

THE BROOKINGS INSTITUTION

PATHWAYS TO THE MIDDLE CLASS:
BALANCING PERSONAL AND PUBLIC RESPONSIBILITIES

Washington, D.C.
Thursday, September 20, 2012

PARTICIPANTS:

Introduction and Moderator:

RON HASKINS
Senior Fellow and Co-Director, Center on
Children and Families
The Brookings Institution

Presentation of New Research:

ISABEL SAWHILL
Senior Fellow and Co-Director, Center on
Children and Families
The Brookings Institution

Keynote Address:

THE HONORABLE MICHAEL BENNET
Senator (Democrat - Colorado)
United States Senate

Panelists:

MICHAEL GERSON
Columnist
The Washington Post

RUTH MARCUS
Opinion Writer
The Washington Post

JUAN WILLIAMS
Political Analyst
FOX News

SCOTT WINSHIP
Fellow
The Brookings Institution

* * * * *

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

P R O C E E D I N G S

MR. HASKINS: Welcome to Brookings. My name is Ron Haskins. I'm a senior fellow here, and, along with my colleague Belle Sawhill, we run several programs here, including the Center on Children and Families. And we're here today to talk about something called the Social Genome Project. This is a fascinating project. The basic idea is to map the development of intellectual and social-emotional involvement, with attention to factors including systematic intervention programs that have an impact on development. It's an enormous project. Belle has been working on it night and day for two years, and this event is something like the coming out. It's sort of like Belle is saying, "Look what we've found." So you'll hear about that throughout the event.

And here's how we're going to proceed. Belle's first going to summarize the results. Then we're going to have a keynote talk by Senator Bennet. And after that, we're going to have a panel of commenters on the research and the issues raised by the research. And finally, we'll have an opportunity for the audience to ask questions.

Before Belle speaks, let me say that this project has been a major part of her life as I said a few minutes ago. She's raised the money. She's worked with several advisors and a spectacular advisory group that has met a couple of times and given us advice on the phone. She hired a superb staff, and she did all this--let me delicate here--despite the fact that, let's say she's well over 40. In fact, Belle, the other day, I added up our ages, and I refuse to give the results. Thank you. (Laughter) Belle Sawhill.

MS. SAWHILL: Thanks, Ron. But despite those nice words about me, except about my age, there's was a whole team of people that worked on this very hard under the direction of Scott Winship who was our research director and our Associate

Director Kerry Grannis. And I really want Scott and Carrie and all the rest of the team, all of you, please stand up so we can, you know, thank you. (Applause) Some of them are in the back. I told them to come up front, but they're shy.

It really has been an enormous amount of work to pull these data together. The fact that it's taken two years, I hope gives you some indication of how challenging it's been. But we think now we have the foundation to do a lot more work with these data on a group of children, American children who have been tracked from birth to age 40. The original survey was a Bureau of Labor Statistics Survey. The children were mostly born in the '80s and '90s, and they are, therefore, in their teen or young adult years, so we did have to simulate their adult incomes. But, other than that, it's an attempt to really follow these children through their lives.

So, you know, we've all heard a huge amount of talk about the so-called American Dream. We heard it at the Republican Convention. We heard it at the Democratic Convention. We had all kinds of inspiring stories about people who pulled themselves up by their bootstraps. I think the way Clinton put it was everybody was born in a log cabin and either became a CEO or President of the United States. But, we didn't hear much in the way of facts, and we didn't hear very much in the way of specific proposals. So, we'd like to help fill that gap, and let me begin first with the facts. Now, I also have to begin with some technology here. Good morning, Senator. So nice to have you here. Thank you so much for joining us. We're just getting started here.

MR. HASKINS: An inconspicuous entrance.

MS. SAWHILL: I have to -- well, no, I'll say that later. We are trying to look -- how do we talk about the American Dream? The way we talk about it is to say

how many people are middle class by middle age, and we define middle age as age 40, which sounds really young to me. And we define middle class as having an income that is 300 percent of the poverty line or more, and that in 2011 would have been about \$68,000 for a family of four. So, this first slide shows you if you compare children in the bottom income quintile, the bottom 1/5, to children in the top fifth, that almost twice as many of the richer kids achieve the American Dream than the poorer kids. And this is not a brand new finding. There's been a lot of past research including much of it done here at Brookings that has shown something similar. But this is a new data source for looking at this in a slightly modified concept.

I think, what I always say about this picture is you need to pick your parents well in American society. We have quite a lot of mobility. People do move up and down if they're born into a middle class family, but it sure helps to have the right parents. And we don't have as much mobility as some other advanced countries, the Nordic countries, Canada, and some others in Europe.

So, I've showed you how this varies by socio-economic status or income, but here are some other ways in which it varies. For all American children, the middle bar there, 61 percent of them achieve the dream from this cohort that we're tracking. But, there are big differences by, not only income, but also by race and by gender. The race gap is huge. Twice as many African American -- I mean, twice as many white children achieve the dream as African American children. And, there's also a gap by gender. It isn't nearly as big as by race, but the interesting thing about the gender gap is because we look at how kids are doing all through life, what we find is girls are doing better than boys all through school and even, you know, through college, more of them graduating

from college now than guys. But then in adult life, it turns around, and the guys, by age 29 (sic) and 40 are doing better for reasons we can talk about. And I think Scott may have more to say about this later, so I'm not going to dwell on it.

Moving on, we do look at all of the earlier stages of life in these children's lives so that we can see why some people are more successful than others. And, not surprisingly, it turns out that if you're successful at earlier stages in life, your chances of being successful and achieving the dream in adulthood are much higher. But, for that purpose we created certain benchmarks. We consulted with the experts. We looked at the literature, and we came up with these benchmarks that are predictive according to the literature of later success. So what are they? We want people to be school-ready by age five on both some pre-academic skills and some behavioral stuff. By the end of elementary school at age 11, we similarly want them to be able to read at a basic level, do math, and have certain behavioral or social skills again.

By the way, we always emphasize both, and I think the whole field of child development is increasingly emphasizing the fact that it's not just academic skills; it's your social skills, your soft skills that matter. I see my friend Arnie Packer, who's done so much work on this in the past, nodding. And, you know, somebody at the Opportunity Nation meeting yesterday, some of you might have been there, said, "People get hired for their hard skills. They get fired for their lack of soft skills." I thought that was an interesting comment.

So, let me talk about the benchmark for adolescents, because as you're going to see in a moment, adolescence turns out to be a really difficult stage to navigate. In adolescence we expect you to graduate high school, have a GPA of 2.5 or better, not

be convicted of a crime, and not become a teen mom. So, you have to do all four of those things to be successful. Now, I'm going to let you guess, before I show you the figure, what you think the rate for all American children is of getting through adolescence with no problems with crime or teen, you know, births, and with just graduating from high school with a minimal GPA. Ask yourself what you think it is, and I'm going to show you in a minute.

Transition to adulthood, there, you know, that's a really changing period of life these days. Kids leave home later, they have, get more education. They are much less likely to marry and have kids in their 20s. So, our measure of success there was difficult to decide about, but we chose living independently by the time you're 29; no more living at home. Secondly, having some kind of post-secondary degree. Actually, we look at college graduation. Or, if not that, having earnings at that age that are the equivalent of what someone who went to college had. So, that's the threshold you have to pass then, and I've already talked about a benchmark for adulthood.

So, here are the figures for all children in America, and you can see now what the adolescent success rate is, only 57 percent. I found this quite surprising. You're probably wondering, well, what is it that causes people to get off track at this stage. About half of it is academics, but about 20 percent is being convicted or becoming a teen mom. And then the other 30 percent is combination of both academic and social or behavioral.

I don't you the gaps here between the more and the less advantaged, the high and the low income, but they're huge. For example, the adolescent gap is -- hang on a sec -- 33 percent get through that stage successfully if they're in the bottom quintile.

Seventy-six percent get through that stage successfully if they're in the top quintile. All of this is on page seven of the longer report, which I hope all of you will pick up and take away.

Next thing I want to show you is a more dynamic picture of what's going on as people move through their childhood and their early adulthood. And, this is a complicated looking picture. On the left hand side, it simply repeats what we already showed you about the proportion who are on track or successful at each life stage. Then, of course, on the right hand side in the big numbers is simply the complement of that, those who aren't. But, the little arrows are interesting. Look at the ones in yellow as an illustration of what we're getting at here. This is saying that if you were successful in early childhood, meaning you were ready for school by our metrics, you have an 82 percent chance of being successful at age 11 doing the reading, the math, and the socio-emotional skills that you need. But, if you got off track or if you were not school ready at age five then your chances of doing well in that middle childhood period is only 45 percent.

So, success begets more success, and by the extension of the logic here, clearly, if you do well early in life it's going to increase your chances by quite a lot of doing better at the next stage, and then that's going to help you do better at still the next stage, all the way through here. So, this suggests it's important to start early and keep kids on track as much as possible, because once they get off track, although many come back on, and you can see that in this data. It's never too late to get somebody back on track, but it's harder; it's a heavier lift.

Now, I want you to just focus on the far right hand set of bars, and what

it's telling you is how successful people are conditional on their getting through a certain number of life stages, not falling off track, staying on track. So, all the people in the right hand bar have stayed on track through all four of the earlier life stages, and if they've done that and they were from an advantaged family to begin with, their chances of being middle class or better are 83 percent. If they were from a more disadvantaged family, their chances are a little lower, 75 percent, but still pretty high. So, if you can keep kids from disadvantaged families on track through this whole process, they will do fine, or at least well. Still, some advantage from being born to more advantaged parents.

The bad news is that very few of these children from the more disadvantaged families stay on track for all four of the earlier life stages, only 17 percent of them. So, the goal really should be to increase that proportion, either by parental interventions or governmental interventions or non-governmental organizations or what have you, and I'm hoping that our panel is going to talk about that more.

Now, we didn't want to end this paper with now policy implications whatsoever, but I'm running out of time, so I'm going to do this very quickly. In the paper, there's a much more fulsome discussion of the policy measures that could be undertaken to get more people, keep more people on track. I think these messages, though, in this paper are not targeted just to policy makers, as important as they may be, and I'm really looking forward to what Senator Bennet may say about this, but also to parents and non-governmental organizations who have a role to play and even kids themselves as they get older. So, we have a theme in this paper that it's going to take a balance of some personal responsibility and societal responsibility to enhance mobility in our society.

That's bullet one, and, you know, we all know that there isn't going to be

any money for any new programs or even a lot of new money for existing programs, so really do need to put a huge emphasis on focusing on the programs that have the best track record of success, where we really have evidence. And, Ron Haskins, my co-director, is doing a lot of work on that right now, and it going to, down the road, have more to say about it. I think it's fair to say we give the Obama administration quite high marks for basing a lot of their policy decisions on what we know about the evidence. You hear all this discussion about evidence based medicine. Well, we need evidence based social policy as well, especially as we move into this fiscally constrained world.

Better education from pre-k to 12, I mean, that's a much too big conversation to get into now. We all know the issues there. We've just been through a strike in Chicago based on the reluctance of teachers to be evaluated even in part on how kids are learning and on their learning gains, and, so we could come back to that. You increasingly need a post-secondary degree or the equivalent in technical training these days. I think we all know that, and there are big socio-economic differences there.

And, then I do have to say a word, especially since my close friend and colleague, Sarah Brown, the head of the National Campaign to Prevent Teen and Unplanned Pregnancy, is in the audience, about a stronger start for more children. That means that if we have more children. That means that if we had more children being born to parents who were ready to parent, you know, had sufficient income, had a job, had finished their schooling, had a committed partner to help raise the children, it would help a lot, because a lot of this starts in the family and with beginnings that aren't ideal for kids. So, I think I can stop there.

I now want to turn this over to Senator Bennet. We are really please and

honored to have him with us today. I have to tell you that when I first met Senator Bennet it was on an airplane, because we both spend a lot of time in Colorado. And, he immediately started -- I mean, I'm not exaggerating -- he gets out a scrap of paper, and he starts drawing on the piece of paper, and what he's drawing is income quintiles and showing me how the income distribution has become much more unequal. And, I said, "Yeah, yeah, I recognize that picture." And he was so enthusiastic and passionate about it, and we had a great conversation. Also pertinent to today's event and to our paper, he is an expert in education. He was the superintendent of education in Denver, and he now serves on the education committee in the U.S. Senate, and you can read a lot more good stuff about him in his bio in your packet. Senator Bennet, over to you. (Applause)

SENATOR BENNET: Thank you, thank you. I appreciate it.

MS. SAWHILL: You're welcome.

SENATOR BENNET: I was asking how long I had when I came up here. What did you say? Fifteen minutes. I won't consume all of it, and if there's some questions I'll take them.

Good morning, everybody. I am very grateful to be here and very grateful to Brookings to be talking about two of my favorite subjects with is the state of income and equality in the country and the importance of education to fixing this. I was struck by Belle's comment about adolescence and the difficulty of adolescence, because I was thinking about my three daughters who are on the cusp of becoming adolescent, at least the oldest who just turned 13. And, all summer long, I've been referring to the two oldest girls as feenagers, as in fake teenagers, because they're always squabbling, they're always at each other. And they were, about a month ago, doing this, and my

eight year old daughter looked over at and said, "Now you see what I have to put up with." (Laughter) And, I said, "Listen, sister, you should see what I have to put up with." (Laughter)

But, let me make a couple of comments about this, I think, very important report. First of all, lost in the political conversation that's happening in this presidential campaign is the most important structural economic issue, I think, that we face which is that for the last two recoveries, this one and the previous one, we have seen, for the first time in our country's history, economic growth decoupled from wage growth and job growth.

So, today, if I had brought it, I didn't bring it, I drew it -- I, of course, didn't know who I was talking to, so I was embarrassed in the end when she gave me her citations -- but, if brought the slide that I often use in the beginning of my town halls, what would you see if four lines. The top line, gross domestic product, which is now higher than it was before we went into this terrible recession. The second line, the productivity index in this country which from the early till now, has gone almost straight up. In fact, during the recession itself, it did go straight up, and this is a consequence of our response to competition from China and India. It's the use of technology to drive efficiency, and it's the response to recession as firms try to figure out how to get through with fewer people. If you talk to people that have portfolios of companies they've invested in, they will tell you that the investments they made during this recession were all about productivity. How do we make what we do more efficient?

Then, the other two lines on my chart are median family income which, as this report shows, is basically where it was in 1995, and it's declining. That's the most

salient economic factor of the people that I represent, because they're earning less now than they were ten years ago or fifteen years ago, and their cost of higher ed and their cost of health care has skyrocketed out of control. And, the final line is employment. We have 23 or 24 million people that are unemployed or under-employed in this economy, even though we're generating the economic output we were, in fact, more than we were, before we went into this recession.

That has led us to a place, and I don't need to tell the people in this room this, it led us to a place where income and equality is greater than it has been in any time since the country's, since 1928. My policy conclusions on this are fairly simple. I mean, we need to do some things. We've got to invest in infrastructure. We've got to fix our immigration program. There are a whole bunch of things we need to do, but, most fundamentally, I think the two things we need to do is educate our people much better than we are, which this reports tells us, but many of our policy makers pay no attention to this, and politics pays very little attention to this.

The worse the unemployment rate ever got for people with a college degree in this recession was 4-1/2 percent which I think is a pretty significant stress test of the value we place on that college degree or the proxy that the college degree is for us. When we think about hiring decisions and we think about lay-off decisions. Four and a half percent's the worse it ever got, but if you're born into poverty in this country, your chances of getting a college degree are nine in 100 which means that if we don't dramatically change the way we deliver K-12 education in this country and change the way we think about college access in this country, that 91 out of 100 kids born into poverty is constrained to the margin of the economy and the margin of this society from

the beginning.

And, none of the policy debate that we have about anything else is going to make any difference if we don't change those outcomes. We can change that. This year there are 30 percent more children graduating from the Denver Public Schools and going to college than in 2005. It's doable and they're making enormous progress out there, and it's not just one thing, it's a million things. We can talk about that if you're interested, but it is doable. Most of the way we approach K12 reform in this country has been a disaster, and the way we deliver education without the reform is an unmitigated disaster. We can do a lot better.

By the way, over this period of time since George Bush the son became president, not the father -- and this is not a partisan observation, it's a temporal observation -- we led the world in the production of college graduates when George Bush the son became president. Today, we are 16th in the world. So, in terms of wrong-direction right-direction metrics to think a little bit about these benchmarks, we're not exactly headed in a place where we need to be headed. I think the other useful thing about this report is that it gives us a way to organize our thoughts. This framework that Belle has asks us each step of the way, are we more or less likely to be successful at each stage along the way, and what you see is that if a child is successful in the early stages their likelihood of being successful in a later stage is dramatically increased. If they're not successful, and most poor children are not, because we haven't done the work we need to do, they are not going to succeed. So, what this points out is the tremendous waste of human capital that's going on in this country if we don't change what we do.

The final thing I'll say is -- well, let me make one more observation about, well, I won't -- the final thing I'll say is this. If all you do is extrapolate the demographics changes that are going to happen in this country over the coming decades on the educational results that we are getting as a country, it will be hard to recognize ourselves as a democracy or as an economy where we really are the land of opportunity. If things left to their own devices are going to lead us to a place where that income gap is only going to widen, and where the educational attainment of people that are living in poverty is only going to diminish over that period of time. So, we can fix it if we get ourselves focused instead of on this left-right axis that is, you know, we're confronted with in Washington, D.C., which is actually fundamentally contentless, I think, and think more about an axis that's future versus past.

When I'm in my town halls at home, and we organized our thoughts around our kids and our grandkids, it's pretty easy to get agreement on a whole host of things. I think that's what the United States Congress needs to find a way to sort out. We're not organized to think about this. Last point, I guess, on that subject is that, you know, I don't think we really do have an agenda in this country right now that's oriented around, explicitly oriented around the idea of lifting up our kids as our job and our responsibility, and there isn't a lobbyist really for them. And, I think it's creating a lot of ill will in our politics, because we haven't organized our thoughts the way our parents and grandparents did. So, very glad to have the report. Anything I can do to help, please let me know and I'll get out of your hair, or answer any questions. I don't know.

MR. HASKINS: So, we have time for a few questions. Anybody would like to ask the Senator a question? All the way in the back there.

QUESTIONER: Thank you. My name is Jakob Nielson. I'm a reporter from Denmark. Senator, I know this is probably a question that you could spend hours answering, but within the time limits that we have, could you just say, when you say we need to do more about K-12 education, what is that you think is necessary? What are the primary solutions that you're looking at? Thank you.

SENATOR BENNET: I think there's almost nothing about -- I could take hours and I would love to, by the way -- but, there is almost nothing about the way we've organized the incentives and disincentives in K-12 education that are aligned to the outcomes that we want for kids, and, therefore, we're not getting the outcomes that we need. So, let me give you some examples of what I mean by that. The entire system that we have of training, paying, retaining, inspiring teachers is a vestige of a labor market that discriminated against women and said you've got two professional choices: one's being a teacher and one's being a nurse. So, how about coming to the Denver Public Schools and teaching Julius Caesar for 30 years of your life at a really low current compensation, but if you stick with us for those 30 years, we'll give you a pension that, theoretically, is worth three times what Social Security is worth today, but you're not sure it's actually going to be there when you get there. And you're not going to be there anyway, because we're losing 50 percent of our teachers from the profession in the first five years.

We subsidized K-12 education for decades in a labor market that discriminated against women, and we were very likely to be getting the best British literature student into the classroom in that system. That's been gone for decades, but our system belongs almost completely to that time in the country's history. So, I mean,

some thoughts on how you would change that? I believe strongly that we need to create alternatives for the Master's Degree programs that are out there training our teachers today. I think we should be embedding our teachers in more residency based models like medical residencies where they're actually learning from master teachers in the classroom, the pedagogy they need to be able to reach our kids. We're not preparing our teachers well at the outset.

We need to change the way we pay teachers. In Denver today, if you're teaching at a high poverty school, you get paid more for that. It's harder to find people to teach in a high poverty school. If you're bringing a special set of skills like math and science and special ed, you get paid more for that. If you're driving student achievement, you get paid more for that. We need to differentiate the way we pay our teachers, and we should be paying them a lot more on the front end than we do today.

The incentive structure for our children is completely screwed up. Everybody in the country says they want more STEM graduates, more graduates in engineering and mathematics. Here's how that system worked in Denver, and it works this way in most of the country. The requirement for graduation from the Denver Public Schools was two years of mathematics. I'm not a huge believer in seat time. I believe we should be measuring, you know, proficiencies and then moving kids along if they're ready to move along, but math, unlike other stuff, if you don't use it you lose it. You forget it. You have to practice it. I looked at the remediation rates of our high school graduates that are going on to college in math, and some of the local institutions it was 90 percent of our kids were being remediated at higher ed. There's a lot of reasons for that, but one was that we were only requiring those two years of math. Unless you pass

the algebra exam in the 8th grade, in which case we're saying to our strongest adolescent mathematicians your reward for that is you only have to take one year of math. Today you have to take four years of math in the Denver Public Schools and your reward for passing that algebra exam is you get to take a higher level class in mathematics before you leave.

I can give you chapter and verse of examples like that of how the incentive structure is working against our children in those very fundamental ways. And we are wasting an awful lot of the money we spend on K-12 education.

The last point I'll make on it is this, I used to say that the nature of our reforms were breathtaking in its lack of originality, but the one thing that we did that I -- and for the life of me I don't know why more don't do this, is we had 150 schools -- by the way, interestingly there was an article in the front page of the New York Times the other day about how all these urban school districts are losing kids and it's put them under these huge budgetary strains.

When I became superintendent in Denver there were 72,000 children in the school district. They had been losing kids every year basically since the advent of busing in the early '70s. Today there are 83,000 kids in the Denver Public Schools. And our school age population in Denver has only grown two percent over that period of time, which has created enormous opportunity in a place where we were having very diminished academic environment because of the downward budgetary pressure.

You know, we'd been able to attract our kids back. Why did I get on that topic? Sorry. Oh, here's why. So, breathtaking lack of originality except for one thing and that was that I started almost every day with my chief academic officer and 15 of our

principals. We had 150 schools. We had 150 principals. We now have 170 schools.

We started every single day with them in a school for two hours having a conversation about teaching and learning and how to take that back to their buildings. Not about who got left on the bus. Not about, you know, what boiler was broken, but about what we were doing in the classroom. I'll give you an example. Hand out a piece of paper to our principals. It was a piece of student work, because it's very important for people to look at student work. And the way we approached that in K-12 education is somebody stands on a big stage someplace in an auditorium with no windows while everybody is bored to death and says look at student work. Look at student work, which nobody does.

We take the same piece of student work everywhere we went. It was a fourth grade writing sample and the principals would look at it and they'd say this doesn't make any sense. It's like a foreign language. It would be a crescendo of this. And then my chief academic officer would say, based on what you've read what are Nancy's strengths as a writer? And for an hour they would have a conversation.

She writes from left to right. She has some sense of story structure. She smells high frequency words correctly. That's the close quarter work that needs to be done, but what we were able to do by working with our principals in this way and I saw every principal in the school district every three weeks as a result for two hours, was we created a vanguard for reform. And people that wanted to get with the problem stayed with the program and people that didn't left and if you go out there today and talk to the leadership in these schools you'd find that 98 percent of them, or 95 percent of them are on mission. And agree that they are there to change the system, not to keep it the same.

That has made an enormous difference to us. Sorry.

MR. HASKINS: One more question?

MR. BENNET: Sure.

MR. HASKINS: One more question up here about halfway up on the right.

MR. BENNET: I promise I may -- soon he's going to have a stroke in front. I'll give short answers.

MR. HASKINS: Oh, okay. All right. Hold on. Go ahead.

SPEAKER: What do you think about the findings that the social and emotional skills are as significant as the academic skills, but play no role apparently in teacher evaluation or curriculum design? And so we teach what's relatively easy to teach and test instead of what's crucially important.

MR. BENNET: Yeah, I mean, I appreciate the findings in the study. I didn't need them to know that because talk to any teacher in America and they will tell you this. And the implications are important for how we think about teaching and they're also very important for how we think about parenting, you know, the role that families have to play in doing this work.

I will say from the point of view of schools and what schools can do, the extent to which you can create a healthy and compelling culture at a school can change the way people parent their kids, can change the way people think about opportunity in an incredibly compelling way.

My view is the teacher's job is to do everything they can to help kids learn, but if you're in an environment where there isn't a lot of confusion about what the

rules of the road are and a kid isn't lurching from classroom to classroom with one set of rules here and another set of rules here, a different set of expectations about the behavioral issues, you can make a lot of progress.

Thank you. Thanks for having me today. It's nice to see everybody.

MR. HASKINS: Okay. Thank you so much. Well, I've been here for a long time and I've had many panels and introduced them and had lots of exchanges, but I have to say this is one of the most impressive panels that I think I've seen at Brookings, certainly that I have had the privilege of moderating. I use the word moderate lightly. And it is not a celebration of the Washington Post necessarily, although it may look that way.

Well, we lied to you to get you here, you know, it worked. So let me introduce each of the panel members. Each of them will make a brief opening statement and then I'm going to ask some questions, hopefully and gender some discussion and then we're going to open up the audience.

So Scott Winship, my colleague on my right here, whom we stole from Pew and he quickly established himself as a major national voice on mobility and opportunity and he's the director of research as Belle has said for the SGP Project.

Ruth Marcus, get this she's a reporter, editor, editorial writer, and columnist at the Washington Post and for this she gets four salaries. So she is in the upper one percent and I would expect her views will change right while we watched her in the panel here because she's in the upper one percent now.

Third is Mike Gerson, a syndicated columnist for the Washington Post. A former speech writer for -- and senior advisor to -- President Bush. And he was the

inspiration behind the very successful and still ongoing, is my understanding, AIDS program in the Africa that started during the Bush Administration in great part because of Mike's efforts.

And then Juan Williams from Fox News. I have a friend who calls him the progressive rose among the conservative thorns at Fox News. So he's not only up on the news, but he's also up on history. He's written some really remarkable books about history, especially *Eyes on the Prize*, which is the history of the civil rights movement. I think this might be the third time that you've been on one our panels. So you can tell by the fact that we invite him back all the time we're really pleased to have him.

So we'll begin with opening statements. Scott, go ahead.

MR. WINSHIP: Great. Thanks, Ron. It's a pleasure to be here this morning among such distinguished panelists and talk about such an important topic.

So I want to give a little bit more background on a couple of the findings that Belle cited in her presentation and say a few words about personal and public responsibilities, but first let me give you a little bit more background about the Social Genome Project that I'm the research director for.

The project has two primary goals to promote a better understanding of social mobility and how kids do or do not succeed in the long run. And the second is to estimate the long term effects of a range of policy interventions. That's ongoing work, but hopefully will continue to have some more interesting findings for you on that front.

To those ends we pursued several different strategies. We have a model that we've built on family formation and pregnancy that we call family scape. And you find information on that our website at brookings.edu/ccf. The goal there is that we

can actually simulate the impact of policies to for instance reduce unintended pregnancy. We have a report on that. Eventually we hope that we will be able to say something about what the impact on kids would be if we were able to, for instance, delay child bearing as one example.

Today we're presenting results from the Social Genome Model that Belle was talking about, which follows kids from birth to 40. And in time we'll use that model to simulate the long term impacts of things like expanding early childhood education, how would that affect college going and adult incomes, but that's a little ways away.

So essentially our Social Genome Model data is what you get if you start with a representative group of women who are coming of age in the 1970s and then follow all of the children born to them as long as you can through adolescence. Some of them were born relatively recently so you can't follow all of them through to adolescence. And then simulate outcomes for them for the ages that they've not yet reached.

So the data really represents kind of what's happened to kids in adolescence today and what we expect will happen as they age into middle age. And so I'll refer you again to our website where we actually have a fairly long technical guide where we get into all sorts of gory detail about how we built this thing, about how we know that it accurately reflects what's likely to happen. So that's brookings.edu/ccf.

Okay. So Belle's given you an overview of findings from the model. I want to highlight a couple of the opportunity gaps that she mentioned. The first one an area that we hope to do a lot more research on is this issue of gender gaps. So as you can see in the paper in Figure 3, we found not only that men succeed at higher rates than women in adulthood, but that that's actually a reversal of what you see all the way

through age 19.

So girls have advantages on all of the indicators that we look at essentially academic, behavioral from early child development all the way through adolescence. In the transition to adulthood men catch up and then by age 40 men have surpassed them.

So I think my interpretation of Figure 3 is that we actually ought to be focusing quite a bit of attention on sort of what's wrong with boys, but on the other hand, that before we're kind of ready to embrace this end of men, which is the title of a really important new book by Hanna Rosin, we need to understand what's going on with these adulthood gender gaps as well. And I think that's probably a fairly complicated story that's not amenable to kind of a pure liberal or conservative interpretation I think.

The racial gaps that are in Figure 4 in the paper, I think are even more striking. And I want to note here something that Belle said because this is a group of kids that were born to women who are actually already in the U.S. and coming of age, the Hispanics in our paper you ought to really think about as being second and third generation Hispanics. We don't have any immigrant kids in our data set or children of immigrant parents.

But the early and middle childhood gaps between white and non-white kids, especially between the white and black kids, look really sizable through adolescence -- through early childhood until you actually look at how big the gaps get in adolescence and through adulthood. So in adulthood only a third of black children become middle class by middle age. That's half the rate for whites.

When you sort of dig down we don't show this in the paper, but if you

look at the individual metrics in there, the gaps are particularly large for income, for GPA in high school and for college graduation. So I think that's something that merits a lot of our attention.

So these gaps lead naturally questions of opportunity and personal versus public responsibility. Conservatives and liberals, here as elsewhere, I think tend to have starkly diverging views on these questions, but I think there's actually a lot more room for some common ground.

Conservatives look at adults and they see widespread success among people who have made tough choices that involve short term sacrifice for long term gains. They view it as unfair that the people who worked hard and played by the rules should then have to help out people who didn't. Many conservatives acknowledge that a lot of folks get dealt bad hands in life, but they worry that failing to hold people accountable actually is counterproductive. That it will promote the sort of choices that are bad for families and society as a whole.

So in contrast, liberals look at kids and they see pervasive barriers that prevent the disadvantaged from realizing their potential. They believe government can reduce the importance of these barriers, remove them entirely in some cases. And they think that since the rich have benefited from these unjust arrangements that redistribution is justified. They worry little about perverse incentives, unintended consequences.

So I think the question for conservatives is whether children of parents make bad choices should have to fully absorb the cost of their parent's decisions. The data that we've produced in the project shows that kids who are born poor, their moms look very different from the moms of kids who are not -- not only are they more likely to

be born to teen moms, to single moms, their moms are more depressed. They are -- they score worse on parenting measures both in terms of the cognitive stimulation they provide to their kids and the warmth and support that they provide to their kids.

So I think all of these are sort of -- it's tough to kind of hold the kids I think accountable for things that they didn't choose themselves. And then liberals I think for their part need to recognize that there are potentially big costs to not holding people accountable as well. There's good reasons why we discourage and even stigmatize some behaviors. If we didn't punish crime we would end up in a crime filled world that nobody would like. If we didn't reward success and to some extent have consequences for making poor decisions there would be more equality, but there'd probably also be a lot less growth.

So I think the challenge for policy makers and for all of us is to try to figure out a distinctly American way to sort of hit the sweet spoke and encourage, promote economic growth, but at the same time try to give a hand to kids at the bottom that will enable them to reach their potentials.

MR. HASKINS: Mike Gerson.

MR. GERSON: You know, this is a ground breaking report that provokes a mix of reactions, at least for me. It's a depressing confirmation of a growing class divide. You know, the affluent and non-affluent in America are pulling apart when it comes to a variety of social indicators that indicate future success. That's consistent with -- I was at Opportunity Nation yesterday on a panel with Robert Putnam, you know, his research makes much the same point.

We're really in a midst of a crisis that threatens the American ideal and

this -- our self-identity. You know, Americans are willing to accept a lot of inequality in a fluid economic environment, but when you have in the absence of mobility you're just left with a cache system and that really doesn't have anything to do with the American ideal and it's a very challenging moment in the American economy.

I found the elements of the report interesting and challenging for policy makers. You're talking about how success in life is a cumulative process. That there are no real magic moments or interventions that all the stages matter and count and that we have to have kind of a continuity of our engagement on these issues. And, you know, sometimes policy people get enthusiasms, but in fact we have to have a broader view and I think the methodology of this report makes that point very well.

And then I found some encouraging things. You know, I appreciated the point that while early intervention seemed to be disproportionately important, late interventions are not too late. And that's, you know, this is the country of the second chance and it's good to see some evidence that that's true.

I was particularly impressed by one figure in the report about the number of people who fail at every stage from less fortunate backgrounds who are unready for school, don't get basic skills, not ready for college, don't graduate and 26 percent of them enter the middle class by middle age.

SPEAKER: It's called the mafia.

MR. GERSON: I would have thought, well, these are at least interesting people. Maybe some of them very admirable people, but people I'd like to meet actually. They're kind of, you know, an interesting group.

And like most good social science the report is a confirmation of good

common moral sense. The responsibilities that families and civic institutions teach are essential. And so is the role of government that allows healthy communities to their job. And so both the private and public institutions are important and that's, you know, a good bipartisan corrective to some of our debate.

These should be some common ground issues, you know, these are Putnam calls it a perfectly purple problem. And, you know, there are problems with family and there are problems with economic, you know lack of blue collar jobs and there are problems that everyone on this spectrum can appeal to.

And my main source of depression in all of this is on my side, given my background where I come from; at the moment is really the inability of the mainstream of Republican ideology to have even a language that allows them to describe this social crisis. You know, I think Republicans have a lot to offer on the fiscal crisis. On, you know, particularly unsustainable health entitlements and something to offer on the economic crisis, competitiveness, growth and other things. But when it comes to this particular set of social crisis, this growing class divide, I, you know, at the convention in this video that's just coming out, you hear a language that doesn't really address these set of issues. It's kind of ideological disability.

And, you know, whatever the economic and cultural sources of these problems, the current problem is dysfunctional institutions which are routinely betraying children and young adults. And returning to an assemblance of economic opportunity, promoting family commitment in educational attainment and economic advancement is going to take a tremendous amount of effort in creative policy. Yet, and I'm going to vent about this in the Washington Post tomorrow, which is part of the prerogative of a

columnist, but the Republican ideology of pitting the makers against the takers really doesn't offer anything in this debate.

It doesn't offer sympathy for people who are struggling. It doesn't offer any insight into our social challenge. It doesn't offer hope for change. And it really embodies a kind of reductionism. So human worth is reduced to economic production and social problems are reduced to personal vices and politics is reduced to create warfare on behalf of the upper crust.

And, you know, a few libertarians want that fight. I don't. My personal view is that given Mitt Romney's background and record and faith, I don't think he holds that view, but I think there are a lot of Republicans that parrot this view because they lack familiarity with other forms of conservatism that includes some conception of the common good.

And so from my perspective there really is no excuse. You know, Republicans could turn to a Burkean conservatism which emphasizes the little platoons. They could turn to the Catholic tradition, which talks about subsidiarity and solidarity. They could, from my perspective, they could draw on kind of tory Evangelical social reformers, you know, Wilbur force and Shaftsbury. They could just read Abraham Lincoln talking about equal opportunity. But instead they kind of spout libertarian nonsense. And it's because they don't really even have a language to describe the largest social crisis of our time.

MR. HASKINS: Nicely done. Ruth Marcus.

MS. MARCUS: Well --

MR. HASKINS: Follow that.

MS. MARCUS: -- I am venting in the Washington Post tomorrow. Now I'm nervous. Mike teed me up absolutely perfectly and I was saying to Belle before this that I don't exactly know how she knew that this video was going to emerge at exactly the right moment to set the stage perfectly for this event, but --

MR. HASKINS: She gave us some other --

MS. MARCUS: And if that's true I'm leaving this panel now because it was, you know, one of the great scoops of this campaign. And the reason that it's a great scoop is that it really, I think, goes to the central element of the current political debate.

And if it were up to me, what we would do at the debates that are forthcoming is we would hand out this report. We would give each of the candidates 30 minutes to read it that would not make for the most compelling television and then the moderator would simply say discuss. Because I think if you stack up in particular and so I'm glad Mike a little bit softened the way for me to talk about the elephant in the room today, who I really think is Mitt Romney, if you stack up Mitt Romney's comments in the video tape against the findings of this report you really just find this huge intellectual disconnect between the reality as presented in this report and his conception of reality.

And I think we've spent a lot of time talking about the question -- the fantastic quote about the 47 percent and taking out our little pie charts that we had when Rick Perry raised this back earlier in the campaign and rehabbing those. But I think there's actually in some ways a more important and revealing aspect that a quote from Mitt Romney and it's this. "Frankly I was born with a silver spoon, which is the greatest gift you could have, which is to get born in America. I'll tell you 95 percent of life is set up for you if you're born in this country."

Mitt Romney needs to read this report, because that's a very interesting, very revealing and as this paper shows, a very debatable statement. It's actually particularly interesting because I know that Romney has cited Belle and Ron's work about the one part of this equation, which is an important and critical part. And I'm not diminishing it in anyway, which is the importance of family and background and hard work. And so he, and for example in his speech at Liberty University noted that those who finish high school work full-time and wait to have children until marriage have a 74 percent chance of joining the middle class. But I think his vision and it's one that is really important, as Mike said, for us to talk about, for the Republican party to talk about, for the American people to talk about, is one that really seems to primarily envision these achievements as a matter of individual and maybe even family will.

So that he talks, you know, he has a very compelling story for example, about his own father and his struggle -- wasn't able to pay for college, but managed to become the head of a car company and the head of General Motors. Ann's father sort of same classic American dream, but it ignores the findings of this report that to be blunt, some spoons are lot more sterling than others.

Yes, though there are some new findings about increasing economic mobility in other countries versus America, as a general matter, being born in America is a great thing, but 95 -- there's a difference that is very important based on where you're born and I'm just going to go one more quote from Mitt Romney. "I have inherited nothing. Everything I earned I earned the old fashioned way."

Look at these numbers. I'm going to use some quotes from the paper now. It ignores the reality "that economic success in America is not purely meritocratic."

It helps, as Belle said, if you have the right parents. Those born into rich or poor families have a high probability of remaining rich or poor as adults.

So if take Mitt Romney's social economic profile and you apply it to the report, he had an 82 percent chance of ending up in the top three quintiles by the time he was 40. That number 82 percent would have been 30 percent if he had been born into the bottom quintile.

And so one of the things I think we need to think about as we have this conversation about whether President Obama is a redistributionist, about whether we're having an entitlement society, or an opportunity society is to take some of the recommendations in the report and apply them against the template to the extent that we haven't, because this is a fairly policy poor and policy sparse presidential campaign, particularly on some of these issues. And to apply it to some of the proposals by the candidates.

And so I'm going to talk about three particular policy proposals. Number one, too little attention has been given to insuring that more children are born to parents who are ready to raise a child. My friend Sarah Brown is here. Cutting the teen pregnancy rate has been a phenomenal achievement. One of the things that I know I'm being very sharp and slightly ideological for a panel at the Brookings Institution, but I'm going to take the benefit of being an opinion columnist and let it rip.

One of the things I find most distressing about Governor Romney's proposals is his explicit proposal to de-fund the Title 10 Family Planning Program. I can understand the argument about whether we should fund Planned Parenthood or not because of Planned Parenthood's role in abortion. I'm not getting into that. The notion

that we would take federal money out of a program that has prevented millions of teen pregnancies when we know what we know is just crazy.

Number two, preschool attendance readiness. Look at Governor Romney's white -- otherwise quite interesting in many ways, white paper on education. Not a word about preschool readiness.

Number three, paper talks about college degrees being increasingly a prerequisite to being in middle class by middle age. Governor Romney talks about making the college marketplace more competitive, shopping around. He's not as clear as Congressman Ryan has been about what he wants to do with Pell Grants and there's an argument. I know there's a raging argument about whether it increasingly raising Pell Grants helps drive up college costs, but I think one thing is clear and I'll close with this.

Which is a quote. Another fine quote from this really important report. "Putting the full responsibility on government to close those gaps -- these are education gaps -- is unreasonable, but so is a heroic assumption that everyone can be a Horatio Alger with no hope from society." I think I know I've picked a lot on Governor Romney, but I think as the debates come up the role of the individual versus the role of government and how government can and should be used to help ameliorate this lack of mobility and the findings in this report is just essential to the political debate. Thank you.

MR. HASKINS: And now for a rousing defense of conservatives and Governor Romney, Juan Williams.

MR. WILLIAMS: Well, thank you so much Ron and thanks Belle for inviting me back. I learned today that you're hired for your hard skills and fired for your social and personal skills. So I'm surprised I was invited back given my personal history,

but thank you very much.

The thing that stood out to me in this report and something that obviously is so deeply personal to me is the racial gap. That if you look at the numbers there's no question the big gap here is racial. That that is the remains here we are in 2012 a huge, huge problem that if you were born a black or Hispanic child, it's clear from the numbers that your likelihood of success in America is much less. Just no question.

And we think of ourselves and, you know, people talk about post-racial America and the like, but the numbers illustrate race matters to this day in America. And similarly, what stands out to me in looking at race in this study are the words written I supposed by Belle Sawhill or one of the assistants, which was that yes we have to have some personal responsibility, but we also need government intervention. But even as important as government intervention is attention to culture. That culture plays just as large a role as that government intervention.

Now, what I know is that from listening to conservatives the likes of social conservatives in particular, Rick Santorum to Mitt Romney, they feel free to say personal responsibility and culture, especially in minority communities at the moment play a role in perpetuating poor outcomes. The outcomes that we have seen illustrated in this study beginning with lack of preparation for school, to not succeeding in school and the like.

On the other hand, I know that Democrats, liberals are reluctant to embrace that position even as pathways suggested. That personal responsibility, culture are required to produce greater opportunity. Talk of culture and personal responsibility lead some on the left to conclude that structural or systemic issues are being ignored and

replaced with condescending self-righteous blather, if you will, that amounts to blaming the victim. Blaming the victim. And you can't do that without then being in a position of being potentially accused of racism.

Now, let me just say as someone who grew up in poverty. I have no disdain for the poor. I'm not even trying to feign any understanding of struggle. And by the way, I got in big trouble during the Republican convention when I said that I thought that Mrs. Romney's speech in which she was going on about their struggles as a young couple, and that prompted me to call her a corporate wife and people are still upset with me about. But to me, and I think this is what is evidenced from this report, you know, two college educated young white people, both coming from wealthy families, even if they're starting out in a small apartment that is not the struggle that we're talking about here.

And we're not talking about that, you know, joblessness and trailing in the back -- from childhood on in terms of these benchmarks. So that's not the kind of struggle that we're dealing with here this morning. But from the left there is a fear of airing dirty laundry, if you will, giving ammunition to the right or allowing and encouraging indifference to the poor by buying into the idea that the poor have the power to help themselves. And again, this amounts to people who fear that you are blaming the victim if you put that pressure on the poor.

But I do not see this as blaming the poor. I think it's better to think of it, and I think it's absolutely critical, as shifting the culture. And better to say it's about empowering the poor to help themselves, to advocate for themselves, to organize, to build coalitions, to help to save their own families and children. I think it's in the tradition of, for those of you who know this history, Frederick Douglas, certainly Booker T.

Washington, uplift, W. E. B. Dubois, Marcus Garvey, Malcolm X, who defied images of black inferiority, weakness and victimization.

In every case here what you have are black leaders who believed in the black community and black America controlling its own fate, not victims, not people relying on white guilt, but black and Hispanic people as heroes in a struggle, noble struggle, to achieve justice. So it's critical for me this morning in looking at the report to go beyond it, if you will, and speak of culture of failure undermining black America and what it means, which is the subtitle of a book that I wrote, I guess now five years ago, trying to say we have to be honest with ourselves about things that are holding us back and holding our children back.

And in this category, this culture of failure category, I would put things like putting down people who put academic benchmarks in the forefront of their lives. Putting them down as geeks and wimps, chumps, acting white, clearly the achievement gap, the dropout rate, if you look at that in terms of black, Hispanic versus white remains a tremendous obstacle and the benchmark reflects that.

Similarly, talk about, again this is a benchmark, if you have interaction with the criminal justice system, just interaction, but certainly the way that it's written in the report in terms of a criminal record during high school this creates an obstacle for you going forward in terms of success. And yet, what we have in the popular minority culture is overwhelmingly an acceptance of crime, talk of jail as a rite of passage, especially for young black and Hispanic men, and the reality is we condemn the high incarceration rate, 60 percent of American inmates being black or Hispanic, but don't talk again about the idea, as Bill Cosby famously did of, you know, what was that child doing with the pound

cake in his hand. Talking about stealing from a corner store.

And I would add further that you just listen to the radio and you'll hear the rappers, the gangster culture that's celebrates pimps, players in terms of again, demeaning women, bitches and hoes, the family breakdown scenario celebrated as well that's a fact of life and I'm going to, you know, play it for all it's worth. This acceptance, to my mind, a family breakdown of drug use, of high incarceration rates, baby's daddies. To me this is just an abomination: a cultural millstone that's hanging around the minority community's neck.

And I would ask that as all of you think about these policy initiatives in saying that yes there is need for government intervention that there will also be an emphasis on the idea that poor people are not simply victims here, but in position to help themselves and that it has to be said honestly and directly, not in a way of condescension that yes there are steps you can take to help yourselves. We've heard this throughout, in fact, in previous visits we've talked about those three or four things, you know, graduate from high school, stay in the job market, don't get married before you finish your education and your job training, and don't have children before you're married.

That's right there. We know that. And now we're moving forward from that with these benchmarks, but I would say to you, part of this has to be calling out the culture that is dysfunctional in terms of helping young people achieve these benchmarks.

MR. HASKINS: Juan, let's stay with for a minute. I intended to ask it in the data that came out today that blacks are about half as likely to succeed as whites in the income stage as adults. Why and what should we do about it? And let's let other people talk and then I'd like to hear your -- what you think of what they said. Not all at

once.

MS. MARCUS: I don't know who appointed me arbiter of this, but, you know, look at the indicia, okay? School readiness, bad schools, readiness for college, college graduation rates. You know, I subscribe to what Juan said about personal responsibility and the responsibility of promoting a culture of academic achievement rather than a culture of playas and gangster rap. But I think the question about whether you are condemning children to pay for the sin of economic and social failings of their parents is a really important one. And when there's not adequate programs for school readiness, in addition to the responsibilities that parents have when there are failing schools, when college is out of reach, when you go to college and you're not adequately prepared for it, those are all phenomena that in addition to whatever cultural problems exist, fall disproportionately, I think, on the black community because it is a poor community.

MR. GERSON: I agree with that. I would only add that in the white community, when you talk about these issues, you often get an assumption that you're talking about Black issues. Okay? And that's also a misunderstanding of what's going on here. Race remains a huge issue and a disproportionate, you know, role in this, and we have a terrible history that we need to confront and take seriously. But these challenges are increasingly a class problem that affects a very broad group of Americans. You know, you are now -- Putnam, because I was just with him, talks about how when you bring this forward 20 or 30 years, which is what current conditions will determine conditions and mobility, you know, at that point. You know, he says that you're facing a mobility cliff. That things are actually getting --

MS. SAWHILL: Another cliff.

MR. GERSON: Right. Exactly. You know, accelerating and worse. And it's broad. We're, maybe, talking about a third of American workers coming from completely dysfunctional backgrounds, and producing workers and educated people and contributing citizens. And so, I think it's absolutely essential to confront all these things that come out of our history and the disproportionate influence on a variety of communities in America that are disproportionately poor and disadvantaged. But we're increasingly facing the problem that is a class-based problem, as well.

MR. WINSHIP: And so, the only thing I would add -- I agree with all those comments, I think. There's a researcher at NYU in sociology, Pat Sharkey. He's a young guy. I went to grad school with him. He's done some really interesting research on Black/white differences in mobility, including one for Pew, and the most interesting result of his research that I've seen is he took a look at the neighborhood poverty rates of where Black and white kids -- that they experience growing up, so throughout their childhood, from zero to 18. And when I was at Pew, he came back to us with some results. It was for an older generation, and he found something like two-thirds of Black kids experience a level of neighborhood poverty that only, I believe, it's six percent of white kids will ever experience. So, that came back, and I was sort of blown away. I mean, I've studied this stuff, but it was sort of surprising to me, but I said, well, Pat, that was a generation ago. Like, surely, we've made progress. Can you crunch the numbers again for today's kids, and he did, and the numbers didn't budge. So, I think that's probably one of the most neglected differences, I think, between the experiences of Black and white kids that translates into big differences in outcomes. And the culture story, I

think, is a big part of that, as well.

MR. HASKINS: You want to add anything, Juan?

MR. WILLIAMS: Yes. I mean, one of the intriguing angles in Pathways is the idea that, in fact, Black and Hispanic youngsters make rational decisions given lack of opportunity. That it's not the case that you would look at these youngsters and say, oh well, they're just condemned to failure, and they have no volition in terms of decision-making. That in many ways, in response to poor quality schools or neighborhood poverty that you were discussing, that people then make decisions. I've heard this argument made about Black and Hispanic women who have a very high out-of-wedlock birthrate, that they make a decision about not marrying because they look at the available cohort of men and decide, well, you know, I can do just as well without this guy as with this guy. And so, it's not a decision that is lacking in intellectual content, but here, to my mind, is a reality that you have to say that this decision is a bad decision. You know, in the report I think it says, you know, families are very important to children. And we have to realize that, you know, you may think, well, that guy, you know, doesn't have the academic level of achievement that I have. He may have a criminal record, et cetera, but in fact, marriage and the good that comes from marriage would say that that is a better decision than thinking you're going to have the child on your own, and everything is going to be just great, as if you're a Hollywood movie star or something.

And so, similarly, for young Black and Hispanic people who decide well, the schools aren't that great. I don't believe anybody's really invested in me being a success coming out of this neighborhood. I live with this grinding poverty, et cetera. I see it all around me. That it is a bad decision, then, to give into it, in terms of that culture

that it is always better, and I think this is part of Bell's theory, it's better to graduate from high school, even if it is a bad high school in a bad city in a bad neighborhood than to not graduate from that school.

I was on the board of my college, and they gave us applications to Haverford and said you pick the kids who get in. It's very difficult to get into Haverford. And I, of course, picked the wrong people. And they said, you know, the key here is not just looking at the GPA. The idea is you look at people who are able to flower where they were planted. People who take advantage of that situation and do the best possible with it, and we give them very high consideration for that. And I would say that's true about kids growing up in the poorest of neighborhoods. That if those kids are, in fact, taking advantage of bad schools or difficult neighborhoods and proving that they have that kind of staying power, I think that is evidence of someone who's on their way to success.

MR. HASKINS: Here's a proposition for the panel. I think Senator Bennet might agree with this proposition. And it is that the U.S. is not going to be able to do much about income equality in the near future because good incomes are dependent on good education, and our schools are lousy.

MR. WILLIAMS: I think that's right. I mean, especially if you're thinking about poor and minority kids. We have a strike in Chicago, you know, where I think this part of this discussion is so real, and we have, obviously, the 47 and the Romney stuff. But I think, to my mind, the failure -- I often wonder why is it that poor parents and poor kids aren't marching in the streets for better schools. And, you know, why is it that Rahm Emanuel is the one that's standing up there and screaming at the teachers? And then you see that public opinion in Chicago is with the teachers and not with Rahm Emanuel.

It's bizarre to me.

MS. MARCUS: I'm taking a more hopeful view. I actually think that the debate within the Democratic party and on the Republican party side has dramatically shifted. Everybody, I think, except perhaps certain elements of teachers unions, understands that the current system is failing too many children, that we need dramatic changes in school structures, rules for teachers, accountability. No Child Left Behind, for all its flaws and for all the criticism, much of it unfair, that's been hurled in its direction, I think transformed the notion of accountability which is much more embedded in the political dialogue than it once was. And I think we are understanding more and more about what it is that makes a good teacher, what it is that makes a successful school. I think the willingness of Rahm to stand up to the teachers unions and to insist on some measures of accountability, a longer school day, things like that, are really essential. It's not your father's Democratic party when it comes to teachers unions, and I think there's an interesting question on the Republican side, actually, about the willingness to stick with No Child Left Behind. Mitt Romney has a very interesting notion of making education entirely portable, so that a child anywhere would be able to sort of pick up his or her school. I don't want to call it voucher because I know that's such a loaded term -- but school entitlement, and go to any school. You know, go from the inner-city to the fancy suburban school system. That's intriguing. There's some practical questions about it. On the disappointing side, he really wants to undo, as I understand it, a lot of the accountability measures of No Child Left Behind and sort of substitute simple transparencies so that parents will have information about schools and know what they're getting. I don't think that's nearly adequate, but I think the fact that this is now -- it's not

enough of a focus of the current political debate, but the fact that education reform is seen as a given and a necessity in both parties is a positive and important step.

MR. WILLIAMS: So the question from me to you would be how quickly. I mean, obviously, if you or I had a child in one of these schools you would say, oh, my God, I need that school fixed now. I can't wait 10 or 20 years. And yet, even in the settlement of the strike, the pressure was on Rahm from the unions, and, you know, he's able to get some teacher evaluation and just put a longer school year in there. But this is not the radical reform that I think that we need.

MR. GERSON: I will add just a little more depressing perspective in that --

MS. MARCUS: When I'm the cheeriest person on the panel, we're in a lot of trouble.

MR. GERSON: Because there is a, you know, there is a fairly strong cross-ideological bipartisan reaction against No Child Left Behind that is undermining the interests of minority children. I had lunch with a Democratic Senator this week who was commenting on the fact that there was a gutting amendment for standards in the Senate Education Committee that had been proposed by Republican Lamar Alexander that was the single-most urgent asked of the teacher's union, okay? So, that was the alliance. A Republican who doesn't believe in any federal role in education at all, okay, in this instance endorsed by the teachers' unions to avoid, you know, the basic commitment of No Child Left Behind, which was testing and disaggregating data by racial background. Okay? So, I don't see too many, you know -- I don't see that urgency, you know, on these issues. And I'll admit that the testing regimen and other things could be modified

and the way accountability is applied, but I just don't see too much emphasis on the national level of taking it to the next level of -- you know, most of this is kind of undermining those attempts.

MR. WINSHIP: Yes, I agree that we need a real urgency that's not there for education reforms to promote upward mobility from the bottom. I think I'm more of an optimist. There's certainly diversity of view, I think, even in the Center on Children and Families on this point that the next generation will, like generations in the past, be better off than the one that preceded it. I mean, we can do a lot better if we solve a lot of the problems that we've got in education, but I don't see a lot of reason, looking at the best evidence from the Congressional Budget Office, for instance, on trends in income that people will actually be worse off than in the past.

MR. HASKINS: All right. Here's a little bit more optimistic view of things. We have not emphasized this yet, but the report says that there are interventions at every stage that's crucial of those first four stages that have been tested by the very best scientific methods, and that produce outcomes, definitely, where the experimental group, the group that gets the treatment, does better than the control group. And in many of these cases, even passes the cost/benefit test. So, we have a lot of possibilities for things that we know will work. And the Obama administration, as Bell implied, is developing this whole area a lot more. We're going to have more interventions that have been shown to be successful in three, four, five years. All right, so there are two problems with this though.

MS. SAWHILL: They're still in office.

MR. HASKINS: I was trying to keep politics out of it, Bell. But besides

that, you know, it will ruin my study if it's not. So, there are two problems. One is we're spending a trillion dollars between the federal government and the states on social programs, but we're not necessarily spending it on these kinds of programs that are successful. We have a great pension for spending money on junk like Title 1 of the Elementary and Secondary Education Act.

And the second thing is we're about to cut spending. If the sequester goes through, we're going to cut \$800 million from Head Start. That's going to be about 100,000 kids according to National Head Start Association. I mean so, what do we do about these two problems? Especially since we've got to do something about the deficit. So, we are going to cut spending. What do you think we should do? What would you tell those people up there on the Hill as the course of Solomon here? Everybody's looking at me.

MS. MARCUS: Well, I mean, I gave my proposals. You look at the report, you look at the incredible failure of people to -- if they don't -- the inability of people to move if they don't meet these metrics, except for our magic 26 percent who might be interesting. You can fail and still end up in the middle class. And you look at those suggestions. Diminish teen pregnancy, promote school readiness, promote educational responsibility, figure out ways for college readiness, college completion, college affordability, and you've solved a lot of the problem. Why we have not focused our current political debate on those issues is somewhat beyond me. But I think for all the money we spend, we do know a lot of useful solutions and approaches, and we can have debates within those about which ones are better and which programs within those work, but seems to me the path that's set out is fairly clear.

MR. GERSON: I'll add a little, maybe, partisan point here. I think Republicans have a very important point when it comes to health entitlements and how that's going to essentially eat up the entire rest of the American budget because of, you know, longevity increases and cost-inflation increases put on top of an existing health-entitlement commitment, that's just going to make everything else impossible. And that represents -- if you just go down this path, so let's increase the percentage of the economy that we take in taxes to fund unsustainable health entitlement commitments, that represents a massive intergenerational transfer of wealth from young people and young families and workers to the elderly. And that's the exact opposite of what you're trying to get in a situation like this where you want to do those interventions that come early. Now, I'm not sure the Republicans are all that focused on those interventions, which is a shame. But I think that that's a prerequisite, if you talked about the next 20, 30, 40 years of American social policy to have any ability to do any of these interventions for the sake of young people. And that's going to not just require marginal changes at the edge on these programs. It's going to require significant reform in the way that we do health entitlements.

MS. SAWHILL: And I'd just like to say I totally agree with Mike. I don't think it's a partisan ploy. It's not a matter of partisanship. It is, to quote President Clinton, "a matter of arithmetic."

MR. WINSHIP: And I think there's a real opportunity for Republicans to move in the direction of what Obama's doing in terms of trying to ensure that the programs are effective and to hold them accountable. I would love to see more Republicans kind of adopt a fund and prune sort of strategy where we fund a lot of

different things, and we evaluate them, and we cut, mercilessly, the things that don't work, but we fund the things that are promising. There's a guy, Jim Manzi, who is affiliated with the Manhattan Institute, National Review, some other leading lights of conservatism, who's advocated that the federal government do just a massive number of experiments to try to figure what works and redirect spending in that direction.

MR. WILLIAMS: So, I would say that efficiency is obviously -- I mean, clearly, if you have a limited source of funds, you have to go with what works, and I think that's what this report says. Here are things that we know work and are demonstrable, and we are encouraging it. Where it plays out in its, I think, most potent form is education, and where education begins is with family formation. So, in those two realms I would say put your dollars down. And the education realm, I would say that, again, I have lots of regret over the attacks on No Child Left Behind. But Race to the Top has been largely about proven programs, and saying we will, from the federal government perspective, invest in states that are using these proven programs, these proven strategies, to advance and, in particular, advance the success of minority children. And in the realm of family formation, again, I think that you have to speak to that larger culture. I think you have to encourage marriage, in particular, as an essential for people who are serious about getting out of poverty or staying away from poverty.

MR. HASKINS: Audience, okay. Some young person's going to dash toward you when you raise your hand and I recognize you. And they're going to give you a microphone. Please stand up, tell us your name, and ask a succinct question, so we can get as many questions as possible. Right here in the middle. She's not dashing, but --

MR. SANG: James Sang. This is for Scott. I was looking at your description of the Social Genome Model, and you helpfully present standard deviations on most of your parameters, but I see no standard deviations on the estimates of (inaudible) amputation extrapolation on the percentages of success and failure at various stages. My guess is that you have a grim report which, in fact, if you look at the standard deviations, could be awful.

MR. WINSHIP: I think that's probably right. I'm, actually, forgetting now what we've got standard deviations for and what we don't, but it's, I mean, --

MR. SANG: (off mic) you hit those parameters like the (inaudible) ages and the graduation rates but not at the end (inaudible).

MR. WINSHIP: Okay. That may be an omission. I'll double-check. I mean, so, this is the first report that we put out. It's kind of scraping the surface and presenting the big things that pop out, but I agree. There's a ton for us to dig into, and I think that's a really important question.

MR. HASKINS: This is what we all love about rookies. The very first question, standard deviations.

MR. GRENADO: Anthony Granado with U.S. Conference of Catholic Bishops. Just want to thank you, Mr. Gerson, for mentioning the role of Catholic social teaching. There's been some discussion amongst you all about, you know, the cultural values of people at the lower economic strata, and certainly they're legitimate concerns about that. But my question is what about our leaders, our policy decision-makers in the realm of political economy. You know, the Greeks spoke about *eudiamonia arête*, excellence, virtue, and it seems that the only virtues that are really talked about in our

political economy is winning and dominating, power, and success, while income inequality gets bigger, and the health of our republic is undermined. So, I wonder, to you all and to Mr. Gerson, what can we do? How can we get people to think, who are the leaders in political economy, to think in virtuous terms for the health of the republic?

MR. GERSON: I would only say very quickly that I think when Democrats talk about equality, or others in our society talk about equality, the response of Republicans should not just be to defend success, which is, by the way, what you often hear in Republican rhetoric. The response should be to defend mobility. I mean, that is, I think, the proper answer here. You know, as I tried to say, I think Americans will accept a fair amount of inequality in a society as long as there's opportunity that accompanies it. That is a very American approach to things. And it is kind of the Lincolnian free labor kind of message is that you prepare people to seize opportunity in a free and fluid society. Government has an important role in making sure that the structures that allow people to seize opportunity are in place. And it requires a recognition -- you know, sometimes people use equality of opportunity as a dodge to say that means we don't have to have real equality. But equality of opportunity is, in fact -- it's not a natural state. It's an achievement of a society. And the question is what do we need to do now to achieve it. And that's what I would love Republicans to talk about. I think they have a real contribution to make in talking about conservative and free-market methods to get people the skills and values and background and structure that will allow them to succeed in a free economy.

MS. MARCUS: That's what concerns me, really, the most about the current debate because we're having this debate now about entitlement society versus

opportunity society, about takers versus makers that imagines that, basically, refutes the premises and the findings of this report, that imagines a degree of opportunity and mobility that is simply not true. And if you're making policy and politics based on false premises, you're not going to get to the right policy. So, I think to some extent, the Republican Party needs to re-examine, for many of its members, its premises about the degree to which America is an opportunity society and the degree of economic mobility that we have, or else we're never going to get to a healthy debate about what the fixes should be.

MR. FLINT: Good morning, everyone. Frank Flint, University of Texas, Austin. First a comment. I think that the report does a good job, but in the discussion I think we need to disaggregate Hispanic and Black, simply because the issues really are very different. For example, 63 percent of Hispanic families are married, but that has not made one iota difference in their financial standing or their accumulation of wealth, which is unlike all the other groups. So, just one example. Given the size of the Hispanic population and the youthfulness of that population, 25 percent of last year's kindergarten class, nationwide, was Hispanic. How do these issues get addressed when the Hispanic community is clouded, or the public discourse is clouded, with the issue of immigration which is really in day-to-day life a very small concern in the Hispanic community itself?

MR. WILLIAMS: I'll take a shot at that. First, I would argue against your impulse to somehow pull away the Black and Hispanic experience because if I look at the charts, I see the people who have the worst incomes are Blacks and Hispanics. And so, there may be cultural differences. We talked about the marriage one that you cited, for example. But in terms of outcomes, and I think that's what we're looking at here, clearly

there are larger dynamics or forces at play, and race, in a white-majority society, appear to be that larger force or have something to do with it. And the culture that I was picking up on, again, seems to me to have something to do with this. If you look at incarceration rates, if you look at dropout rates, if you look at levels of achievement gaps, again Black and Hispanics are marching along. Poverty rates -- it's a, you know, too sad a story. What was the second one? I forget the second one.

MR. FLINT: I didn't know there was a second one.

MR. WILLIAMS: The second part of your question, Frank. I'm sorry.

MR. FLINT: The second part was about all the public discourse and immigration. And these issues, real everyday life concerns, in a Hispanic community from being oppressed because it's like you can't talk about those issues because the elephant in the room is immigration.

MR. WILLIAMS: Well, I think that for so many, in terms of, you know, when we do polling in focus groups right now, and of course, this election, and ask Hispanic voters, immigration does become number one. The problem is that what you just describe, I think, is true, which is that there are larger issues, especially for people, and I mean that's if you look at it in those terms, people talk about unemployment, talk about education, talk about larger social pressures that they feel. Health care -- huge in the Hispanic community as a concern. So, those are all very real. But again, to my mind, I just guess I view it differently. I don't see it as an either/or situation where you say, oh, it's not immigration. When you have people fearing deportation of relatives and fearing that, you know, they're being viewed, especially in the Arizona situation, as not legitimate citizens or subject to different sets of laws, people feel personally offended.

QUESTIONER: Hi, my name is (inaudible). I'm a researcher at American Council in Education which represents the nation's colleges and universities. I really appreciate today's report because it helps me a lot to crystallize the fact that educational gap or social economy mobility to get evolves over time. So, I'm pretty sure I'm going to use this reference material from now on to advocate for the need for education intervention. But at the same time, there's one finding that caught my attention which we really didn't talk about. Over the course of 40 years in which children were monitored, even though everybody who hit every single successful benchmark, there's still at the end, between lesser-advantaged and more-advantaged population. There still a gap in the mobility, so 75 percent versus 83 percent. So, eight percent point gap may not be such a big deal, but what would be the take-away message from that gap? What would account for that gap? Is it really unrealistic to try to level the playing field for all Americans?

MR. WINSHIP: Yes, I think that's an important finding that we didn't talk about enough today. So, I think what it says is that, essentially, there are disadvantages that persist, and that even if you do work hard and play by the rules, you know, you still have barriers that aren't there for the typical kid who is more advantaged. This is a result you see in lots of other data, too. If you look at economic mobility over a generation, then someone starting in the top fifth who doesn't get a college degree, I believe, is more likely to end up in the top fifth than someone who starts in the bottom fifth and does get a college degree. So, it speaks to the fact that there are lingering disadvantages to growing up poor. You know, what accounts for them, I think it's really hard to say. It's certainly another topic that I think we're going to look into more in our future research.

MS. MARCUS: But, you know, imagine what a better world we would live in if we got the gap to that degree of narrowness. It may be troubling that it would still exist, but what an achievement that would be.

MR. HASKINS: To supplement to Scott's point though, what we showed in our previous work is if people from the bottom that get a college degree, they increase by a factor of four -- four times as likely to make it to the top as kids from the bottom who don't get a college degree. So, I think it's an extremely important point because what it suggests is that the strategies work no matter which direction you come from, and your report shows the same thing. It doesn't work perfectly. It's like you can't completely overcome. There's always a residual effect of starting at the bottom, but we can do a lot and public policy, in this case, a university education or a four-year college can do a tremendous amount. Next question.

MR. LLOYD: Thank you for finally recognizing me. I am Mr. Lloyd from Baltimore. The guy who asked question before me is talking about Hispanics and Blacks, and in many cases we don't usually include the Asians. Many of the Asians are not really very rich, but they excel very well in school. What do you think is the case?

MR. HASKINS: Good questions.

MR. WINSHIP: So, let me just speak to why we don't talk about them in the report, and it's a common problem that you find, unfortunately, in social science, which is that the data, unless they make special efforts to include a large number of Asian Americans, for instance, then you just don't end up with enough in the data to be able to say reliable things about them. As to explaining the success that Asian Americans have had, boy, that's big question. So, part of it's got to be right selective

immigration. You've got a lot of people who give up everything to come to the U.S. and have a better life for their kids. That's certainly true in the Hispanic community, as well. You know, I think there's probably a culture story there, as well. If you look at the parenting measures, I think Asian parents tend to sort of do everything right.

MR. LLOYD: Tiger moms.

MR. WINSHIP: I don't know if the Tiger moms are doing everything quite right, but they actually have, you know, objective measures of kind of what constitutes effective parenting, and Asian American parents tend to do very well on those. Asian American kids, you know, have high college graduation rates. I don't think anyone has a real handle on what the story is.

MS. CASTOR: Hi, my name is Deena Castor and I'm with the National Association of Social Workers. And on Figure 4 which talks about the percents succeeding at each life stage by race, how does that account for income differences by race?

MR. WINSHIP: So, that's another set of analyses we've not yet done. We've done some analyses that look at race by gender differences because we thought there might be some interesting results there. On a lot of indicators you tend to find that African American women are making sort of bigger strides than African American men are. But the limited look that we gave, that didn't indicate big racial differences between men and women, but we've not yet looked at, kind of, what's driving things in comma race.

MS. KANE: Hi, Andrea Kane from the National Campaign to Prevent Teen and Unplanned Pregnancy. We've talked a lot about what the report might mean in

terms of policy implications, and Juan talked a little bit about sort of how to take this and help actual real people, maybe, make decisions in their own lives that would build on what the report tells us. And I'd love to hear more from the panel about how do we take this and actually translate it out to real parents and young people, teens, adolescents, young adults, in terms of how they can improve their prospects based on what the research shows.

MR. HASKINS: Andrea, do you mean the report and familiarize more people with what's in the report or do you mean the policies themselves?

MS. KANE: I mean what the report tells about the steps people can take in their own lives.

MR. HASKINS: Oh, yeah. Okay.

MS. KANE: And how do we take this out of these kinds of rooms to actually help people act. Not policy makers, but real people, act on this information.

MS. MARCUS: Aren't you the person who should tell us? Because, you know, I'm meaning that in a good way and not a hostile way, which is to say that you guys have managed to sell the message to teen girls that this is a problem, and they do not want to be there, and these are going to be the consequences if they find themselves in this position. So, I think you have the answer. We don't. I don't.

MS. KANE: There's a lot of smart people up there, so we love any help we can get. But, you know, I think as Juan said, some of these messages can be difficult to deliver because they're sensitive, so I think it would be interesting to hear your thoughts on that.

MR. HASKINS: How do you get the message out that there's a big

problem here, and we ought to do something about it?

MR. WILLIAMS: You know what? I see billboards around that talk about the benefits of marriage, and they put it in crass terms, you know, that married people have higher levels of income, for example. But I think that's an important message. The question is how do you get that message out in an effective way in terms of mass media - everything from music to the movies, so that it becomes part and parcel of the culture that people understand that value. And I think that, also, it's really important to understand that when you say to people here are these benchmarks, and it's clearly demonstrated that people like you, but, also, I think, politicians, civil rights leaders, are negligent for not advertising it. I just don't understand why, you know, you look at, let's say, real estate values in communities that have drug dealers, and nobody says, you know, these guys are driving down our property rates, worsening the quality of our lives, and we are going to march against the drug dealers. I've never seen such a march. Even when you have people killed, burned out of their houses, et cetera. Never seen it. So, you know, I think that engaging the old civil rights model, I think engaging the media to say it's not condescending or patronizing to go into that community and say why is it that you tolerate this. To me, you know, again, it becomes so highly politicized, and you're accused of airing dirty laundry or being indifferent or blaming the victim, but I think that way of thinking has to be turned on its head at this moment if you're serious about selling the message you're talking about.

MR. HASKINS: So, let's end this event on an upbeat note. All of you remember that the Bush administration had a marriage initiative. This is in reference to Andrea's point. And I was once invited to talk to all the people that got grants. There

was a room full, two or three hundred people, and never missing the chance to endear myself to the audience, I had a picture of a billboard in Chicago that showed either sexy women or sexy men, looked like weight lifters and everything, and the caption said "Life is short. Get a divorce." as an example of what kind of culture we live in. And I noticed after I told this, there was all this buzz in the back of the room, and pretty soon -- literally, this happened. This woman ran up, and she handed me a data stick. And we put the data stick on, and we showed the data stick, and that billboard in Chicago -- the marriage groups got together and raised money and they put a billboard right next to it, and it showed a beautiful family with two beautiful children and it said, "What's your choice?" Thank you all for coming.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2012

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190