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## P R O C E E D I N G S

MS. VEY: Good morning to all of you here today, and to those of us joining via our live webcast. On behalf of the Brookings Metropolitan Policy Program, I want to welcome you to our Baltimore and Beyond panel discussion.

I'm Jennifer Vey, a fellow with the Metro program, and I was asked, or at least I think I was asked to open our session today for two reasons. First, because of my almost 14 years here at Brookings, I have focused my research and policy development efforts on how cities in metro areas, particularly older industrial areas in the Northeast and Midwest can revitalize their neighborhoods and grow their regional economies.

That work includes research that I did several years ago that focused on Greater Baltimore's economy and strategies for better connecting low income residents to quality jobs. The second reason I was asked to provide opening comments is because I live in Baltimore. These two things combined, give me both a professional and a personal perspective on the events that occurred in Baltimore over the past several weeks.

In my professional capacity at Brookings, I, together with several of my colleagues, have been trying to understand the circumstances and the conditions in which the protests and riots took place, and to put them in a broader regional and national context.

It is by now, well known that the Sandtown-Winchester neighborhood where Freddie Grey lived suffers from entrenched joblessness, poverty and the full range of social challenges that accompany economic disparity and distress. Over half of the working age population in this community is either not in the labor force, or is unemployed and looking for work. Nearly half of the children are impoverished, and over a third of its homes are vacant and abandoned.

But such distress isn't limited to the Sandtown-Winchester. Overall, about one in five people in Baltimore lives in a neighborhood of extreme poverty, most of which are concentrated just east and west of the downtown area. These poor areas are largely African-American and the region is highly segregated by race and income.

But there is another less well known story that we have been telling in blog posts and in media interviews, and that is that Sandtown and other economically distressed Baltimore neighborhoods are located in what, by many measures is a thriving metropolitan area. Income and educational attainment levels are high in the region, for example, while poverty rates are relatively low.

There's a strong black middle class, and it's a region that's rich in assets, including a robust network of colleges and universities, several world class hospital systems, close proximity to the nation's capitol, and unique, vibrant urban communities where people and firms want to locate.

This story, too, must be understood, for it's by building on these strengths that the region can continue to grow more and better jobs. And yet, it's not enough. To truly raise more residents out of poverty and into the middle class, neighborhoods like Sandtown and the people living in them must be far better connected to those opportunities. And this is the issue that brings us here today.

But while Baltimore will be a platform for our discussion, we will look beyond Baltimore to focus on what we've learned from years of collective efforts to improve urban and suburban communities around the country. This broader scope is important, because the fact is, while Baltimore has most recently been in the spotlight, its challenges are far from unique.

Its degree of income inequality is actually similar to many other big cities, and its level of concentrated poverty, deep as that poverty may be, is actually about

average among its peers. Unfortunately, not only is neighborhood distressed a widespread challenge in our cities and increasingly, suburbs around the country, if we look back over the past 45 years, we realize that we actually haven't made much systemic progress in alleviating it.

According to Joe Cortright and his colleagues at the City Observatory, since 1970, the number of high poverty neighborhoods in the United States has tripled, and the number of people living in them has doubled. There tends to be a lot of focus these days on gentrification, when in fact, as their research shows, very few of the communities that were poor in 1970 have seen their poverty rates fall to below the national average.

These facts may make us want to throw in the towel, thinking that the problems are much too big and far too complex for us to address; that no amount of effort or resources will really help us move the dial. But as we'll hear from our really stellar group of panelists today, we have, in fact, learned a great deal about what it takes to bring people and neighborhoods out of poverty.

From their decades of collective work, and that of many, many others, we have a chance to assess what has succeeded and what hasn't, and then apply those lessons to our efforts moving forward. As our moderator for the panel, Amy Liu will help us delve into these questions.

Amy, together with Bruce Katz, is the co-director and the co-founder of the Metropolitan Policy Program, and she brings over 20 years of her own research and policy work on cities in metro areas to this discussion. Amy will introduce each of our panelists and then give brief context setting remarks before getting into what I anticipate will be in an incredibly dynamic conversation that draws from the deep experience and expertise from our panelists.

We'll then have time for questions from you and from our web audience, which by the way, if you're joining us by webcast, you can ask those questions by the hash tag, #BeyondBaltimore. Unfortunately, I'll take this opportunity to mention that we will not have the opportunity to hear from Darren Walker today. Darren, who was present at the Ford Foundation, was originally on our program, but he was called away on urgent foundation business out of the country. But I know that he very much regrets not being able to join this conversation.

So, I said earlier that the second reason I was asked to provide some opening remarks today is that I live in Baltimore, a city that I didn't grow up in, but where I very happily made a home with my family. So, I'll take this as some license to add to remarks a bit -- to end my remarks on a bit more of a personal note.

Since Freddie Grey's death and all that's followed, I think many of us, many all of us in Baltimore have a collective, pervasive ache. For me, this feeling comes from two sources. First, the events in Baltimore over the past several weeks have simply been heartbreak; heartbreak because Freddie Grey shouldn't have died the way he did; heartbreak because businesses were destroyed and people were hurt, and heartbreak, because the young people taking part in the destruction and the violence didn't see another, better outlet for their frustration at the systems that they feel have shut them out and have left them behind.

But the second source of that ache comes from knowing that because of these events, this diverse and special city that has so much to offer and that has experienced so much progress has been portrayed to the world over and over again, almost solely through the lens of its deepest challenges.

For those of us who care deeply about the city, who root for the city, this is really, really tough to see. While all of the positive statistics I cited are what they are, I

would be lying if I said I didn't feel some satisfaction in having a platform from which to tell them. As a way of letting people know there is so much more to Baltimore than what they've been told and what they think that they know.

And yet, it's these two realities together that bring the most discomfort; that the economic hardship that underpins what occurred in Baltimore can exist alongside progress and prosperity, not just in Baltimore, but in communities throughout this nation that's supposed to be the land of opportunity.

It's not that we haven't understood this to be true for a very, very long time, but it can be easy for many of us to forget the real impacts until you see them firsthand in your own community, and you're forced to question whether or not they will catalyze change for the better, or whether things will only get worse. I have to believe the former.

Baltimore was an early pioneer in applying new approaches to neighborhood revitalization, some of which have worked and some of which haven't. Since then, the practice of people joining people and place-based strategies has evolved and developed a body of evidence-based programs that can make and that are making a profound difference in the lives of families and communities. Today, we have an opportunity to have an honest conversation about these efforts, to ask important questions, and to help lay the groundwork for a new path forward. Thank you.

(Applause)

(Audio dropout - long pause)

MS. LIU: While everyone is getting miked up, I wanted to say good morning. Thank you for joining us today here and on the webcast. I want to thank my colleague, Jennifer, for just a very heartfelt opening to this day. It's a stark reminder about why we are talking about these topics.

Listening to Jennifer, I had a Groundhog Day moment, which was you know, after Hurricane Katrina, which I was very actively involved in, there was a desire for a renewed conversation about urban policy and poverty. I think part of our motivation for having this conversation today was to make sure that even as the news cycle has receded a bit, that we continue to really explore what needs to be done to ensure that we don't find ourselves in this position again.

There is no doubt -- there is now a national discussion about poverty going on in the country right now, that we hope gets sustained. In fact, President Obama took part in a panel discussion last week in Georgetown among faith-based leaders to talk about how we tackle the challenges of poverty, and he did that alongside with Robert Putnam, who's written a book about the role of parenting and families in that --

I want to stress that -- just to reiterate some of the themes that Jennifer talked about, today's discussion is focused specifically on the role of place in that opportunity story, because there's so much concern about the fact that your zip code or the neighborhood you live in has such a major predictor on a person's life outcomes. And so, when we talk about entrenched poverty, entrenched poverty, as you heard from Jennifer, is highly concentrated in a neighborhood, whether it's an urban core or increasingly, in the suburbs.

So, as Jennifer said, I think at times when we read the media stories or we see the images of the frustration on the streets, there is a sense that a lot of our policies and our programs have failed our communities. And so, I think what we want to do is really focus on the fact that there's been a lot of well meaning efforts, organizations working in these communities, often for decades, trying to really reverse a lot of the trends that we've seen.

And the field has evolved, you know, since those early efforts to

revitalize Sandtown-Winchester, whether it's hopes fixed mixed income housing developments, the blending of place-based investments with people-based investments, whether it's social services, job training, housing mobility and choice. There are now new forms of finance in terms of new markets tax credit, and there's more efforts to connect low income neighborhoods to the wider regional economy, whether it's through skills, land use or transportation planning. This morning, we are going to try to touch on all of those issues, and we are going to explore what are those efforts that underway today to unlock opportunity in these high poverty neighborhoods. We're going to discuss what we have learned over the years on what has worked and what has not, and what we've been trying to build on, and we are going to also say we understand that the work is not finished. We have to acknowledge, where does the field have to go so we can continue to push the envelope on the policies and strategies that are needed to make sure we improve the life chances for low income families and their children.

So, for this conversation today, we wanted to bring leaders together and organizations who have actually been on the front lines of working on these issues, often for decades. Now, to convert neighborhoods of poverty to neighborhoods of opportunity takes a village. And so today, we kind of brought you a little mini village (Laughter).

And I know this seems really simplistic, but we have on our panel today, a community developer, an anchor partner, an investment banker, a resident and next generation leader and a philanthropist and policy maker. And each one of them have an important role to play in this complex issue about neighborhood opportunity.

So, let me introduce each one real quickly. So, to my left is Bart Harvey. He is the former chairman and CEO of Enterprise Community Partners. Now, he joined Enterprise in 1984, shortly after James Rouse started and formed the Enterprise Foundation, and Bart himself, ran the foundation from 1993 to 2008.

He is an expert on affordable housing. He is an expert on community development. He was -- with Lisk, helped formed -- with the foundations and the financial institutions, trying to scale national -- CDCs and community development capacity around the country. And like Jennifer, Bart lives in Baltimore and has been an integral part of the efforts in Sandtown-Winchester, where we're going to hear about in a moment.

Next to him is Joel Miranda, who is the director of Graduate Leadership Development for YouthBuild USA. If many of you don't know YouthBuild, YouthBuild was started by Dorothy Stoneman as a wee, little housing rehab program in Harlem back in the late 1970s, and today, it is a program that has scaled.

It is now in a hundred programs across 10 countries helping disconnected youth become leaders in rebuilding their own communities. And Joel, himself, is one of those leaders. He's not only a graduate of YouthBuild, but he's now a director in the organization, and on top of that, he's also involved with My Brother's Keeper.

Next to him is Donald Hinkle-Brown, who is the president and CEO of the Reinvestment Fund, which is one of the leading CDFIs in the country. You know, they are expert in financing neighborhood revitalization, providing market information programs to increase the wealth and assets of people in communities. And you're going to hear a lot about the neighborhoods they're involved in.

To his left is Derek Douglas. He's going to wear two hats for us today. Currently, he is the vice president for civic engagement of the University of Chicago. He's working on a lot of the partnerships around the Southside Chicago neighborhoods; the city and the region, around urban economic development.

But the other hat he wore, and how I got to know Derek is that he was special assistant to Obama in the first administration, helping to lead the Domestic Policy Council in the White House work on Urban Policy and Metropolitan Policy. And then not

least is Michael Smith, who is the philanthropist and policymaker I talked about.

He is currently the special assistant to the president and helps run "My Brother's Keepers," and before that, he oversaw the social innovation fund a couple social innovation initiatives at the Case Foundation. So, I think we are going to have a really dynamic discussion.

Just as a reminder, we're going to go and have this conversation for about 45 minutes or so. Do think about your questions, and we're going to open it up for Q&A. And again, folks on the web cast are welcome to join in this discussion.

So, let me start with Bart. And Bart went to Sandtown-Winchester the day after the riots to help contribute to the cleanup. Why don't you start first, from that personal story about what you saw and what you experienced?

MR. HARVEY: Certainly. Thank you, Amy. And like Jennifer, being a Baltimorean, being raised there and coming back and settling there, I was heartbroken. When you saw that CVS on the loop that kept burning and burning and burning, I wondered what had really happened and what had happened in Sandtown-Winchester.

And the next day, I went to both look for myself and to help clean up, and it was a very different scene than you might have expected. There were about 200 people that were out, out of the community and some of the churches, and they were cleaning up. And on North and Pennsylvania Avenue, where the CVS was, and also in a couple of other areas for small stores that had been impacted.

I went and toured all of the investment that Enterprise had made; 524 homes that we had directly contributed to, and about 250 through Sandtown Habitat for Humanity. And they looked better than they looked 20 years ago when we built them. The homeowners were there. They were in great shape. There was no property damage in any of them. There was a beating heart at the center of Sandtown-Winchester. So,

that was very positive and reassuring.

And then, I attended yesterday, a One Baltimore meeting of philanthropy and the state and the city to see, so how does Baltimore react to this. And basically, they surveyed everything that had been touched by the riots and the looting, and there were 350 different businesses. A half of them were a broken window or something on the exterior. The serious ones you saw on those clips over and over again; a very large shoe store, the CVS, one senior center that burnt to the ground.

If you take those 350 and look at the cost that is estimated on it, it's about 12 and a half million dollars from just initial preliminary estimates. A third of them have full insurance, a third of them have partial and a third have none. And the city and philanthropists and others, banks and community financial institutions, are getting together a pool to try to put everybody back into business.

So, it's a lot more hopeful situation than you might see from what you watch. And I'm sure Jennifer had the same thing, that you know, I got 67 emails saying, are you okay. Baltimore is burning (Laughter). You know? And so, put it in perspective. It still is a huge issue, and we should get into those issues.

MS. LIU: Yeah, so let me just follow up with Bart about what were the original plans or what was the effort that was made by Enterprise Habitat for Humanity to all your partners in Sandtown? And what's your reaction to the -- sometimes criticism or assumption that the \$130 million spent in Sandtown-Winchester didn't work?

MR. HARVEY: Yeah. And I'll say at the outset that this was Jim Rouse's view, which I think is the right view is of a neighborhood transformation. It's what real community development. He's saying, what would happen if not only the housing, but the schools and the employment and the healthcare and all of these systems worked to really help people become productive or more productive, and really integrate into part of

this system, so there's a path upwards for either them or their kids going forward?

And we did undertake a major effort around that, and we learned a lot.

And part of it was successful and part of it was not successful. And I was interested -- and Fox used -- it said \$130 million wasted in Sandtown-Winchester. Well, I went back, and if you just take -- and the housing and the infrastructure was the major part of that expenditure. There were other expenditures, but that was the major part.

And the 130 million is a mix of public and private financing. That was all added together out of an able report. And if you took just what we know about ours, which is Chickie Grayson Enterprise Homes, of the 524 units cost \$58 million. And it's all there. And it's all owned by people that are working, and a significant portion of that's being paid back to the state in mortgages over time.

So, and then if you look at the amount that was spent with Habitat for Humanity, that's being paid back, back into Habitat that goes into other houses along the way. So, that's all there. Now, let me just do one thing, if I may, on this -- not to avoid your question, but to put it into context.

If you took 524 people and put them into starter houses in the county and in some of the wealthier metro areas, at a \$350,000 home over the same period, with the same interest rate, you would spend more in a mortgage interest deduction on them. They have their houses. The cost to the government would be more than it is in Sandtown-Winchester, if you do the math, over the same period of time. So, you have these houses, almost 700 if you count ours and Habitat's together that are there, are effective, they're a heartbeat.

What didn't happen? The connection to jobs was incredibly difficult. There's a large number of ex-offenders in the area. They're an automatic exclude by law. We went round and round on that. That was a failure. Economic development did not

occur. So, you can see where Sandtown's investment begins and ends.

Where Freddie Grey lived was on the outskirts of the area that had been improved dramatically and had the strongest home ownership portion of all of Sandtown-Winchester. And what didn't happen was, there wasn't an economic driver that kept that redevelopment going past where the homeowners were and past where the stability in Sandtown-Winchester was. The employment didn't occur. The healthcare systems we -- and I'm sorry, I'm probably taking too long.

MS. LIU: No, no.

MR. HARVEY: The healthcare systems -- we organized all of the various healthcare providers. All of the payment systems changed. A very hard thing to do, but we signed up every -- almost every kid in Sandtown for the CHIPS program, et cetera, so there is more healthcare available than when we started. The schools, we took on two public schools under an agreement and combined them into one from K through 6s to K through 8, and it went from one of the worst schools into the top half by all statistical measures along the way. So, that improvement is still there. More needs to be done.

So, there are positives and negatives to this whole situation. Most of that investment is still there, and it's amazing that it's in better shape than it was when it was first done.

MS. LIU: So, I think that positive progress, the one outstanding issue was jobs, which takes --

MR. HARVEY: Jobs and development. Economic development.

MS. LIU: Which takes us really naturally to Joel. And Joel and I talked a bit before this about how -- what we see is that despite some of this positive progress, a lot of young people are still very frustrated.

And so, YouthBuild works directly with those young people, and it's -- by the way, it is not lost on me that we are having this conversation at an institution that is like the symbol of privilege. So, I asked Joel to just get us out of our ivory tower and really make everyone in this room really uncomfortable (Laughter), and tell a story about how YouthBuild really works with kids who feel left out, and how you get to a place of promise.

MR. MIRANDA: Thank you, Amy. So YouthBuild -- just to give you some background on YouthBuild. YouthBuild is in its 36th year as a program. It started in 1978 in East Harlem, became a national -- federally funded program in 1993, due to the Department of Housing and Urban Development, and now is a federally funded program under the Department of Labor.

Just as far as the numbers go, we went from this one tiny program in Harlem to 268 programs nationwide. Right? Which sounds great. Right? But there -- over 2,000 communities have applied to have a YouthBuild program in their communities, and only these 268 are able to operate, because of lack of funding.

And here are the needs in those communities. The young people who come to our programs -- now, they come to our programs. We don't have to do very much advertising. Word of mouth gets them in. Right? They have a brother, a sister, an uncle, a father who graduated from YouthBuild and talks about this as a unique experience that helped them tap into their potential.

And they're coming to us from fragmented homes. Some of our young people were or are current gang members, single parents, struggling with substance abuse, homelessness. I mean, they are really feeling the sting of poverty every day. Right? And they're feeling the sting of generations of poverty.

And so, they're coming to our programs sort of saying, I need something to change. Right? They're survivors. And in the YouthBuild program, they're engaged

by a loving and supportive community that believes in their innate and abundant potential. Right? And we provide academic enrichment. We provide career readiness skills, life skills development, leadership development, the opportunity to engage in meaningful service, and we tap into that desire, right, to want to change their communities.

And the story isn't always linear. Right? I'll give you of some young -- myself. I dropped out of high school when I was 17, and I literally walked out in front of high school officials. And I remember at the moment feeling like I didn't want to go back, but wondering why no one was coming after me (Laughter). Wondering why no one was telling me to turn around. Right?

And at the age of 17, when that happened and you feel disconnected from the rest of the world, and you see that some of the people who are supposed to be responsible for your education, for developing you, aren't doing that and don't bother to say, hey, wait, you believe that the world doesn't care. And so, many of our young people who come to the program, in addition to the many stings of poverty that they're suffering, they're coming angry, because they feel like they've been disappointed, right, and sort of jettisoned out of society.

They come to the program. We believe in them. We nurture them. We provide a place for them to heal, to develop real world skills, to tap into what I call -- you know, I compare this to, you know, the laws of energy, which is that their ability is neither created nor destroyed, but transformed from one form to another, and we take these amazing skills and talents that they bring, and within the walls of our program, we are that reactor. Right?

And we tap into the leadership that they already have, and then we help them come out and find a sense of self efficacy; make better decisions about their lives.

They're able to succeed in career and post secondary education. Right? And we provide this ongoing love and support. We have this motto -- this mantra amongst YouthBuild graduates -- we saw once in YouthBuild, always in YouthBuild.

All right? And so we become -- we're a family. We're a family. I have 140,000 brothers and sisters nationwide who have graduated from YouthBuild programs over the years. All right? And these 140,000 brothers and sisters nationwide have engaged in the building of 28,000 units of affordable housing. Right?

So, not only are they building themselves, they are building their community. Right? And those two things go hand in hand. All right? And so we take the young mother who is coming out of an abusive relationship, right, and she comes to us, and we provide the healing and we provide the real world skills.

The young man who is suffering because he has been the victim of poverty, but also has also been the aggressor, right, of the many things that come with poverty -- right? Violence on others, violence on a partner, violence on himself. And so, you know, we work with a group of young people that to many in society, are not that attractive. Right?

I was having a conversation earlier with you, Bart, about you know, there are some programs that have scaled really quickly, but they're working with the folks who are a little bit more attractive. Right? Folks from more affluent communities, college graduates. They're easier to talk to. They're easier to deal with. They're not going to blow up in your face, right, the minute you confront them with some of the problems that they're facing.

But these are young people that need us. Right? We really are living in two Americas. Right? One that looks pretty, that is pretty to talk about, because we're doing something about the problems that exist in that America, and one that we're not

really dealing with. Right? And one that we know is there, because we saw the anger come out, right, in Baltimore?

And you know, I think back -- a colleague of mine pointed me to an interview on one of the news stations, and I can't remember which one it is at the moment, but a young man -- the reporter turned to the young man, and the young man said, "We are hurting. We are hurting. We are not being listened to." And at that moment, the reporter turned away, because he wanted to focus on the riots. Right? So, that is who you're working with (Laughter).

We are working with young people who are hurting. Right? And our goal is not only to help them heal, but to help them become productive, responsible citizens who are not just living in their communities and who are not just part of their families, but they're building their families, they're building their communities, they are becoming leaders.

So, what I mentioned earlier, that's who our young people were. Today, they're our community leaders. They're police liaisons. They're working to go into the prison system and work with young people before they're released, to give them some hope, to let them know that once they get on the other side, there are opportunities for them.

MS. LIU: Can you --

MR. MIRANDA: That was long. I'm sorry.

MS. LIU: Oh no, no. I don't want to ever cut you off. Tell us about YouthBuild's experience in Ferguson, because I think you do have a chapter there, or working in St. Louis, and your experience in Baltimore, too.

MR. MIRANDA: So, YouthBuild has a chapter in St. Louis, and soon after the events in Ferguson, we got a call from the director in St. Louis. And she said,

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you know, we -- Michael Brown's uncle is actually a graduate of the St. Louis program. He needed some help for funeral costs -- clothing related to the funeral. We provided that.

And the young people at the St. Louis program and the staff at the St. Louis program said, we are close by. We need to be doing something. So, they were going into the community, you know, sort of just being there, being part of it, and beginning conversations with officials in the community. It's taken longer than anyone would have liked, but we recently, the mayor of Ferguson actually gave YouthBuild St. Louis two plots, where they can begin to build homes -- affordable housing units.

And the hope is that this grows, so that the young people in Ferguson are then able to build real community assets. Right? And you know, where we've seen this work, we've seen that the young people, once they're building these community assets, they remember that for a lifetime. They drive by that house, that building that they helped build, and they say, I built that, and therefore, I am taking care of that. You cannot touch this. And so what we hope is that that -- that's where we begin in Ferguson, and we think we're on way there.

(Audio dropout)

(Discussion off the record)

SPEAKER: And Joel, you mentioned in the green room, that for every student that comes into YouthBuild, there are so many more. Could you --

(Audio dropout)

MR. MIRANDA: Yeah, for every one -- for every young person that makes it into the YouthBuild program, we have at least five young people who can't, because of lack of funding. All right?

And so you know, we hope that the following year, those young people

come back. Many of them do. Right? There are some times when they don't. Right? And we'll go out into the community and search for them. But we worry about where they ended up. Right? And so, if we're not able to capture them when they're saying hey, we want this, right, we're going to lose them. Right?

And so, it's the responsibility of everyone. Right? It's the responsibility of our government, our corporate partners, of everyone in the community. It takes a village. Right? And we've got to take a look at who's answering the calling. Most of them are.

MS. LIU: That's great. Lots to cover. But Don, why don't we go to you and talk about TRF. And TRF has actually spent -- they work in a lot of communities, but they've been in Baltimore for 10 years. So deep, long-term, patient capital investment and partnerships in that community. Talk about your work in Baltimore and how that's a reflection of your theory of change at TRF.

MR. HINKLE-BROWN: Sure. The Reinvestment Fund is both a CFI, a financial institution that's a non-profit, but also, we founded a development company, very specifically, for Baltimore. But it is working across the Mid-Atlantic, as well.

And then, we also are a data and analytics company, and that's part of both the development entity and our data business are really -- reveal our theory of change. So, we were invited to Baltimore by Build, an IAF organization, just after the Dawson fire bombing, an event today that would spark a riot, but then it sparked a tremendous amount of despair.

And the neighborhood in Oliver organized with Build's assistance, and they wanted something positive to follow that horrible, heinous event. And they invited us to come and help them develop a redevelopment strategy.

MS. LIU: Can you tell the audience what Oliver is? What neighborhood

-- where that is?

MR. HINKLE-BROWN: Oliver is in East Baltimore. It is where they filmed "The Wire." It is adjacent to the EBDI region around Johns Hopkins Medical. So, it is between Johns Hopkins Medical and the Amtrak station. And we work there near the station and Station North through Greenmount down through Johnson Square and Oliver.

We've built about 230 some units across that region. And we have reduced vacancy from over 40 percent to 8 percent, thus far. We believe we'll reach 5 percent vacancy in a couple more years with a bit more effort. We have increased median incomes within that region, which was pretty consistently homogenous, a very low income, impoverished population. We've integrated it a bit. Median incomes have risen 64 percent since we've been investing there.

And we have been performing for the city, a series of neighborhood typologies over time. I believe Baltimore has now done four different iterations, so they now have a time series of the market trajectories, the value trajectories of place, and can then adjust their programs. Individual communities can adjust their strategies or make their case based on data for why they need resources and of what kind.

The cities in this current environment of scarcity and ever diminishing resources need to be able to aim their resources. You know, equity 20 years ago was provide every service everywhere. And then, you provide it to the next person in line. Equity today, in a sense of scarcity is, you had better use your resources where they are most effective.

And one of our theories of changes is around those data advised decision makings for efficient use of resources and amplification of resources. The other is to build from strength. And we specifically picked Oliver, not just because of the fire bombing and the organizing effort. We originally told the folks we can't guarantee you

that that's the neighborhood we would pick.

We scanned the whole region and found that actually, the combination of factors around there presented an actionable development that over a number of years, with a specific amount of money, we believed we could reactivate the marketplace. So, a built from strength strategy around community development.

And the reason why that is our strategy is, we want the provide marketplace to scissor with us around market activity. So, when we started our work in East Baltimore, we represented 80 or 90 percent of building permits over \$50,000. Today, we are a minority of the building permits over \$50,000.

When we started, we were the majority of home sales over \$150,000. Today, we are a minority of the home sales over \$150,000. The private market is drafting on our wind, and that is what makes it manageable in terms of public subsidy in today's environment of shrinking budgets, and it allows you to then shift your focus to the next neighborhood, while the existing neighborhood is still being drafted with market activity. And you can build a crescendo. It is planned change. And you know, the last topic we need to cover today, given the context, is gentrification.

MS. LIU: (Laughter)

MR. HINKLE-BROWN: But gentrification is really just unmanaged change where the public sector is disengaged, and the private sector does what it does. What we're trying to do is manage a joint effort to build value and opportunity for existing residents and new residents in a way that's managed change and self sustaining them, once we're able to move on to the next neighborhood.

MS. LIU: Great. We promised to get beyond Baltimore, so the next is Chicago (Laughter). And I'm going to bring Derek into the conversation. As you know, the University of Chicago is on the south side of the city, and since he's arrived at

University of Chicago in his role, he's really reinvented the role of an anchor institution in sort of economic opportunity.

So, can you talk about that, particularly, in the context of sort of distress and inequality, because I think many of us who are observers of the new cycle, know that the mayoral race in Chicago was very much defined by the frustrations in some of these neighborhoods and the inequality in Chicago. So, talk about the conditions and your role.

MR. DOUGLAS: Sure. Thanks, Amy, for inviting me. It's good to be here and see so many people I haven't seen in a long time.

The issues that Chicago faces are not dissimilar from the issues in Baltimore and many other cities in the United States and around the world. You have this phenomenon in Chicago, where you have a very growing and thriving downtown area, and then, when you get out to the neighborhoods, particularly on the south and the west sides, you see depopulation, disinvestment, high unemployment.

And in my estimation, the main issue driving that is that the neighborhoods are not connected at all to what's driving the economy. And I think one of the big challenges that neighborhoods often face is this disconnection that needs to be spoken to. And what you saw in the mayoral race was some of that feeling and some of that frustration. The mayor did a lot of positive things, but a lot of people still felt frustrated. They felt they weren't listened to. They felt that things were not getting better. And so, that was why it was such a contentious race and went to a run-off and all of that.

What we've been doing at the University of Chicago has been trying to re-imagine what the role of anchor institution is in the city and in the community. And looking at it, not just as the traditional anchor things that a lot of institutions do, which are very important, like our buy local, hire local, those sorts of things, but trying to really look at what are all of the things that universities do, and how can we leverage those things to

have an impact in the community in the city.

And so, it's important to emphasize what are the things universities do.

So, we try to develop a civic engagement policy that doesn't have us trying to become the city. It doesn't have us trying to be a bank. It doesn't have us trying to be a foundation. It's be a university. But there are a lot of things universities do that could be leveraged for impact.

The anchor stuff is very clear. The amount of -- you know, the University of Chicago is the largest employer on the south side, the largest purchaser on the south side, the largest developer on the south side. We went for charter schools. We have the largest medical provider on the south side. You can go down the list. And so, there's a lot of things and a lot of tools that we can use and have been using to try to reorient those to have an impact in the city, in the region and in the local community.

But we also -- universities are also educators. That's what they do. So, we have been trying to develop initiatives to support and provide more access to the educational resources of the university in the city; things like college readiness, college access types of programs. We've been recently doing a lot more work around leadership development in the public sector, in the non-profit sector.

We created a new program to incubate and accelerate non-profits kind of at an organizational level, which is another big issue. Universities are also research institutions. That's the core mission. And so, we've been thinking about ways in which we could try to encourage and incentivize more of our faculty as they're doing their scholarships that's getting published in the best journals, to do things that also can have an impact on policy evidence-based kinds of approaches, and we've been seeing a lot more of that. I'll give you an example in a second.

And the last area we've been really focusing on is around innovation and

entrepreneurship. In Chicago, it's become a high priority for the mayor and a lot of effort in the city around that, and universities are, you know, with the research that goes on, the ideas, there's a huge opportunity to create new companies, new commercialized research, new technologies, new products, and to connect those into the neighborhoods and the communities. And we created a new innovation center, the first one on the south side that ties kind of the neighborhood and the south side into the broader economy.

A couple of examples, if I could just highlight that are focused on -- one is this initiative called CASE, Chicago Anchors for a Strong Economy, where we at the university, brought it to the World Business Chicago, which is an organization in the city that leads a lot of its economic development business attraction types of initiatives, and the Polk Brothers Foundation was an instrumental partner.

And the idea was to leverage the procurement power, not just of one anchor, but of multiple anchors, and also, anchors in different sectors. So, a lot of times, you'll see educational institutions or medical institutions band together. But here, we have the major universities, the major medical centers. The city is a partner as well as city agencies, like CHA and CTA.

The county is a partner. We have the private sector, banks, health providers, an energy company. We have all of the largest museums in the city that are part of this consortium. And the motivation is really to think about ways in which these anchors can come together to pool their resources to connect the neighborhoods that are most in need on the south and west sides to the economy.

So, one big pillar of the work is around our purchasing, and so, we do both capacity building for businesses, which is a big issue, to how they can grow their businesses and then get contracts with these institutions. We try to work together to do big plays, where we can go to one of our joint vendors and say we'd like you to set up an

operation on the south side and we'll give you a long-term cutting, and it creates jobs.

We also -- coming together to borrow from each other's networks. So, one of the big challenges -- we might have some local suppliers. This vendor doesn't know who we work with. And so, it helps in that regard. And we're going to be building out a workforce development pillar, as well.

Another example of something that I think is relevant to the conversation today is this new initiative at the university now. It's called the Urban Labs, which is a project that is focused on doing very rigorous evidence based research to inform policy. It's building on the success that we had with the crime lab, which you know very well, was -- if you studied this program, Becoming A Man, which got at issues of youth violence, tested a program that showed how being in the program reduced youth violent arrests by 44 percent.

And that program, then, got scaled by the mayor to 2,000 young men, and the president met with those young men, and then, went back and helped to spawn the "My Brother's Keeper" initiative, and we -- creating a lab in crime. There's one in education. There's one in poverty. There's one in energy and the environment, and there's one in health.

And they will do randomized control trials studying these programs, and then work with cities to help scale them up. So, it's a way in which we leverage what we do to have impact. So, those are just a couple of the ways, but there's a lot, I think, that anchors can do and are trying to do to really be catalysts for change.

MS. LIU: Thanks, Derek.

Michael, I viewed a lot of interest from probably everyone in this room and around the country around what the administration is going to do in this moment. So, we'll touch on that. Let's start first about "My Brother's Keeper." It's now a little over a

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year in implementation.

You've really received a lot of local commitments to action. Explain to people in the room who may not be familiar with it. What's the approach for "My Brother's Keeper?" What's the results now, a year in?

MR. SMITH: Sure. Good morning.

So you know, "My Brother's Keeper" is really what the heart of the Obama Administration is, which is making sure that we're expanding opportunity for all Americans, not only in restoring economic prosperity, but making sure that all young people have an opportunity to reach their full potential. And that's what "My Brother's Keeper" is all about.

You know, Derek talked about the president meeting with these young men from MAM, and I think that was certainly an impetus. After the death of Trayvon Martin, I think many of you may remember the president surprising the press briefing corps and sharing some of his raw emotions, and trying to explain some of the anger and the angst that Americans were feeling about another life tragically lost.

And he said there has to be something that we could do about it. And he said, I don't have a big plan up my sleeve, but I'm going to put my teams together and see what happens. And six months after that, the president going to the press briefing corps, "My Brother's Keeper" was launched. And it's simply about addressing these persistent opportunity gaps that boys and young men of color face, and making sure that all young people can reach their potential.

And if you look at the data on boys and young men of color, black boys, Latino, tribal, certain Asian American and Pacific Islander populations, the data is staggering -- starting at making sure that they're entering kindergarten, ready to learn, reading at grade level by third grade, where they're trailing behind their peers. And that's

such an important indicator, where you switch from learning to read to reading to learn.

The high school graduation rate -- we were just applauding that America, we're now at over 80 percent graduation rate. But when you look at black and Latino and tribal boys, you're still at about 50 percent. We actually had a group of folks from Rochester that were meeting with us recently, and just about three years ago, their graduation rate for black boys was 9 percent.

And if you look at interaction with the criminal justice system, shocking. If you look at homicide, where black boys, for instance, are 6 percent of the population, but more than half of the nation's murder victims. Unemployment rates -- you realize we need to pause and say what's going on here and what can we do.

And so, the president did three things. One: He created the "My Brother's Keeper" task force, which is a task force that's made up of almost every single cabinet member that has something to do with domestic policy. And he gave them 90 days to come back with a strategy on a series of recommendations. And they did just that.

And so, we're focused on a creatable college and career strategy. We're looking at young people zero to 24, and six key milestones in their lives, where we know if we can make a difference there, it can have long-term transformation. And so, you've seen in the past year from the "My Brother's Keeper" task force, all sorts of new and expanded grant programs. You've seen new federal guidance, new public/private partnerships.

Everything from Department of Labor and a hundred million dollar pre-apprenticeship program, which is also really making sure that we're looking at this population. The Corporation for National Community Service creating Opportunity AmeriCorps, or even guidance that's come from the Department of Education on School

Discipline Reform, where I think many of you know the statistics that we see with kids of color being suspended at extraordinarily high rate as early as pre-K, sometimes involving the law enforcement system, when you used to kind of get put in the corner for that sort of thing.

So, it's been really exciting to see what's happening on the policy side.

On the play side, where my heart is, the president launched something called "My Brother's Keeper Community Challenge" in mid September, and it was really a way to say, hey, local communities, we know that real progress begins and ends with you. And this can't be just something that we're talking about from the grassroots. And many of you have been working on this, anyway.

So, we now have 227 mayors, tribal leaders and county executives that have accepted the president's "My Brother's Keeper" community challenge. They're aligning with our strategy, and they've taken the president's challenge to say in 180 days, we're going to pick the areas that we're going to focus on. We're going to convene local stakeholders to really own the challenges and opportunities in our community.

We're going to do an exhaustive policy scan to really be honest about what works and what doesn't work. And then lastly, we're going to release a local action plan to tell the community how we're going to address these persistent opportunity gaps. And we are kind of towards the beginning of that 180 day period.

Philadelphia was the first city to release their local action plan, followed by Indianapolis, Boston, several others since then. But in Philadelphia, just to give you an example, they're doing some really interesting things. One, they have a bold goal to reduce juvenile arrests by 50 percent, and that's what you're seeing in many of these plans. And they're going to do that through a diversion program.

They have a program where they're trying to bring in literacy specialists

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to work with the highlight needs kids. In Indianapolis, they're doing a Harlem Children Zone replication. They're expanding the Police Athletic League, and they're also doing bias training for all of their police officers.

In Boston, they've expanded their street worker program, getting more youth workers out in the streets to work with young people that might be at risk for crime and violence. They've expanded this -- the mayor's mentoring initiative, where he's also really challenging the city to get involved.

And so, what's exciting about the "My Brother's Keeper" work is you're seeing people be very serious about this, but also, planning for the long-term, to hopefully prevent -- not only address what's happening now, but prevent challenges in the future, and real serious bold goals and investing in what works.

And then lastly, I'll just say, the president really called the private sector to action. And so, what we've seen since the launch of "My Brother's Keeper" is more than \$500 million in serious private sector commitments. Most recently, just a couple of weeks ago, we were with the president of the Bronx, where something was launched called the "My Brother's Keeper" alliance, and the former CEO of Deloitte, Joe Echevarria, is leading this with an all-star corporate board.

They launched with about 80 to a hundred million dollars in real commitments. They're going to give grants, technical assistance, resources and support to really get behind these communities, so that these plans can actually be implemented. You name it. JPMorganChase, UBS, all -- many, many other corporations who have really gotten behind this work.

So, there's some good momentum here. And now, the next stage is making sure that we implement and are really shining a spotlight on what's working and where we're having impact.

MS. LIU: I'm just going to build off that. I want to move to the next set of topics. And I do want to make sure we open up to the questions in about 10 minutes. I want to do one last round of questions here. So, start thinking about what you want to ask, and I really want to invite those on the webcast to also start sending your questions to the hash tag.

You know, when we think about -- you know, there's a lot of excitement and momentum here, and a lot of energy by the leaders on this panel. We know the work is unfinished. We know this is the long game. So, as we think about what's next for the field, we have to build on what we've learned. And I think there has been a lot of learning.

Now, whether there's a lot of institutional memory in that (Laughter), it's not clear, but we do want to make sure we don't replicate mistakes. So, A, I want the three organizations that have been in existence for 20 years to sort of tell us what -- you know, what you've learned that we really need to -- that works, that we need to build on as we go forward.

I think for Derek, I think it would be really great to hear from your administration hat, and now, being on the ground, you know, what you think scaling at the national level looks like, given the reality on the ground. And I think, Michael, I think your work on social innovation on you know, evidence -- you know, impact investing, leveraging -- to sustain in scale proven programs -- I think that's where the dialogue is.

You know, what you're learned from that, that we need to kind of continue to hold onto. So, let's just run through it real quick. Yep?

MR. DOUGLAS: Great. I think a lot has been learned since the Sandtown-Winchester neighborhood transformation. And part of it connects to what's being done in East Baltimore, as well, in the Oliver neighborhood.

The Oliver neighborhood can succeed, because just south of it, you have Johns Hopkins Hospital, which is the largest employer. And in a lot of the old industrial cities, you had eds and meds. And they are now the major employers. And you've got to connect to the investment and the employments that are going to into those eds and those meds.

And East Baltimore Development Initiative, which is where Sandtown was originally cited to be -- but it -- because of politics, it was elsewhere -- and we work with Build just as you're working with Build and TRF, which is community -- really, basic organization out of the community that holds politicians accountable.

But what's happening for EBDI, which is tough, and it's gone through some cycles, but it is absolutely right, and the involvement of Johns Hopkins, the involvement of the president of Johns Hopkins -- and this really to Derek, and the buying power and everything that Derek said, is in effective, as well as a new school that Hopkins is knee deep into.

So in essence, the economic development and the employment have to follow and have to be connected. And it's still really hard and difficult, and you go through cycles, and your investment has got to be patient and for the longer term. And Enterprise is doing similar kinds of efforts to that in -- in fact, in New Orleans around Le Fete, with a charter school and with employment, et cetera, and in other places that its operating.

The final thing I'll say is, you need patient, long-term capital, and Calvert Social Investment Foundation is trying to tap this longer term capital that can come in and be part of the effort, and that really gets to CDFIs and to others that have to be able to have seven and ten year money. And there's a lot of it.

And I think a lot of people would like to see if they have safety that their

capital can go to rebuild their cities, you know, in a really constructive way. And that's all in the works, too. So, I think there's some really positive lessons learned. There's some positive things that are on the ground.

The biggest issue that isn't being addressed, in my estimation, by the administration and everyone else is, do we have an intentional jobs program that really gets down to the ground, to this concentrated poverty that really re-concentrated after the Great Recession in a major way, and really threatened our cities.

You know, this was not as much a race issue. You have an Africa American you know, mayor, a prosecutor, et cetera. It's a poverty issue. And there's real anger. And it isn't just in Baltimore. It's all over the country in different areas of concentrated poverty.

MS. LIU: Joel, do you want to build off that?

MR. MIRANDA: Sure. I mean, we've learned over the years that -- I think the biggest lesson is that if you simply stop and ask a young person what they would like to do for their community, they're going to have many, many ideas. And we need to listen.

This is how YouthBuild was started many years ago, and I've seen it consistently. YouthBuild has been around longer than I've been alive, but I've seen it consistently in the 17 years that I've been involved with YouthBuild in one way or another, that when we bring in people together, we ask them about what they would like to see happen in their community. They have many, many ideas. And so, they need for people to listen.

I love the energy behind a lot of the research that's going into finding what works. Right? And I just want to make sure that we don't become too fragmented, and we focus on one approach, and we say it's just mentoring, or it's just internships. It

really is about -- it's about the instruction, the training, the development, mentoring, internships, service.

Because none of what the young people are experiencing happened in a vacuum. Right? It's the result of many policies and practices and attitudes and behaviors. Right? And so, we've got to look at a holistic approach, a comprehensive approach that provides the skill, develops them as an individual, as a leader, and that also allows them to heal.

I mean, I agree, this is a poverty issue. Right? But I believe that also many of the poverty issues, right -- way back, have a racial element. Right? And we have to confront that at some point. I have many friends -- my fellow Latino friends and African American brothers, right, who will say, racism doesn't exist. But they can all point to an example where they were treated differently, because of who they were.

And I have many white friends who say -- who I would not label racist. Right? But little things that we do, right, come from a history of racism. And so, at some point, we do have to acknowledge that and confront that. Right? And the impact that it's had on poverty and how it's compounded this thing of poverty. Right?

But if we've learned anything, it's that there is abundant energy and talent in our young people, and all we have to do is ask and engage them in the decision making. YouthBuild puts a lot of energy and resources behind youth policy input, and young people and graduates are engaged in policy decisions within the organization and policy -- external policy recommendations. Right?

And so, we want to make sure that we are listening and that we are bringing other folks into the conversation. You mentioned that -- sorry, this is sort of an ivory tower. On the list of attendees, I saw someone that registered as Mom from Earth (Laughter). Let's bring (Laughter) -- (Applause) let's bring everyone into the

conversation. Sorry.

MS. LIU: No, no, no, don't. So Joel, I want to follow up, though, because you know, this issue about two jobs -- leadership, two jobs -- opportunity -- at the end of the day, people do want to end up with that other worth. You know?

And we talked a little bit about this beforehand. When the recession hit, construction stopped. How did YouthBuild create demand, find demand, so that young people can get work ready experience and end up in a place of employment? What's the model there?

MR. MIRANDA: So, I worked for many years at a YouthBuild program as well, and we saw that hit immediately. Right? So, we had to look at what other industries -- right -- were in demand. And so, many YouthBuild programs started looking at the health careers -- stackable credentials within the health careers, you know, started as a nurse's assistant, and then going to community college, and there's an RN program there. Right? And pursuing this path.

In some regions, you know, there is a need for people of color in retail management. Right? So we're looking at -- so, we're taking a look at where the need is. Right? And it matches our model, that it's engaging young people to meet the needs of the community and to meet the needs of this country.

And so, what has been a great development is that through the our federal funder, the Department of Labor, we now have something called Construction Plus. So YouthBuild, that started out building homes and a construction chaining program is a youth development program, youth leadership program, education program -- we build homes. We're also looking at other high demand industries, because we know that we have the skill and talent to meet them.

SPEAKER: (Inaudible)

(Audio drop out)

SPEAKER: -- back to the question.

SPEAKER: Yeah, well, I think this is about capital integrated approaches

SPEAKER: Yep.

MR. HARVEY: So, I would say, one thing I didn't emphasize as much in the first question is, we've definitely learned that our work is more impactful when we connect well organized data and well organized money to organized people. So, we can connection data and money to transactions all day long.

And some of those transactions are self sustaining and a have a tier-one kind of positive effect on place or people. But connecting those resources to organized people and listening to what they want to have happen, and then executing on what they want to have happen, it is a whole different tier of success.

It is much more likely to have a longevity. It is much more likely to be valued in the neighborhood. And it spawns unintentional positive effects. Our building in Oliver with Build was part and parcel of a series of successes which led go a grocery store organized with Build and other community organizations somewhere else in the city, and led to the political success and the credibility which helped them advocate for a billion dollar school rebuilding bond in Baltimore. These things are not completely detached. They do -- success builds upon success, especially when you're connected to organize communities. It is the hardest money in the world to get, is organizing money. Nobody really wants these people to have an organized voice, because there's the risk of what will they say and what will they say and what will they ask for. Right (Laughter)?

Silence is a lot easier to manage, just like politicians can manage decline quite well. They can also manage silence quiet well (Laughter).

SPEAKER: Yeah.

MR. HINKLE-BROWN: Right? So, giving voice is threatening, but it's really important. The other thing I'd say is, you know, there's this premise within the world of community development that the places where we work are broken markets are they are "disconnected" from the regional economy, or dis -- you know, disconnected from any particular pipeline of opportunity or resource.

Take it a bit farther and live there for a little while and try to invest, and one realizes that you're not just in a broken market. There is the other kind of market. The other kind of market where the residents of these neighborhoods are an input to a false and upside down economy, which is keeping them in poverty; an economy that is fueled by the status quo.

And we see this in payday lending. We see this in high costs of food in particular neighborhoods. We see this in abusive landlords not maintaining quality residences, but there's no choice. So it just perpetuates itself. And this builds up a level of cynicism of place and anger of residence in place, and we shouldn't just presume that we're reactivating marketplaces and we're giving equitable access. We're also rescuing people from kind of this penury of a bad economy that is using them as fuel.

You know, when you listen to the radio and when you watch TV, we are the product. Right? We all forget this. We are the product being sold to advertisers. In poor neighborhoods, the residents are being sold into an economy which actually is a weight on their shoulders, keeping them where they are. And that's how I think community development has changed. It's begun to realize that.

And you had said earlier, something about the need for cross sector all approaches. Community development can't do this on its own. And as we talk about job, you know, we need to come together with a workforce system and an economic

development pillar which has been a separate silo; different motivations. You know, jobs are jobs, but not necessarily jobs for poor people.

You know, jobs with suburban pickup trucks coming into the city to take advantage of those new jobs. And then, we have a new opportunity with public health, where a whole different profession, and frankly, another silo, is coming to bear in our work. And if we can bring together, you know, the new world of healthcare community benefits and public health with the classic kind of municipal county silo around economic development with the place based grounded stuff of community development, that's where the big opportunity is.

MS. LIU: You said something earlier about capital, and you talked about the scissors and how that's important, to make sure we have good leveraged investment before you know, you move on to maybe a different neighborhood based on data. What's the lesson around capital now? How do we, you know, especially long-term -- I think sustaining these investments takes a while. You know, give us some thoughts on that.

MR. HINKLE-BROWN: Well, we raised very particular capital for our work in all of our -- as I'm sure Enterprise did in Sandtown. We went out and we raised about \$10 million of patient mission capital from institutions and individuals, frankly from some retired Rouse executives that (Laughter) -- the tier down.

And that patient capital, coming from a really wide lens of civic and community stakeholders was important, that they were invested in our work. So, providing a channel where the broadest audience can be invested in your work, it is much more -- it leads to more success, and it also mitigates the risks that you will bump into down the road.

When you need to be six degrees of separation from access to the

mayor or access to the solution, if all of your money comes from one federal agency and it parachutes down and you have no connections, and you're not invested in a set of civic stakeholders, that's a challenge. CDFIs do that quite well in blending forms of capital, and then sharing ownership over the transactions they come from, the community --

(Audio dropout)

MS. LIU: Derek --

MR. DOUGLAS: Yeah, I was reflecting on this panel, given that I was in the White House doing urban policy, and now I've been working more on the community and on the ground, what are the things that if I knew then what I know now (Laughter), would be different --

SPEAKER: Tell me (Laughter).

MR. DOUGLAS: Hearing what you're doing, it sounds like you're on the right track. But one thing I think that we do a lot of in government, and that when you're on the ground, it becomes an issue is that there's we need to do more doing and less planning.

SPEAKER: Mm-hmm.

MR. DOUGLAS: I'm not going to say planning is a problem, but if you go into these communities, they have 50 plans, and every year, some new group is coming to do a plan, or the city is going to announce a new plan. And they feel that they're essentially planned all the time with nothing ever happening, and it actually is a negative and from the community perspective, because it creates disillusionment, it makes people feel that you know, it's the new thing of what we're going to do, but nothing ever comes of it.

And I think that sometimes -- not to say that we shouldn't be doing plenty, but the balance needs to be maybe tilted a little bit, where you're starting to do things, try things, like what CDFIs do -- make an investment in a -- whatever.

SPEAKER: Applied research.

MR. DOUGLAS: Yeah.

MR. HINKLE-BROWN: Act --

MR. DOUGLAS: Act before you study and while you study. Yeah.

MR. DOUGLAS: So, that's one thing that I think is very important. A second thing that we did that it sounds like you actually figured this out, is that we spent a lot of time focusing on the cities through our urban policy strategy, and trying to figure out how we can work with cities, give them ideas, give them resources. And I don't think we did enough to get the institutions and the organizations with resources in the ball game.

The reality is, cities are all broke, for the most part. States are all -- at least state is broke. Most states are broke. The federal government is always struggling. And so, if you don't get the private sector or places like CDFIs, universities who have resources, not just to invest, but to see that investing in community is also in their interest; that it's good for the city, it's good for the economy, you're not going to make things happen, because there's so many ideas, but there's no money to ever do the stuff.

And you have to bring those people more and more into the game. And the last thing I would say is that we also focused a lot on the capacity of cities, but not nearly enough on the capacity in neighborhoods.

MS. LIU: Mm-hmm.

MR. DOUGLAS: And one of the clearest things I saw when I went to Chicago is that you have some neighborhoods with strong leadership and strong capacity. They get all the money. They get all the resources. Every foundation wants to give to them. And you have some neighborhoods that don't have any of that, and they get nothing, because people want to give to places that they know can execute.

And if you don't have that fabric, you have whole neighborhoods and

communities that are cut out. And so, I think we should have, and you know, I would encourage "My Brother's Keeper" and other initiatives to really focus on how you can build up the capacity and the infrastructure in communities, so that you have strong, well organized, well functioning, strategic organizations that can do stuff, and then you can work through them to make things happen.

MS. LIU: Michael, I'm going to -- I'm sure you've got a lot of lessons you want to give, but I really want you to talk about scale. I think the one thing that folks experienced, of all of the proactive things that were done under Derek's leadership and all the other things is, lots of pilots.

You see a lot of programs that are funded one year, two year, one year in testing this, or only in a couple of places. And you walk into any city, and there's five pilots on skills development and another set of pilots on youth. And the biggest question that everyone wants is, how do you get to scale? And I do think that's what the social innovation office has been trying to figure out. How do you respond to that and any other lessons you want to observe?

MR. SMITH: Yeah, you know, so the social innovation fund -- it's one of six tiered evidence programs across the Obama Administration, like the I3 and Department of Education, and it's about proving, improving and scaling what works.

And so, in order to get to the conversation of scale, you have to talk about what works. And as obsessed as we are in America about data -- our Fitbit and our Apple watches and our Trip Advisor and our Yelp, when it comes to organizations and initiatives that are kind of supposed to be the springboards and safety nets, we throw all of that out of the window, and we keep investing in them, because our grandparents started it, or because it has a friendly member in the legislature.

And you know, when we have an economy where need is up, and since

the Great Recession, philanthropic and government investment into these social service organizations is flat, at best, we've got to do something a little bit differently. And one of the things we have to do is realize that good is not good enough, and we have to stop investing in organizations that are counting how many kids went through, and not counting real meaningful impact.

And so that's the first thing about scale. You have to uncrowd the field a little bit and bet on winners. And in often time -- and I've been in philanthropy in the private sector and government philanthropy, we are making these decisions with our hearts, and we're doling a little money here, and a little money here and a little money here, and we're not investing on the YouthBuilds of the world that have real meaningful evidence of impact.

And so, that's what we tried to do or we're doing at the social innovation fund. And so, what we do is -- and to your point, Derek, we give real money -- we actually make grants to foundations between one and \$10 million. They're five year grants, which is another thing that we don't like to do in philanthropy (Laughter) and even sometimes in government investing, realizing that this work is not overnight -- five year grants, one to ten million dollars a year.

The grant makers match that one to one, and then, they help us to find evidence based non-profits across the country who then also match it with corporate dollars, philanthropic dollars, all sorts of non federal dollars. And so, you're tripling the federal investment. And we then, do two things. They use the money to improve and prove their model.

So, they might have a pre or post test that shows that 50 percent of the kids leave here and go on to college, but you know, it may be a little bit more anecdotal or a lower level of evidence. So, we let them spend 30, 40 percent of their budgets to

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work with research institutions to really prove out that model. So, at the end of their social innovation fund funding, they can go to other funders and say, we know -- we have real evidence -- we have causal connections that this works.

And then, at the same time, while we're researching and testing and planning, we're giving real money to scale, and we have organizations like Yearup and National College Advising Corps and You Aspire that have gone from a handful of sites to dozens of sites across the country, because they can use these real dollars to help scale them up.

And so you know, those are the types of things that we think are important in scale. And scaling takes on a couple of different forms. Some people think about scale as we're going to take this model and we're going to McDonald's it, and we're going to be in a million places.

But sometimes, scale is taking a model and sharing it, saying here's what works. You take it and you run with it. The last thing I would say though, and this is interesting in the case of BAM, everybody loves BAM. I love Bam. We funded them in the social innovation fund. But they're really about smart growth.

After the president visited with those young people a couple of times, they were getting dozens of calls a day from all over the world. Bring BAM here. And BAM smartly said, we need to shore up our model first.

MS. LIU: Yeah.

SPEAKER: Right.

MR. SMITH: We need to make sure Chicago is secure, that the funding is coming in. Because sometimes when you get famous, people think you're all set and stop writing checks. And so, they had to focus on their first market before they could anywhere else. And now, several years in, they're just thinking about the first replication.

And on that point, Teach for America, because they were in a similar problem, they created a whole separate unit, Teach for All, that was about helping to do some of the scale, so it didn't distract their core growth.

MS. LIU: So, it's your turn. Questions. Lots.

SPEAKER: Yay.

MS. LIU: I'm going to take two at a time. Just quickly introduce yourself. Let's take these two over here -- these two gentlemen.

MR. JACKO: Thank you. Larry Jacko. I'd like to piggyback onto what Donald and Derek said about what keeps a lot of these communities down. And I think Donald mentioned pay day lenders, and there's also predator lending that's going on in these communities involving credit card debt.

But also, there's government tax lien for closer policies that you know, somebody can lose their house for a few hundred bucks. I think there's policy that needs to be implemented here. I would call this cannibalistic capitalism where we're eating our own. And I don't mind people making money, but not on somebody else's back. So, I can understand why these communities feel disenfranchised. Can we talk a little bit about how these policies can be changed? Thank you.

SPEAKER: Bob (Inaudible), National Community (Inaudible), also a resident of Baltimore City, so I resonated with what Bart and Jennifer said.

A couple of the issues I want to -- or assets are health -- Don talked a little bit health. Freddie Grey was poisoned. He had elevated blood level of over 20. And so, how do we bring in sort of these interventions sort of early on? And also, older adults as an anchor resource in these communities.

(Audio dropout)

(Discussion off the record)

SPEAKER: So, older adults as an anchor resource. So, how do we keep older adults -- you know, as the residents and as leaders and some of the strategies -- I'm on the Board of Civic Work, so I'm doing some interesting work, but I want to hear some other examples.

MS. LIU: Can we try to keep the comments short, so we can get to other questions?

SPEAKER: Sure. So, on the matter of the first question. We worked pretty extensively with Philadelphia on our foreclosure diversion court system, and we found that and then tested it eight years later, and found it to be quite effective. People stayed in their homes, preserved their assets.

I don't know if that system is relevant to public sector liens. They may skirt that process. That was really about bankers being too accelerated. But there are policy recommendations that have now been studied in a couple of places through the foreclosure crisis that I think could speak to that, and there's policy recommendations -- municipal or county level policy recommendations.

SPEAKER: Let me go to the second question, just on the lead poisoning. You're absolutely right and there was a survey at prisons, and a lot of people that were in prisons had elevated lead levels. There is a tremendous amount positive that has been done by that by Healthy Homes. Enterprise had one unit that was spun off that really looked at that issue.

There is another unit, in fact, based in Baltimore that's working around the country on green and healthy housing initiatives that's doing terrific work on that. And in fact, you'll find it doesn't solve for those older cases, but you'll see that the incidence of lead poisoning of kids is way down from -- it's not perfect, but from where it was before. So, that's one of the things we're really positive progress is being made, and in that

model just to the -- is being shared across the country to get at this issue.

But this is an elemental -- you know, issue of lead paint poisoning or lead poisoning.

MS. LIU: Talk about the role of adults. Yeah.

MR. MIRANDA: Well, I'll talk about the role of adults, but as another example of how our communities are cannibalized -- economically cannibalizing their citizens, something that has come up a lot as I've worked with young people is, young people are coming to our programs, and they're reaching adulthood already in debt.

And why are they already in debt? Because energy costs are so high, keeping the home warm and the lights on and paying rent and feeding your children gets to a point where it gets cut off in mom and dad's name. Right? So it's being turned on in one of the children's name. Right?

And by the time they turn 18 and it's time for them to establish credit and be an adult, they cannot. And so, they are having to repair that. Right? And this is way more common than you would think. And now, communities that cannot afford to go green, to turn to sustainable energy are going to face surcharges, right? Or they're going to face higher energy costs.

It's something that we need to think about, because it's just another layer -- right? Another thing that adds to that sting of poverty. The role of caring adults. None of anything new that we try to implement is going to work if the young people don't believe that we care about them, if they don't believe that we are approaching this with a deep and profound respect, right, for who they are. Right? And there is a role for caring adults.

I always think about the fact that my young people -- you know, when they refer themselves to me or another staff person, they say my mentor, my case

manager, later on, my friend. I felt the impact of a loving, caring adult when I was younger, and now I realize how important it is.

And I realize that the day that I started to referring to them as not the young people, but my young people, my mentee over the years, many graduates, my friends, my brothers. It's important that we see this as not something that's detached from us, but as something that is connected, right, to our collective well being. Right? And we have to have the courage to care. We have to have the courage to engage, to value their diversity of experience, and to just let them know that we care about them, and that's why we're doing this.

MS. LIU: Okay. We're going to ask everyone to keep their questions tight. So, let's take these two. And I think we have a web -- okay.

SPEAKER: Yes, good morning. Thank you very much. I'm not a think tank person, but I lived in Baltimore with friends on and off for almost a year, and I took local buses, and I saw the whole city. So, for the think tank people in the room and the people up here, first of all, I would suggest that you know how much a quarter of milk costs in some of these neighbors, and how far you need to go to get it, and the expiration date, and maybe a couple of other products and the rent.

Because there is this concept out there that people who live in poverty can live cheap. And in my experience, particularly in Baltimore, if you're poor and you're in a predominately black neighborhood, that your access to a milk is going to have a low expiration date and it's going to be expensive, because 7-Eleven and CVS are your grocery stores. So, I'd like to respond for the need to people to understand that living in poverty is not cheap living.

MR. FREEMAN: I'm Lawrence Freeman. I work at Executive Intelligence Review, mainly I've been on Africa infrastructure for many years, but I'm a

resident of Baltimore for over 40 years. And my heart ached when I saw the retirement homes burning that night, and my favorite Italian grocery, Chunakry on North Packard Street was also attacked.

But I think Mr. Harvey, I think hit the nail right on the head. Without jobs and economic development, these kids don't see a future. And this I see also, in major parts of Africa, as well, and for Congressman Mfume put it very correctly. He said the conditions are so bad in this area that it doesn't make much to set them off.

And even though Baltimore does not have the same profile as Ferguson, Missouri, it does have his economic problem. And when I ran for mayor in 1983 against Donald Schaeffer and Steve Sacks, I fought for reindustrialization of Baltimore. We had a steel plan that was shut down. We had a port.

We are capable of developing these communities. We need a national federal credit program.

MS. LIU: What's the question, sir?

MR. FREEMAN: Okay, give me one second.

MS. LIU: We need to get to the second.

MR. FREEMAN: Like Franklin Roosevelt had. And we don't see this from Bush or Obama. Are we going to have a national program? And former Governor O'Malley has raised these questions of building jobs, building the city in the Glass-Steagall separation of the banks. And I think we have to answer the question.

Without a national program, can we really solve the rage, the despair and the economic conditions in these cities?

MS. LIU: -- Grace. This is from the question from the webcast.

SPEAKER: This is a question from Twitter. The woman's name is Christina, and she'd like to hear the panelists' thoughts on inequities in our schools and

how to improve K to 12 education systems to grow Baltimore.

SPEAKER: Well, first on the food question --

MS. LIU: Yeah, on the retail. Do the --

SPEAKER: We were able to perform for the state of Maryland a low access food study for the state, identify the food deserts with great specificity around the degree to which food dollars are migrating inordinately far compared to middle income neighborhoods, identify those neighborhoods, and the state recently just appropriated a million dollars towards creating a fresh food access program. We have financed now two or three grocery stores in Baltimore, and there needs to be a lot more.

MR. DOUGLAS: I would add though, on the point about you know, how it's expensive to be poor -- yeah, it's expensive to be poor, that there's also, at least in Chicago, there's a transportation issue, as well, because a lot of the neighborhoods that are the poorest don't have the same kind of access to public transportation, the cost to get -- they have to travel to get to the jobs and whatnot.

And so, it's another component of the cost that poor folks face, that people don't often think about. I think that you know, the food desert one -- I know in the city, they're trying to focus on that issue. You know, we at the university are trying to work with the city on some infrastructure things, particularly building on -- we just found out we're going to get the Obama Presidential Library, and the hope is that that will bring some of these kind of investments into the communities that we haven't had in a while.

SPEAKER: I would just add --

MS. LIU: We'll just do one -- just do one, and then we'll go to --

SPEAKER: No, go ahead. We can go to the next one.

MS. LIU: No, no, no. Answer that, and then we will go to other questions.

SPEAKER: Just validating your point on transportation, and Secretary Fox and the Department of Transportation, Secretary Castro and HUD are a part of the task force, and there's a lot of interesting work. And we're seeing communities try to use Tiger grants, for instance, on making sure that there are better transportation routes.

You know, there are neighborhoods where there used to be jobs in the same neighborhoods -- factory jobs in the same neighborhoods where you had folks from low income backgrounds. Now, they have to go out and have no way of getting there. And so, we're seeing some interesting ideas on how to move that.

And the other thing we don't think about, you know, in cities like D.C., for instance, where you have gentrification, people are having to commute longer, and that then expands that fatal gap where kids are home alone for longer hours. And so, this is certainly an issue that we're seeing communities try to tackle and address.

MS. LIU: So, on the schools piece, I know both TRF and Bart talked about reforming and building charter schools in the neighborhoods you're working. Are those inequitable? Are those higher performing in these low income neighborhoods?

SPEAKER: Well, we need a lot more than just charter schools.

SPEAKER: Yeah.

SPEAKER: We need a whole continuum of innovation and experimentation in that broken system --

MS. LIU: Yep.

SPEAKER: -- around education. The Henderson Hoffman School -- it was built near Hopkins Medical, near our neighborhood where we're building -- that's essentially a couchment area contract school. It sits in between a kind of conventional public school and a charter school in its design, and it took a heck of a lot of public and private resources to lift that off the ground.

You know, the bond issue that has since come out around rebuilding and refurbishing existing public schools is essential money that often, local jurisdictions lack. That's why it had to be state money. Baltimore couldn't have afforded that, probably. So, I think there needs to be a whole continuum around this, and it's also around really, alternative models that reach the population that's already been missed, like --

(Simultaneous discussion)

SPEAKER: And in Sandtown-Winchester, we took public schools and had an agreement with the mayor as to what could and couldn't be done within the union structure. And really, moved the needle on them. We brought in direct instruction and we took the teachers, invested in them and in the principles, showed them examples that work, brought them back in.

We ran afoul of the union transferring out our principals after we had fully educated them to go start all over again. They both quit and went into the county, because it was 24/7. So, there are lots of issues. Thankfully, there's lots of experimentation that's going on right now, and you see it in New York. You see it in other places, and New Orleans is the biggest example. They just blew everything up and started over again.

So, there's hope there, but it's not easy. And the final thing I'll say on this is we watched our K through 8 then go into a high school that we couldn't control, and we lost a lot of that investment, because they had been in a very nurturing environment, and then they ended up in something which was out of control. And so, we had to go to alternative schools -- send them to alternative schools.

So, it's a hard, long-term continuum that you're living with. Just to the jobs issue, just real, real quickly. I have often thought that there has to be -- you know, if you take a real need in the country of infrastructure, bridges and everybody else, if you

do that, you hopefully can do something that may not be the most efficient, but that is the most effective for getting people to apprentice and work and be able to be part of a program that is not shovel ready, but is longer term, that is aimed at integrating jobs that go all the way down to our cities and to the kids that have been left out of it and can be trained for it.

The problem with jobs training that we ran across in Sandtown was people got trained, and there wasn't a job.

SPEAKER: Right.

SPEAKER: And that --

(Simultaneous discussion)

SPEAKER: The employer didn't.

SPEAKER: And this is -- read Jennifer's report. It's terrific on this.

She's done a report on the economic and how to connect to the new economy of Baltimore. It's a terrific report she does.

MS. LIU: We're going to have time for three more questions. You've got to raise them real high. Okay, so better go with Sandy. I think this gentleman has had his hand up. I'm going to go over -- you've also had your hand up for a while (Laughter). Let's do these three, and ma'am, you can have your question. And I really keep your questions tight. Sandy?

MR. ABGARB: Sandy Abgarb, Baltimore. What are two or three game changers that business can initiate, both at the local level and national businesses, that would actually have a major dent in the problem? I am thinking, for example, in Chicago, of the internal revolution of that Whole Foods is going through to change its business model to enter Engelwood, and any like that.

MS. LIU: Great.

SPEAKER: Looking at the inner section, regarding jobs on where --

MS. LIU: Okay, introduce yourself.

MR. VETTER: Yeah, I'm Steve Vetter. I'm president of Partners of the Americas. We work in the Americas on these same issues. I'm also chairman of the board of a company in Essex, Maryland, Baltimore, that hires 153 youths. It's called Tessie Mae's. We we're working with Whole Foods on the desert -- the food desert issue.

But look, the issue is the reform of the penal system; what it does to create fear, isolation and lack of trust. We talked a lot about the connectivity issue that we need, but they're always disconnected. My sons hire 153. They show up, and they all have felony offenses. And he goes, dad, look, the first thing is, lower your risk. These are termed high risk youths. Why would we take this risk? You have to. But who's working on penal reform?

SPEAKER: Well, I can just say one --

MS. LIU: Can we hold?

SPEAKER: Oh yeah, sure.

MS. LIU: Let's hold, because I think there's a lot of comments to that question (Laughter).

(Simultaneous discussion)

MS. LIU: I think this gentleman in the back, and then we're going to take just one more.

MR. FEAN: Dave Fean, Servitasse. Two quick questions. One is, the connection between nutrition and community development. My wife works at HHS, and she's been hammering on me about this connection for the last five years.

I didn't hear any discussion of urban farming, community gardens. We're

working in Pittsburgh with a group of community gardens in low income neighborhoods, so kids not only grow their own food and eat their own food, but sell their own food at farmers markets, and they learn business skills. And could you talk a little bit about that?

And the second issue is a leadership issue. Pittsburgh again, where I do a lot of work, has a program modeled after the Harlem Children's Village. And as I said to the director of that, you know, these kids -- if you get them to graduate from high school and even get them into college, when they graduate, they're not coming back to Homewood and Hazelwood and some of these other communities. How do we keep the leadership -- young leadership in those communities?

MS. LIU: Okay, ma'am?

MS. GOLDBERG: Thanks. I'm Debbie Goldberg with the National Fair Housing Alliance. I just have two, really quick.

So, the first is, we've had a lot of conversation about jobs and income. We haven't talked at all about wealth. And there's a huge wealth gap in this country; a huge racial wealth gap in this country. I saw some research recently that a college graduate -- Africa American college graduate has less wealth on average than a white high school dropout. I may not have that exactly right, but that was the gist of it.

And you know, excuse me, we have decades' worth of government policies that have helped to create this wealth gap. It's the gap that needs to be changed, I think, really, to promote future prosperity, economic security. And you know, how do we get over this huge gap?

My second thing just really quick is, a lot of this conversation has been on systemic issues, which I think is really, really important, but it's hard to connect back to zip code, where you started at the beginning.

MS. LIU: Mm-hmm.

MS. GOLDBERG: HUD is getting ready to put out a new regulation affirmatively furthering fair housing. It doesn't necessarily seem like it might fit into this conversation, but I think it's really trying to connect some of these different structures and these different systems and kind of streams of work at the neighborhood level.

And I guess I'm interested in whether you have thoughts on how this regulation might be a tool to help address these problems at the neighborhood level.

MS. LIU: Okay. So, I'm going to need these to remind you of the topics (Laughter). Business models, criminal justice reform or criminal records of these young adults, healthy foods and farming, leadership retention, wealth gap, housing stickiness to neighborhoods.

If you all can maybe take two at the most to address those, and then we'll wrap up. Joel?

MR. MIRANDA: So, I'd like to speak to criminal justice and -- So, you know, I'll give you the experience of me working in the program. Over 50 percent of the young people entering the program that I was working at were involved with the criminal justice saying. Right? Everything from you know, being on probation, a misdemeanor to felony offenses.

And you know, where the policies -- where the federal and state laws said that they couldn't be employed, that was really hard to work around. So, at the national level, we are bringing awareness of this to our young people, to our programs. YouthBuild USA convenes a group of amazing dynamic leaders -- a number of groups, right, internal through our national alumni council and young leaders council -- but a national group of young leaders that are graduates of 11 other national youth development organizations, like City Year, like Year Up, like National Gateway to College and many more -- and Jobs for the Future.

And they put together a set of recommendations. And I'm kicking myself in the head right now for not bringing a copy with me. It's the National Council of Young Leaders' recommendations for increasing opportunity and decreasing poverty in America. And amongst their six recommendations, there are recommendations around criminal justice reform. And these are coming from young people from a cross sector group, not just from YouthBuild -- from young people who are coming from all communities.

They are current and former opportunity youth, and they're saying, here's what needs to be done. So, I highly recommend that everyone the National Council of Young Leaders and their recommendations to increase opportunity and decrease poverty in America.

SPEAKER: Just an add-on on that. Sandtown-Winchester has sort of a prison view connection, and it has a large number of ex-offenders. And we ran into one problem after -- they're an automatic exclude, as you know, by Maryland law. And so we had to go all the way back into the parole, the prison system, et cetera, to try and find a job and a mentor on that. It's very expensive, very long-term.

It was one of our biggest issues. It remains a huge issue. And getting it changed, which we attempted for many years, is very, very difficult, because it's a sound bite for any politician. So, that --

MR. DOUGLAS: I would jump on two quick issues. Just on the crime one, I do want to say that there's another issue that's very prevalent, and I didn't know that much about it. You all may. But the Cook County president is Toni Preckwinkle. She was with Alderman in the city of Chicago for 20 years.

And when she got there, she looked -- a third of their budget in the jails. She looked at the data, and it showed that first, the vast majority of the offenses were non violent, but what was more surprising was 80 percent or something like that, of the

people in jail, had not even been convicted. They were awaiting trial.

SPEAKER: Ouch.

MR. DOUGLAS: And she said, you know, you have a huge number of people sitting there. Maybe they did it. Maybe they didn't do it. But they can't afford the bond. They can't pay to get out. And those who have resources, they don't sit in jail.

So, she has taken policies, working with the court system, working with the state attorney to try and reduce the number of people who are waiting trial sitting in jail, in prison, where it's very costly and it has these impacts on the family and the community.

SPEAKER: Are those private?

MR. DOUGLAS: Public. Yeah, these are county jail. Yeah, so on the -- the game changer, you know, obviously Whole Foods coming into Englewood, and Englewood, for those who don't know, is one of the most challenged communities in the city of Chicago. That has been a game changer for that community. It actually has spawned and catalyzed a lot of other investment that's coming in, as Whole Foods often does.

Another game changer, I think, is one I talked about earlier, which is that Coalition of Large Institutions that we formed in Chicago that's now investing in the neighborhoods. We haven't got there yet, but we talked to some folks in Cleveland, and a couple at -- that University Circle, whatever they call it. They created a partnership I think, with Baxter, that got Baxter to build a major facility in a distressed neighborhood which had a physical presence creating a couple hundred jobs. And the way they got them to do it was they guaranteed them the ten year long-term contract.

And so, when you can get that kind of collective for -- I mean, between all the institutions, you're talking about billions of dollars that we spend collectively. And if

you can get that direct and strategically and use that influence on the people that serve us, I think it has real game changing potential, and the mayor has been a big supporter of it.

MS. LIU: Michael, jump in on this point.

MR. SMITH: Just quickly. I mean, one, I think we have to realize that there's an economic imperative here, and we're beginning to see that shift in businesses across the country. I think there's something like 6 million kids that are disconnected from school and work, and for a society that based on production and consumption, you just can't have that. We can't be globally competitive.

And so, a couple of game changing things that we're seeing, one is this idea of second chances. The president talks all the time about you know, the mistakes of your youth should not become limited factors for the rest of your life. And so you know, one thing that we're seeing around the country is this idea of banning the box. Almost every job where you have to fill out an application, you have to check that box on whether or not you've been arrested or if you've had a felony conviction.

There are almost 65 million Americans that would have to check that box, and data shows that there's really no difference for some of these jobs. And so, what we're seeing across the country is companies like Wal-Mart, for instance, are getting rid of that box in the earliest phases, so they at least bring these folks in to interview them. See if there is a skill set before they get to this kind of background check and see what's happening.

The other thing on this idea of these kids that are disconnected from school or work is we've got to hire them. And so, you're seeing organizations like JPMorgan Chase making this a core part of their recruitment practice, where they're bringing in young kids in their New York office from their sophomore years, and they're

training them and they're giving them mentors, and they following them and working with them, getting them through college and bringing them back for summer experiences, so that they're making sure that they're preparing the workforce of the future.

And so, there's going to have to be a little bit more on forgiveness, I think, and second chances, but also, an affirmative action oriented effort to make sure we're hiring these young people and giving them the skills that they may not have learned to make sure that they're going to be a part of our workforce.

MS. LIU: Don, I want you to jump in on wealth gaps, maybe, or any other topics. Wealth assets?

MR. HINKLE-BROWN: Well, the wealth question pops up and then when you're in a wealth conference, the income question pops up.

MS. LIU: (Laughter)

MR. HINKLE-BROWN: So, I'm not going to criticize a two dimensional picture for not being three dimensional. I don't think we're not talking about wealth. We're talking about policies that affect the needle, and the needle in a snapshot photograph is income, and in a time series, we hope, as well.

And there are programs. There are these silos. There are these programmatic limits which prohibit wealth accumulation by not activating the market, by not letting neighbors share in the appreciation. You know, a lie tech project does not participate in a private marketplace. And it may build wealth for a household if the rent's affordable. It won't build wealth in a spillover effect because it never participates in the marketplace.

There are a number of policies to change around wealth, and wealth is a very legitimate thing to study. It's an appropriate needle to look at if you're affecting change, but it is a time series -- longitudinal. And the challenge in our work is, nobody

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helps us be longitudinal. It's a real challenge.

SPEAKER: Can I go back to Sandy --

MS. LIU: Yep.

SPEAKER: Just one quick one?

MS. LIU: Yup.

SPEAKER: Starbucks is an interesting issue of somebody that's sort of taken it upon themselves in the service industry to say you're going to get something extra by standing up and being there. And I know you're YouthBuild.

MR. MIRANDA: Right. So, I was going to say, it's about creating the jobs, right, but also, investing in the training and development. Right? And so, Starbucks is working with YouthBuild programs to -- we call it the C-set program -- customer service excellence training -- to provide the barista training to the young person, to get a serve safe certificate.

They now have the skills to work at a Starbucks, move up into management. And we know that the great benefits of working at a Starbucks -- with Starbucks, you know, the college reimbursement and such. And Starbucks also has committed recently to hiring 10,000 opportunity youth.

Wal-Mart has worked with YouthBuild to provide funding to programs who are working on health careers -- exposure and training. And JPMorgan Chase, as well, is working with programs around very focused career readiness training.

So, it's about creating the jobs, but also, investing in the training and development that is going to prepare these young people for those jobs.

MS. LIU: So, we knew we could boil the entire ocean of poverty in a two hour session, but I think what you heard was a lot of energy and commitment and leadership in communities around the country to not give up. So, please, join me in

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thankng our leaders for a really dynamic discussion. (Applause) Thank you again for joining us, and please, have a great day.

\* \* \* \* \*

## 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, 2016