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**The World After Katrina: Eyes Wide Shut?**

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For Leadership Conference on Civil Rights*

Let us suppose this is a teachable moment. Let us suppose that Katrina opened America's eyes to the poverty "hidden" in our midst. Let us suppose that those who say they never knew are prepared now to do something different.

What would we have them do? Fix what was broken by Katrina, of course, with as much attention to those who had little to start with as to everyone else. Tell the world that the Bush administration is, in the main, doing the opposite.

But the purpose of this paper is discuss all of the other America that Katrina brought into view, and suggest what should be done if we can help convince America to have a mind to act.

In terms of looking toward a national commitment, if Katrina did nothing else, it rekindled a sense of purpose among many who have cared all along. Making progress on anything requires movers and shakers, and if those who should be moving and shaking have themselves been moved and shaken to be more determined and more active, that is essential.

Attacking poverty and improving the economic position of the tens of millions more who live on the edge are in our national interest. Their confinement to the economic and social periphery is a drain on the economic vitality of our country. Enabling them to be fully productive as both producers and consumers will strengthen America in the global economic competition that is already a hallmark of the 21<sup>st</sup> century.

### **Framing the Problem**

Poverty in America is not one problem. It is many problems. The solutions, themselves not one-dimensional, differ somewhat for different pieces of the problem. For the low-wage worker, the long-term unemployed, the young person trying to get his or her first stable job, the elderly, the person with a disability, the child in a low-income family, the inner city resident, the suburban, the rural, the recent immigrant, and others yet - the solutions differ. All are important. All need attention.

But to boil it down, there are two main frames that cry out for attention and action: first, low-wage work, which is an equal opportunity scourge, but also accounts for most of the longstanding disproportionate poverty of African Americans, Latinos, Native Americans, and some Asian Americans; and second, the concentrated poverty of the inner city, the poverty that typically has an African-American or Latino face, the poverty that has fueled a generation of vitriolic political debate. The poverty that came as an apparent surprise to so many Americans by way of Katrina.

The first frame, low-wage work (and a labor market that doesn't offer full-time work to everyone who wants it), is the major reason why Americans of working age and their children are poor. If

we could do one thing about American poverty, and about the millions more who can't make ends meet on the wages they earn, it would be to see that all Americans have an adequate income from a combination of work and other sources. This is a racial issue, too, because African Americans, Latinos, and some other Americans have long been poor at 2<sup>1/2</sup> to 3 times the rate of whites, in large part due to their greater representation in low-wage jobs, as well as their greater unemployment. It is a problem for minorities both old and new: African Americans whose roots go back 300 years and recent immigrants of color who have arrived in the past 30 years or even less. Raising incomes from work and other sources would greatly reduce the traffic jam at the intersection of race and poverty.

The people who lived in the Lower Ninth Ward of New Orleans are emblematic of the second group. They are a minority among the minority poor and an even smaller minority among the poor generally, but people like them across America have been the face of poverty as most Americans have thought about it for the past 30-plus years. Mostly, the word that came to people's minds in thinking about them over this time period, though, was not "poverty," but "welfare." The backlash politics of welfare cut its teeth on the residents of inner-city America. For most of his listeners, Ronald Reagan's welfare queen evoked an image of an inner-city single mother who probably lived in a public housing project.

If the challenge of Katrina is to be taken seriously, it must encompass both of these groups. The remedies for the first group are easier to articulate, although far from easy to put into place. The remedies for the second group are more complicated, because they need to undo 30-plus years of damage from the exponential problems caused by packing too many poor people into the same place.

Poverty appears among all races and ethnic groups. But there can be no ignoring the fact that the intersection of race and poverty -- among both long time and recent Americans -- occupies an outsized place in the picture of poverty, and must be of special importance to anyone specially concerned with racial justice.

I want to stress again, this frame leaves out much that is important: the continuing exploitation of migrant farm workers and sharecroppers, the plight of the people in the *colonias* in South Texas, the continuing destruction of the small-farm economy, the excess poverty of Appalachia, the issues of Native Americans, and more. But there is a tendency for some Americans to think that we have only "pockets" of poverty left, and that is simply not true.

I also want to emphasize, at the outset, that the remedies are not just matters of public policy and public funding, although that is absolutely necessary at all levels of government. But we also need a commitment of community responsibility in all possible ways -- a human and civic commitment in every city and every area and every neighborhood to tackle the problems, and a mirror-image commitment to individual and personal responsibility on the part of all to do their best for themselves. We hear a great deal about voluntarism, and it is indeed part of the answer. Americans are great volunteers, the best in the world. But it is not the answer by itself. It was Herbert Hoover's answer during the Great Depression. It was wrong then and it is wrong now. That was why Americans answered by electing Franklin Roosevelt. There is nothing costlier than starving government.

Finally, in framing the problem, we need to understand that the America of 2005 is different in many ways from the America John Kennedy was elected to lead in 1960. The economy is truly globalized and becoming more so. Technology has altered production, communication, culture, and more. Demographic changes in the United States have brought new meaning to our diversity, with the millions who have arrived in the past generation having enriched our culture and our economy and having brought us new challenges in our work for economic, social, and racial justice.

## **The History**

The stories of the two groups -- those trapped in low-wage work, and those trapped in the inner city -- are intertwined. Our economy has been unkind to the bottom half of the labor force since the early 70s. America is much wealthier now than it was then, but nearly all of the gains have stuck at the top. The wage of the median job in the United States was \$12.53 in 1973 (in 2003 dollars) and \$13.62 in 2003. Family income has gone up somewhat more because many more families have two wage earners now (often with accompanying problems of child care and other stresses), but half the jobs in this country paid around \$28,000 a year or less in 1973 and still do now.

Why? Because good-paying jobs have disappeared to other countries or to automation, and the jobs that replaced them (thankfully, other jobs did replace them) pay far less. We have a massive failure in our job market. The frame here is not just what we call poverty -- about \$15,000 for a family of three, which encompasses 37 million-plus people at the moment. It is far larger. The people who have trouble making ends meet each month includes, roughly speaking, those with incomes up to twice the poverty line, and two to three times the number we call poor.

Who are the people with the jobs in the bottom half? They are the people who serve the rest of us. They serve us in restaurants, they take care of our children, they clean our offices, they wait on us at the dry cleaners, and so on and on. They are subsidizing the standard of living of the rest of us, and we ought to be ashamed of ourselves.

That is, in short form, the story of our current low-wage malaise.

If the bottom half of the economy has had a very bad cold for 30-plus years, the inner cities have had pneumonia. Why? Until the late 1960s, inner-city African-American communities were segregated by a toxic combination of public policies and private discrimination. But one attribute of the segregation was that these communities were economically integrated. Business and professional people almost invariably had no choice but to live there along with everyone else. The segregation was disgraceful, but it did mean that there was a more robust sense of community, with role models of success present for all to see. The civil unrest of the sixties and the concomitant enactment of the Fair Housing Act of 1968 caused those who had the ability to leave to do so in large numbers. The poor were left behind.

The story goes on from there. Legally mandated segregation was gone, by declaration of the Supreme Court and ensuing legislation. But structural racism is alive and well. Urban school

systems deteriorated, with the best and most experienced teachers going elsewhere. The job market was hardly friendly to low-income people of color, especially when it was simultaneously squeezing everyone in the bottom half of the economy. The criminal justice system achieved great efficiency in enmeshing poor African Americans and Latinos, with disproportionate numbers entering the system at arrest and being sorted into rather than out of the system at each step along the way -- the end point in a pipeline that started from birth. Welfare and associated assistance programs became the major source of income for too many of the families caught in the trap.

Various indicators told increasingly troubling stories. Out of wedlock births soared. Crack cocaine came along. Violence was endemic, both on the street and in the home. Too many men were in prison; too many women and children were on welfare. The debate raged over what was cause and what was effect.

By 1990, four million poor people lived in inner-city census tracts with more than 40 percent poverty. Half were African-American and a quarter Latino. The numbers improved somewhat as of the 2000 Census, but the basic problem remains. It is what Katrina “revealed” to America in 2005. New Orleans is 67 percent African-American, has 28 percent poverty (versus 12 percent-plus for the country as a whole), and 40 percent child poverty (versus 17 percent nationally), and those are the figures for the city as a whole, not the Lower Ninth Ward, where the numbers were much worse.

### **The Remedies**

If the two stories of how we came to have so much low-wage work and how we came to have too many people of color living in circumstances of concentrated poverty are interrelated, where should we go from here if we can play a role in convincing America to act?

**The Here and Now.** We would begin with the here and now the income of low-wage workers, including “social income” from matters that it is government’s responsibility to help with, and a decent safety net for those out of a job or otherwise not in a position to work. So we would:

- raise the minimum wage to at least \$7.25 an hour;
- improve the Earned Income Tax Credit and the refundable Child Tax Credit to make them fill in more of the income gap;
- support “living wage” campaigns in communities across the nation;
- reform labor laws so they do not work against union organizing;
- assure health coverage for all;
- provide help with child care costs for everyone who needs that help;

- attack the acute shortage of affordable housing by enacting national Housing Production Trust Fund legislation, and seeing that housing vouchers meet current needs;
- assist realistically with the cost of college and invest in proven initiatives to help young people get into the labor market and move up the job ladder as time passes;
- rewrite unemployment insurance laws so they extend coverage to all low-wage and part-time workers;
- see that people have available, affordably, services they need to succeed at work, with their families, and in their communities: mental health, legal, domestic violence, drug and alcohol treatment, and all the rest.
- review all safety net programs to see that they provide a decent level of assistance everywhere in the country to people in need of help; and
- enforce all anti-discrimination laws.

Parenthetically, it would be wise to see that all people pay their fair share of the cost of these investments. These items are entirely affordable, but too many people are getting a free ride now with respect to the cost of seeing that America is truly inclusive of all of its people.

**Investing in the Future.** If all of these are steps for the here and now, to be taken with a particular understanding that the proper frame is not just raising people's income above the unrealistically low level we call the poverty line, the other major across-the-board agenda is investing in our future. This means:

- seeing that every child is ready for school by age 5;
- doing “affirmative action” to assure that low-income children in our schools have the best and not the worst teachers, the most modern and well maintained and not the most dilapidated buildings, the newest and not the most ragged and outdated textbooks, more time in school, and on and on;
- investing in the off-school hours, which for low-income children can provide urgently needed enrichment and connections with caring adults, and in later years, bridges to the job market; and
- maximizing high-school graduation, college attendance, attention to preparation for work, and nurturance of a commitment to civic participation.

**Place-based Policies: the Lower Ninth Ward and Its Counterparts.** Much of what I have already suggested would make a difference to inner cities all over America. Better schools, better labor market connections, better incomes from work, better housing, and all the rest would all make a difference in the quality of life in our inner cities.

But the places of urban concentrated poverty require special attention as well. One way or another, their poverty needs to be deconcentrated as well as reduced. National policy has ignored this challenge since 1968, with the modest exception of President Clinton's Empowerment Zones program and various other federal programs that trickled some funding into the inner city. In that vacuum, the main remedial efforts have been community development corporations and various comprehensive neighborhood revitalization initiatives. Some of them are now quite sophisticated, but somewhat oddly, the premise of even the most successful has been that a poor neighborhood can be raised from poverty without much interaction with the outside world other than by way of the infusion of funds. Generally speaking, that premise is incorrect.

The premise has changed in some major respects, mostly promising and some troubling, in recent years. In various ways, people working on inner-city change and forces shaping the demographics of metropolitan areas have altered the landscape.

One, various actors have realized that the only way for more substantial numbers from a low-income neighborhood to find work is to think strategically about how to connect the inner city to the regional economy. Most of the jobs are in the suburbs. For decades, CDCs and other inner-city entities did little about creating pathways to the regional economy for their residents. That has begun to change. It has to be a major premise for inner-city antipoverty strategies.

Two, there seem to be at least a few more voices now who call for full residential mobility, so people can actually live near where the jobs are. This has been made somewhat easier by the transformation of older inner-ring suburbs into destinations for new immigrants, and as a consequence into more accessible places to which inner-city residents can move. Full residential mobility must be a major premise for bringing change for the people of the inner city.

Three, gentrification has come to every American city with a healthy economy. This is a development with major negative implications for the urban poor, even as it improves the city's tax base. Gentrification has driven low-income people out of many inner-city neighborhoods, often to destinations not tracked by any research. It "solves" the issue of concentrated poverty, but not in a constructive way. But it is at least possible that gentrification can be channeled to more constructive results. This would be the case if it can have the result of creating more economically integrated neighborhoods, thereby stimulating demands for better schools, goods sold at national advertised prices, and other positive changes. Confronting destructive gentrification and promoting positive income-mixing are important goals for attacking inner-city poverty.

Four, more intensive efforts have begun to appear that are directed at improving the schooling of inner-city children. The segregation that Jonathan Kozol has spoken of so eloquently in his recent book, [The Shame of the Nation](#), can only be attacked in large cities by promoting greater residential mobility in all directions. Nonetheless, more intense attention to educational quality in the public schools and the promotion of more alternatives within the public school framework are key aspects of an inner-city revitalization strategy, and are in evidence on the ground in a number of places.

Five, greater success at assuring safety and security in inner-city neighborhoods is evident in some places. This is, of course, essential.

None of these premises captures the full flavor of what needs to happen. This is a place where the word “community” comes into play with full force. The idea of community responsibility is, of course, infused in much of what I have suggested about poverty generally. Outside money can pour in to support school reform, child care expansion, after-school programs, and more employer-connected job training, but if the civic and political leadership of a city does not take responsibility for the thoughtful and accountable application of those funding streams, nothing good will ensue. Similarly, a culture of volunteering of all kinds, especially from the neighbors and residents of impacted neighborhoods themselves, is not only desirable, but essential to change the collective direction and sense of possibilities.

What does all of this mean in terms of action?

- It means all of the investments in health, housing, education, child care, jobs policy, law enforcement, and more that I have mentioned -- all of the programs that have place-based delivery mechanisms, but with special targeting on places of extra-high unemployment and poverty.
- It means support in all relevant public policy and spending for residential mobility, job placements in the regional economy, and equitable gentrification that emphasizes economic and racial desegregation in central-city neighborhoods.
- It means a commitment by all leadership elements in every community -- elected, business, labor, foundation, education, faith-based, and community-based -- to make a concerted attack on concentrated poverty.
- And it means a commitment from every relevant leader and role model to supply messages and examples of the need for individual and personal responsibility among all of us, whether it be workers, parents raising their children, or children coming along through the educational process toward membership in adult society.

## **Conclusion**

There are no simple solutions. There is no silver bullet. There is no magic wand. There are no either-ors, only both-ands, from top to bottom, public to private, and across all sectors, groups, and individuals. Someone once wrote that for every problem there is an answer that is easy and simple -- and wrong. Nowhere is this more true than in the matter of poverty in America. So the question remains: did Katrina open our eyes, or only our mouths?