



INDEPENDENT SECTOR
A vital voice for us all

Robert Greenstein Speech for Gardner Dinner

Independent Sector Annual Conference
Philadelphia
November 10, 2008

Thank you, Bill White, for that generous introduction, and thank you, Independent Sector, for this wonderful award. I am honored to receive it.

I'm also really pleased to receive it in my hometown of Philadelphia, just days after the phillies have won the world series, with so many members of my family, and with old friends from as far back as Pennypacker elementary school and Cheltenham High School. Thank you all for coming.

Above all else, this award is a testament to the remarkable dedication and talent of my colleagues at the Center on Budget and Policy Priorities. These smart and savvy individuals work hard each day—and many nights, weekends, and holidays—to advance policies to reduce poverty and inequality and to reorder our nation's budget priorities. I have the great privilege of directing this amazing group of people, who make it easy for me to look good. Some of them are here tonight. I want to thank them as well.

Last week, I received an email from an old friend with whom I hadn't been in touch for 36 years. He last remembered me as a confused young man who didn't know what to do with my life. He had just heard that I would receive this award and he was surprised, wondering how I had gotten from there to here. The simple fact is... I did not do it alone. Many people helped me along the way. I want to briefly mention three of them.

First and foremost is the most unforgettable person I've ever met, my great aunt Constance, who lived just a few blocks from here and died a few years ago at the age of 101 – her mind as sharp as a tack to the very end. She was forthright and fearless from a young age, hitchhiking to Canada or thereabouts about 85 years ago, at a time when a young woman did not do that sort of thing. She was the leader of our extended family for many decades, and she instilled in us a social awareness, a deep civic concern, and an intense sense of responsibility. On her 100th birthday, surrounded by three generations of family that came after her, she was asked whether, based on her long years on the planet, she had any advice to offer to all of us. She replied that she was deeply concerned about what lay ahead for our country, especially for younger generations, and she suggested we each ask ourselves what we were doing to make the future better for those who come after us. You know, that was also the motivating question behind the work of John Gardner, and it's the question that inspires our work at the Center on Budget and Policy Priorities. My great aunt was a powerful inspiration for me for over 50 years. Tonight, I accept this award in her honor.

Second, I want to mention Diana Aviv, a friend and colleague for over 20 years. I first met Diana when she had been in this country for only about a decade and was just entering the field of public

policy. I've watched her rise rapidly through this sector, like a bright star, because of her exceptional talent and outstanding leadership skills, and her fearlessness and indomitable spirit. When I first knew her, she sometimes came to me for advice, but the tables have long since turned. Today, far more often, I am the one who is seeking her advice and counsel. Receiving this award from her organization makes it even more special.

Finally, I want to mention my good friend Patrick Breslin. Patrick was supposed to be in Kiev tonight with his wife, but he pushed his flight back so that he could be here with me. Last summer, while vacationing in Norway, I got stuck on a narrow ledge high up in that country's Grand Canyon. I froze, unable to move, except that my feet were beginning to slip over the edge. The sweat was pouring off my face in sheets. Patrick came out on the ledge and rescued me. I literally would not be standing here tonight had it not been for him. Patrick – thank you, man.

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Ladies and gentlemen, we have gathered here for this conference at both an historic and tumultuous time in our nation's history.

On the historic side, we should not lose sight of the fact that we have just reached an extraordinary milestone. Less than a week ago, the American people elected a talented, visionary, and inspiring individual to serve as our next President – an African-American man. That is a cause for celebration, and it is a reason for hope. It reminds us that, however far we have to go, however big the challenges— and boy, are they big right now— we have made some remarkable progress as a society.

But, while that historic achievement gives me hope, I am also worried. We have been through many elections together, and after each one, we gather as a sector and discuss the opportunities and challenges that lie ahead. But, as we've learned over the years, not all opportunities and challenges are equal, and not all periods are equally important for charting the future course of our nation.

History teaches us that the larger the challenge, the greater the opportunity for lasting social progress.

- The economic despair of the 1930s gave our leaders the opportunity to begin to construct the modern social safety net, with the introduction of Social Security as a centerpiece of the New Deal.
- And then, the racial injustice and severe want by millions of Americans— what Michael Harrington called “the other America”— in the midst of prosperity in the 1960s gave another generation of leaders the chance to enact historic civil rights legislation as well as Medicare and Medicaid, food stamps, Head Start, and other Great Society achievements.

In those periods, it was not just Presidents but other leaders, like John Gardner, who made decisions that changed the course of our society for the better for generations to come.

We may now be facing another such period, when the challenges are huge but the opportunities are just as great. As I probably don't have to tell you, we face very grave crises as a nation. Barack

Obama will inherit what are probably the most difficult set of problems for any new President since Franklin Delano Roosevelt took office in 1933. They include:

- A world financial crisis;
- What's likely to be the deepest recession in at least a quarter-century;
- Record levels of deficits and debt;
- Levels of poverty that are startling for a Western industrialized nation;
- Inequality that, before the markets crashed, was the widest since 1928; and
- An army of uninsured that numbered 46 million before the recession began and may soon approach or surpass 50 million as the economy deteriorates;

All of this is occurring while the United States is engaged in two wars overseas.

And beyond all of these challenges at home and abroad stands the crisis of global warming that threatens the very future of our planet.

So, the challenges are pretty massive. They seem almost too large for any one individual, or one team, to tackle – no matter how impressive was the campaign that Barack Obama ran.

But President Obama can have a successful presidency. More to the point, it is essential that he have one. The stakes are too high for anything less.

As a nation:

- We can, and we must, make progress on the urgent problems I just outlined.
- We can, and we must, restore the faith of Americans that, after years of gridlock and bitterness, their government can work.
- We can, and we must, use the historic opportunity of a successful administration by the first African-American President to permanently alter race relations in this country for the better.

For President Obama, however, the task of addressing the challenges will not be easy. Here again, history helps make the point. When FDR launched the New Deal, the federal government was quite small, providing plenty of room for growth. When LBJ launched the Great Society, the federal budget deficit was quite small.

President Obama will have neither luxury. In fact, he faces a real dilemma: On the one hand, the country has many unmet needs, and there is much pent-up and justifiable demand for federal initiatives in many areas. On the other hand, following the unprecedented fiscal mismanagement of the last eight years, we now face long-term deficits that, if not addressed, eventually will seriously damage the economy and cause the federal budget to implode. If we stay on our present course, we

will— within our children’s lifetimes— reach the point where just the cost of paying interest on the national debt will consume all federal tax revenues, squeezing everything else that government does.

We look for President Obama to address key unmet needs and make our government more responsive and more effective. But he will have to do so while also taking steps to restore fiscal responsibility for the long term. In fact, even with a Democratic Congress, I believe he will be limited on what he can achieve on his agenda unless he can assure those Senators and House members who focus on our long-term fiscal problems that he has a credible plan to meet both of these goals.

This means he won’t be able to do everything. As John F. Kennedy used to say, “to govern is to choose.” That’s never been more true than today.

And it isn’t just our leaders who will have to discipline themselves with regard to making choices and setting priorities. All of us in this room will have to as well. Right now, groups and coalitions in Washington and across the country are drafting wish lists of programs and priorities to press on the new administration. Many of the entries on these lists are worthy. I know— I’ve advocated for many of them for years. But we won’t be able to do them all, or maybe even most of them— at least not right away. Those of us in the nonprofit sector need to begin choosing as well. What are our top priorities? What is most critical to do?

Health care reform sits at or near the top of any reasonable list. It is not just the scandal of 46 million uninsured Americans that must be addressed. It’s the sheer fact that the rate of growth of our public health care programs – Medicare and Medicaid – is the dominant factor behind our scary long-term fiscal outlook. And that rate of growth, in turn, reflects the rate of growth in health care costs throughout the society. If done correctly, health care reform can be a ticket to both long-term fiscal responsibility and broader health care coverage for Americans.

But restructuring our health care system will be no simple matter, as past Presidents have discovered to their dismay. Our health care system is rife with inefficiency, which we must address. But what makes this even harder is that health care costs are rising so much largely because of advances in medicine, such as expensive new medical technology, that improve health and prolong life. I find it hard to believe that, as a society, we will turn our back on medical advances. Even if we can summon the will to reform our health care system, health care costs will continue to rise – just not as rapidly. And that means that we will have to pay for the costs that these medical advances bring. In other words, we are going to have to raise more tax revenue, an issue on which, in my view, this sector needs to become more actively engaged.

Beyond health care, what else must we address? My list of top priorities would include the following:

- Global warming, which may be the most urgent priority of all;
- Disease and extreme poverty in developing nations, where tens of millions of people live on less than a dollar or two a day;
- Levels of poverty here in the United States that are morally indefensible in a nation as affluent as ours; and

- Public investments— in infrastructure, basic research, and effective programs and interventions for less fortunate children and youth— that we must make if we are to build the foundation to compete in the global economy in the decades ahead.

We also should not lose sight of how the current recession will affect the most vulnerable Americans. Poverty and hardship always rise during recessions, but the current recession will likely be the deepest since that of the early 1980s— unemployment, now 6.5%, is likely to rise to at least 8% in 2009. And unfortunately, the safety net to protect poor people who don't have jobs is much weaker today than during any other major downturn of recent decades. The unemployment insurance system has not kept pace with changes in the labor market, and fewer than two-fifths of the unemployed receive benefits. Many of the low-income, female, and part-time workers who now make up a significant share of the low-wage labor force do not qualify for unemployment benefits when they lose their jobs. In addition, what used to be the safety net of last resort for jobless individuals without children— the programs that were known as state general assistance or general relief— has essentially disappeared. Most states abolished their programs in the 1980s or early 1990s. On top of that, only about 40 percent of poor families with children who qualify for the Temporary Assistance for Needy Families program actually get that cash assistance. That's about half the percentage that received comparable aid during previous major recessions.

For all of these reasons, we at the Center on Budget and Policy Priorities expect the number of children living in severe poverty— that is, below half of the poverty line— to rise by CLOSE to 2 million in this recession. I'm sad to say that we expect to see levels of serious hardship, destitution, and homelessness that we have not witnessed in this country for a VERY long time. And this is coming just as many philanthropies plan to cut back, due to sharp drops in their portfolio values. No one is suggesting that we recreate the old welfare system. But we will need innovative policies— and quickly— to help address these problems. The shortcomings of our current policies will only be magnified during this recession.

Now, those are some of my priorities. We can, and should, debate whether those are the right ones. That's an important debate to have.

What we should not do is what they call in Washington "kicking the can down the road." That is, our nation's leaders could avoid addressing these difficult challenges and just let the problems get worse. So, in a case like health care, they could stand back and watch prices rise to the point where eventually, the more affluent get the new advances in medicine because they can afford them, while others do not, and health care is increasingly rationed by income level.

Our challenges are, to a great extent, intertwined. We can, for instance, address issues like health care and global warming in ways that reduce poverty and inequality. But— and this causes me particular concern— we also can address them in ways that make those problems worse. So, it's crucial not only that we address these challenges. How we address them also really matters.

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In short, in the weeks, the months, and the years ahead, we are going to confront an array of policy choices that WILL test the very moral fiber of our society. In the public sector, our elected officials will have to step up to the plate and make hard decisions; with the election of Barack Obama, I am

more hopeful this will occur. And in the independent sector, we, too, have an important role to play— to urge our leaders to make those decisions, to educate the public about what the policy choices mean and whom they would affect and how, and to influence the decisions that ultimately emerge so that ours becomes a society that is more just, more equitable, and more responsible.

I look forward to that challenge as a member of this sector. I have been a proud member of it for many years. And I am honored by the award that you have graciously bestowed upon me tonight.

Thank you.