARNING TO COPE: Pregnant teens and teen mothers acquire such "living skills" as planning and decision-making through group activities at a Girl Scout camp near San Francisco. The area Scout Council sponsors the three-year-old From the Heart program.

gram. The children are picked up at their homes and delivered to program director Melba Renfro, a strict but jolly graduate of Atlanta's elite Spelman College. She and two assistants spread their attention among the children, reading to them and rewarding them with stickers for being "good listeners," helping them to paint and draw, and sparking their curiosity with games and play.

Many parents of the Emmaus House children are still in their teens and came to the program because of an earlier connection to the Sunday school or some other activity there. The parents must attend a mandatory orientation session at which they are encouraged to go to "positive parenting" meetings, and they must volunteer for one of four fund-raising activities. Ford sees the explosion of teenaged childbearing as one of the most damaging and direct results of Reagan policies, which, largely under pressure from the religious right, slashed spending for family planning by 23%. Today, 66% of urban black children are born out of wedlock, and in some cities, the figure is as high as 80%.

"These girls have these babies because they want something to play with," Ford says. "They don't want to send them to kindergarten or Head Start because they don't want to part with them. We're not really dealing here with parents who have identified problems and are doing something

about them. We have to go out into the community and say, 'Let us just take your baby to Emmaus House for a few hours a day.' They know us, so they let us do it. Otherwise, the children would go off to first grade with absolutely no socialization."

As a logical extension, Ford is raising funds to build a study hall dormitory. Some 100 school-age youngsters, many of them graduates of his preschool program, could come after school for enrichment, help with their studies, support in dealing with the school, and, if necessary, a place to sleep. "So many parents down here live on the edge of the law that they won't go near the school," he says. "These children need someone to hold the school accountable for educating them. The idea is not to take a child away from his home unnecessarily, but to stabilize his life. If the mother goes to prison, or the hospital, or the house burns down, his life continues. We want to prove that this sort of investment is cheaper than the remedial things we spend our money on now."

Other programs show that fixing ghetto schools is not impossible, notably the work of Dr. James P. Comer, director of the School Development Program at Yale's Child Study Center. Comer's program, which began with two horribly performing New Haven inner-city schools that he turned around dramatically, changes the

whole way the school serves children, bringing parents and mental health experts into the system. The parents spend time in the classroom and find out how to support good study habits; the experts counsel the teachers on how to overcome the learning problems that kids with rough lives at home are likely to suffer. His highly successful results have inspired similar interventions at more than 50 schools around the country.

But the nation has been slow to back early interventions that work. Washington's current budget for the well-proven Head Start, \$1.2 billion, provides for less than 20% of America's eligible 3- to 5-year-olds.

HOMES FOR THE HOMELESS

Beyond the plight of children, clearly the single symptom of poverty that has most stirred the national conscience is that of the homeless. A large number are severely disturbed or are chronic abusers of drugs or alcohol. But many can become useful members of society if someone takes the effort to help them. Some citizens in Kansas City are doing that with the aid of the Greater Kansas City Community Foundation and the Metropolitan Lutheran Ministry, a local social welfare agency. A program called Open Hearts—Open Homes has placed over 100 homeless families or individuals in volunteer private homes, many of them in need of something the homeless can provide in return, such as child or elderly care, cooking or housekeeping. "We turn nobody down," says program coordinator Allan Chambers. "We can't always help, but we always listen." No one involved is charged any fees, but each match costs the funders about \$400, so it is probably one of the most economical programs to house the homeless in the country.

In the affluent suburb of Shawnee, Kansas, Elizabeth Haas, 34, has taken Phillip Gilman, 55, into her upper-middle-class tract home. Haas's husband walked out in November, leaving her with two children, 8 and 12. Gilman had spent most of her last ten years, since quitting as a customer service representative at an insurance company, taking care of her infirm mother, now 90. But when her mother went into a nursing home, Gilman no longer had money for their apartment. With out-of-date skills and no permanent address, she couldn't find a job, or even get food stamps. She slept in storerooms and closets and often ate the unfinished food off her mother's tray. "For a year and a half I was trapped," she says. "Homelessness is a

trap. Society will not forgive. How many times can you go up to people and tell them you're in dire straits?"

For Elizabeth Haas, who has secured a well-paying public relations job, the program is "a gift from God. I was stuck with no income or career. My two children need a tremendous amount of mothering and care. Now Phillipa is my nanny." (Haas pays her a small salary.) "I feel so good about this program because not only is Phillipa helping me, but I'm helping Phillipa out and I'm helping society out."

Of course, says Allan Chambers, "Forty percent of our homeless people have multiple problems—legal, drugs, or whatever." They sign an agreement stating that they have no criminal records and don't now use drugs. "If you fail to keep the agreement, you don't get a second chance. If we hear of any inappropriate behavior, we're there within two hours, and they're through."

If Chambers sounds a little tough, that's clearly another theme that runs through successful efforts against poverty. The heroes may have soft hearts, but they have hard shells as well, and they have survived because they are tough and bear a single-minded sense of purpose. Otis Pitts fired friends from his staff to get the job done. Austin Ford brooks no foolishness, and can still a room with a look. You get one chance with Allan Chambers.

HEADING OFF THE GANGS

If you want more tough, try luring teenagers away from drug gangs with programs of dance and athletics and art and theater, the way workers in Kansas City's Youthnet program do. It started after the police chief called attention to an influx of exotic gangs, such as the Crips and the Bloods from Los Angeles. Youthnet—with cooperation from 13 different local agencies and \$240,000 in funding—hit the streets last summer, trying to combat the gang influence. Workers recruited participants on the playgrounds and street corners, and ended up working with 3,000 teenagers, aged 13 to 16, roughly half of the central city's at-risk population. The job called for a certain kind of tact. "We didn't want to raise eyebrows among the Uzi crowd, you know what I mean?" says Rick Malsick, who runs one of the agencies. "It was more like, 'Hey, here's what's going on over at the center and why don't you drop by? And by the way, do you need a ride?'"

David Smith, the black executive director of a local YMCA, who is passionate in

his work with kids, talks about why Youthnet worked, why kids were going around Kansas City last summer identifying themselves as Youthnet kids instead of gang members. "We changed the natural karma of the streets," he says. "We moved them around. We disturbed the natural order of things. The big difference in this program was the outreach—assigning people to go out onto the streets. Nobody stayed behind a desk. They were like Pied Pipers whose job was to find kids hanging out and steer them to the centers."

The lessons of Youthnet are, again, simple: If kids don't join the gangs, they are

"The big difference in this program was the outreach—assigning people to go out onto the streets. Nobody stayed behind a desk."

less likely to fall into the underclass. The community intervened with lightning speed (2½ months from conception to execution) in a problem before it became hopeless. Mostly through local philanthropy, it funded an effort by dedicated people who crossed bureaucratic boundaries to get the job done. But like all of our "heroes," Smith thinks of his own efforts more as a grain of sand than a point of light. "We're not making a dent in poverty yet," he says. "We're making a difference in a few kids' lives. I'm not optimistic that the country's going to really reduce poverty. I think the forces are just too enormous."

Just when bleakness sets in, though, along come the likes of Ira J. Cohen, 55, an owner of Shapiro & Cohen Inc., a Bronx produce wholesaler. Cohen found himself on the cutting edge of one of poverty's most difficult challenges: job training. Almost by accident he started a whole school, the Produce Academy of New York, and is teaching poor blacks and Hispanics to earn a living in fruits and vegetables. The trainees study four hours a day for eight weeks, and get paying jobs before they finish. Each graduate is all but guaranteed a union job that pays at least \$10 an hour after two years.

Cohen's business is at the Hunts Point Terminal Market, which has a total employ-

ment of about 10,000 people. His idea stemmed from frustration at the decline of the industry's father-son tradition; specifically, all four of his children have forsaken produce for other careers. He knew the industry was hurting for trained personnel, and he knew Hunts Point was surrounded by South Bronx residents in need of jobs.

A proselytizer of the produce business in speeches to schools and neighborhood groups, Cohen knew there were plenty of employable people to be found. He went to New York City's Private Industry Council, a nonprofit group that distributes federal job training money, and quickly got it to finance a program. Result: the academy, which is free to its students. His first class of 21 graduated in January and are all still employed. His second class of 27 is under way.

"Our industry is depression-proof," says Cohen. "Nobody can do without eating. In the Depression, Wall Street executives were in produce. They stood on the street corners and sold apples." More important, he says, "It's a colorblind, gender-blind, ethnic-blind business. Anybody who wants to work hard can make a successful lifestyle if they learn this business." He teaches warehousing, how to identify hundreds of fruits and vegetables, temperature and humidity requirements, and how to trim and crisp and reconstitute a banged-up package. That's not all. "I'm a believer in subliminal psychological training, and I make an effort in every session to talk about pride, commitment, the search and the need for excellence, self-esteem, recognition of self-worth."

The program, Cohen says, is going to "prove that things can be done. The indigent, the people known as the underclass, are not really underclass. They just haven't had the breaks I've had. They're not worse than I am; they are just less lucky. A lot of people have been good to me along the way. And I was taught by my parents that when you take something, you are obliged to give something back. I hope the success of this will stimulate other people like myself to get up off their duffs and do something. We have a moral responsibility to help others."

A NEW BATTLE PLAN

How do we duplicate these successes on a scale that makes a difference to our country? What are some of the principles of success? What should be the role of government, of business, of our community institutions, and of the individual? How do we



ALAN COITMAN

CURING THE SCHOOLS: Yale's Dr. James P. Comer visits second graders at New Haven's Martin Luther King School, one of the first turnarounds in the 50-odd schools he is helping by drawing parents, teachers, and students together with mental health professionals.

engage thoughtful people to look for solutions? How do we avoid past frustrations?

Perhaps the most contentious issue of all is the role government should play. Most agree that its place is to remove impediments to progress, and to draw up policies of incentive. But if "points of light" is supposed to mean that citizens should take care of poverty without government funding, the people carrying the beacons would be highly skeptical.

"We're very unhappy when we're cited as evidence that the federal government doesn't have to do anything," says LISC President Grogan. "These problems cannot be solved without federal resources. What's positive now is that the government has an opportunity to not go back to the big programs of the past, but to provide support to local efforts, to leverage the state and local resources that are available, to become a partner in these efforts."

Business can play an important part, but it isn't necessarily to write a big check. Two glaring needs in the struggle conveniently coincide with two business specialties: leadership and management. How much more would individuals contribute to charity, for example, if their employer guaranteed to them that a particular effort was

efficiently delivering badly needed services, and kept them abreast of its progress?

Payless Cashways' Stanley believes executives should get involved because "business leaders are listened to. They have an audience. And they can do much more about poverty by taking leadership positions on things like low-income housing than they can with their philanthropic dollars. I know five or six Senators, a couple of governors, a bunch of Congresspeople. They usually take my calls. Unfortunately, corporate leaders are not wonderfully informed on gut issues like poverty."

Business can also contribute its skills in spotting good managers. "Business people ought to look for and help develop savvy, streetwise people who have the potential to make a difference if given some help," says Knight-Ridder's Batten. "When you're dealing with people like Otis Pitts and the people from LISC, people you can trust, you can invest modest amounts of time, money, and energy, and you can make a difference."

With or without corporate involvement, the war already has been declared. And this time, it isn't society waging war on poverty, it's poverty waging war on society. The battlefields are clearly defined: drugs, educa-

tion, health care, welfare, job training, day care, youth development, crime.

Some needs are more clearly defined than others. We can easily identify a set of broad objectives, an agenda that our finest minds and talents need to assault in as depoliticized and bipartisan an atmosphere as possible:

- Insist that America deliver well-managed Head Start-type programs to as many disadvantaged children as possible. We can make no sounder, or cheaper, investment. At each later step, the costs increase.

- Construct a health care system that can include most Americans without bankrupting the Treasury.

- Continue to increase our commitment to education, and recognize—as does the Comer program at Yale—that such a commitment includes family and community.

- Make low-paid jobs a rung on a ladder, not a lid on hope.

- Remove any remaining disincentives to working—cutting off food stamps and Medicaid just when people start to make money—and expand the Earned Income Tax Credit, which supplements low wages.

- Expand the the federal housing voucher program, which pays the difference between 30% of the poor's income and prevailing market rents. It is cost-effective, and offers people mobility and choice—which they do not get when they are isolated in projects.

- Find and fund programs, like Kansas City's Youthnet, that offer ghetto youths reasonable alternatives to street life.

- Destigmatize the war on poverty so that we can once again attract and motivate people to work in, and care about, society's orphaned institutions—inner-city schools, prisons, the welfare system, mental health clinics. Recognize that, for all their problems, there are still "heroes" struggling against all odds in these systems, people whose talents and dedication could be easily tapped.

Even if you disagree with every principle and recommendation laid out here, put the poverty issue on your personal agenda and demand that it take its place high on the national agenda. Recognize that by doing nothing to address the blight, we are at high risk of condemning ourselves to a permanently bifurcated society, one whose tensions and difficulties could eventually narrow the scope of our national aspirations and perhaps even limit some of the freedoms—economic, social and political—that we have long enjoyed. **E**

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