

United Way Legislative Briefing
African Meeting House
Thursday, April 5, 2001
11:30 AM

- **Good afternoon. I am pleased to be part of a serious discussion of how to make a difference in the lives of the Commonwealth's families and children. Let me take a minute to put our efforts in a broader context. The national and regional economies are threatened now by the most serious slow down in ten years. This long period of expansion has made possible extensive improvements in the ability of the people of our state and region to be self-sufficient. They are more likely to be employed than at any time in recorded economic history. Their incomes have grown and dependence on welfare has declined markedly. These improvements are at risk; it is our collective task to minimize that risk. It is my job today to tell you how the United Way's legislative agenda is consistent with "good business" for the Commonwealth, that is, how the needs of the economy and business work together with the three specific United Way legislative efforts, namely: health benefits for child-care workers; better after-school programs, and improved training and education for former welfare recipients.**

- **In addition to my role as president of the Federal Reserve Bank of Boston, and as a member of the board of the United Way, I bring another perspective. For the past few years, I have served as chair of the Boston Private Industry Council. The PIC is dedicated to education reform and workforce development. As a collaboration between the public and private sectors, the PIC focuses on those issues where the interests of the community and the interests of business overlap. We view public dollars as a way to leverage the private investment in salaries that can make the biggest difference in the lives of adults and the children they raise – jobs that pay well because they require high skills. In our view, a good job remains the best social program of all. How is this related to the United Way and its legislative agenda? People cannot hold good jobs if they are constantly worried about their children; and they cannot hold good jobs if they are not involved in some way in training -- most usefully related to work or on the job. Thus, there is a real synergy to PIC and United Way efforts -- a synergy we hope helps us both.**

- **The first item on the United Way agenda -- health insurance benefits for child care professionals -- is so obvious that it is remarkable that it has taken so long to focus on it. Child care staff are underpaid. Low pay and inadequate benefits lead to problems in filling positions and to high turnover. The labor market rules this equation, despite the fact that the challenge of nurturing our youngest children continues to inspire motivated people to consider the profession. Providing health care benefits for child care staff would be a substantial first step toward aligning our aspirations for this work with the realities of the labor market.**
- **The more we learn about the intellectual and emotional development of children two through six, the more we understand that these years are the foundation for subsequent education. A failure to invest adequately in the profession of child care undermines the legislature's substantial investment in education reform. As the test scores role in, we are all struck by the persistence of social and economic factors in the disparity among our communities. The quality of child care has the potential to be a great equalizer. The quality and the consistency of staffing is easily the biggest variable in this enterprise.**

Health care benefits are a cost effective approach to advancing the profession, not to mention a humane one.

- **The quality of child care work – and thus the skill and stability of the child care profession – has an impact on employers and the workplace as well. Seventy-three percent of Massachusetts children aged 6-17 live in families where both parents work outside the home, but licensed child care has capacity for only 5% of those children under age 12. That the lack of good child care options affects the workers is beyond doubt. Reliable child care means better attendance for employees at work. Quality child care translates into less stress and anxiety on the job, allowing parents to focus on their work when they have peace of mind about their children.**
- **Quality after school programs -- the second United Way legislative initiative -- matter as well when it comes to parents being able to be focused on the job. These programs can be useful when they extend the classroom to the community, particularly when programs support homework and tutoring, as well as recreation. Additionally, quality**

after school programs provide more adult attention to the individual child.

- **We at the PIC have had extensive experience with the benefits of after-school community and work-based activities. The legislature's support of connecting activities conducted by PIC and others statewide as part of school-to-career programs for students aged sixteen and over provides students with learning opportunities beyond the classroom at workplaces across the state. This annual \$5 million item also provides students with constructive settings and opportunities to gain experience with the skills necessary for college and careers. Connecting activities gives students opportunities they would not have had otherwise and, based on data for the last several years, keeps kids in school longer, with better attendance, better grades, and better rates of post secondary education than their peers. The United Way agenda item look to bringing similar possibilities to younger teens and children.**

- **Finally, from the PIC's experience with welfare-to-work, we have learned a few things. We know that case management is key to job retention and seems to be most effective when done with participants and their employers. This is especially important given the range of needs this population faces as it makes the transition to work.**
- **We've also had some experience at the PIC with training and education in the context of welfare reform.. We have worked with employers in the context of job offers to welfare recipients to provide a paid training experience prior to starting the job. This has worked to the advantage of employers and welfare recipients alike. However, these programs have evolved during the tightest job market the Commonwealth has ever seen. What happens when businesses are no longer crying for entry-level help; when the welfare to work process we've engaged in no longer makes as much sense to an increasingly hard-pressed business? I don't have an answer to that question but in the context of the slowing economy the proposition that welfare recipients ought to have limited training and education**

experiences counted as "work" for the purposes of welfare benefit seems worthy of debate.

- In sum, the agenda of the United Way, and the needs of both the public sector and private industry to have an educated workforce are totally in sync. Our state and our nation are challenged right now, but we should not let economic challenges stop us from doing what is necessary, what is right, and what will benefit us all in the longer run.**