

LUNCHEON ADDRESS: FINANCIAL INVESTMENT IN THE INNER CITY: A CONFLUENCE OF INTERESTS

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A noted expert on crime trends and their societal impact, James Q. Wilson has stressed the importance of distinguishing between economic factors and cultural factors that impact our society. He stated, “If we predict that behavior is driven by economic incentives, and if we alter those incentives and behavior does not change, or changes contrary to our prediction, we have to say that something else is working there. That something else is a combination of values, beliefs, perceptions, mind sets — in short, culture.” Let’s couple Professor Wilson’s point with a piece of folk wisdom: “If you keep doing what you do, you’ll keep getting what you’ve got.” Now we have a foundation for discussion of a new approach to inner-city America that can tap capacities that have, for too long, gone unrecognized and underutilized. This new approach can yield a mutual relationship between inner-city residents and the business community, where new markets can emerge and economic development initiatives can have sustainable impact.

Ending the Confusion Between Economic and Cultural Consequences

In the 1960s, concern grew about worsening conditions and societal disintegration that was taking place in impoverished inner-city neighborhoods. At that time, it was in these communities which lacked the buffers of economic stability, that the effects of such problems as drug addiction, family dissolution, and violent crime were taking their greatest toll. In response, the federal government launched its War on Poverty, which, in turn, gave rise to a massive anti-poverty bureaucracy that was established to manage and maintain a plethora of federal programs.

Anti-Poverty Programs Have Not Solved Societal Disintegration

For more than thirty years, on the premise that the cause of these societal problems was economic, more than \$5.3 trillion dollars was spent

on myriads of anti-poverty programs. Yet, increased funding for these programs proved to have a negligible impact on their incidence. Our nation's capital, Washington, D.C., is a prime example of the failure of the War on Poverty. In the mid 90s, per-capita anti-poverty expenditures in the District were among the highest in the nation, yet the city ranked the lowest in comparison to all states with respect to 21 quality-of-life categories, including infant mortality and homicide rates. Conditions became so bad that the life expectancy of a Black male in our nation's capital is one of the lowest in the Western Hemisphere, second only to Haiti. The persistence — and rise — of a societal crisis in spite of a massive influx of funds for economic remedies was compelling evidence that the source of the problem had been misdiagnosed.

Social Disintegration Penetrates Boundaries of Race and Income Level

Subsequent events would provide even more startling evidence that the root causes of our most devastating societal problems did not lie in external circumstances. A shocking wave of youth violence in rural and suburban communities brought this message straight to the heart. The tornadoes of violence touched down without warning in communities ranging from Littleton, Colorado, to Paducah, Kentucky, and, most recently, Santee, California. One teenager built pipe bombs to destroy his classmates in the same garage where he parked his BMW. It has become painfully clear that poverty does not produce crime and violence any more than affluence can provide immunity from it.

The devastation of alcoholism and drug addiction, like that of youth violence, recognizes no boundaries of race, ethnicity, or income level. Carroll O'Connor and Gloria Vanderbilt are among the affluent celebrities who have felt the pain of losing a child to substance abuse or suicide. George McGovern's daughter died a lonely alcoholic, frozen in the winter snow. Margaux Hemingway, supermodel and granddaughter of Ernest Hemingway, was found dead in her condominium after a long struggle with alcohol and bulimia. The promising young actor, River Phoenix, likewise, met with tragic self-destruction. Celebrity status and wealth provided no immunity for John Belushi and Chris Farley. Robert Downey, Jr., who has repeatedly succumbed to substance abuse and addiction in spite of top-of-the-line professional treatment, and even incarceration, is a stark reminder that our nation's most pressing societal problems are not external in nature and cannot be solved or prevented by affluence or external remedies.

Poverty Does Not Cause Social Dysfunction

The myth that poverty causes social dysfunction is debunked by our nation's own history and by the fact that, in the past, even widespread poverty and unemployment did not unravel our social fabric. Throughout the decade from 1930 to 1940, our country experienced the deepest depression in its history. Unemployment rates often exceeded 25 percent, with a negative GNP. Yet, during those dark financial years, rather than disintegrating, families and communities came together in networks of mutual support. The rates of crime and substance abuse were minimal compared with today's, and a single-parent household usually meant that someone had been widowed. Those who accepted financial assistance did so with a strong sense of personal responsibility and reciprocity.

In sharp contrast, in the early 1970s, after the longest period of sustained prosperity in post-war America with a rising GNP and unemployment rates sharply decreased, social indices began to plummet. Crime rates doubled and drug use rose rapidly. The number of single-parent families increased dramatically, and the welfare rolls swelled. Ironically, the causal relationship between poverty and societal disintegration was disproved by our nation's own experience at precisely the same time that the federal government continued to press a War on Poverty based on that false assumption.

The Root Cause of Cultural Disintegration

Today across the nation, people are recognizing that the root causes of our nation's most critical problems are essentially internal and spiritual in nature. In a nationwide poll, more than half of the respondents said that they were more concerned about America's moral crisis than its economic problems. Nearly 40 percent said that they felt that our country's moral foundations were "very weak." In response, there has been a steadily growing interest in the role that faith-based groups can play in addressing these problems at their core.

Like the biblical figure, Joseph, who was able to address and avert Egypt's impending doom when the Pharaoh's counselors could find no solution, faith-based grassroots leaders in cities across the nation have emerged as modern-day Josephs to address our country's spiritual and moral crises. Most of these Josephs have life experiences and qualities of character in common. They refuse to let external circumstances control their destinies and, regardless of the odds they face, they refuse to

accept the label of victim. Most have undergone a personal transformation, after which they dedicated themselves to helping others in similar circumstances achieve productive, fruitful lives.

Through personal outreach, these community healers address the spiritual and moral atrophy of our civil society at its root, and their impact goes far beyond that of conventional remedies of professional therapy and economic assistance. Many effective grassroots approaches of personal and community revitalization are faith-based. Even those that are not rooted in a particular religion have a spiritual motivation for their tireless, heartfelt commitment and their unwavering confidence in the potential of every human being.

The power of today's Josephs is evidenced by the undeniable transformations that have taken place in the lives of the people they have served. They may not have degrees and certifications on their walls, but they do have the powerful, uncontestable testimonies of people whose lives have been salvaged through their work. This impact must be appreciated even by observers who may be skeptical about a faith-based approach.

We have only to look at the comparative success rates of faith-based intervention and conventional therapeutic programs to appreciate what today's Josephs have to offer. Many faith-based substance-abuse initiatives, for example, have success rates as high as 70 and 80 percent, while the success rates of most secular therapeutic programs hover in the single digits. A comparison of recidivism rates of the two different approaches would reveal an even greater gap. This is due not only to a difference in the approach that is used but also to a fundamental difference in the goals of each.

The goal of most conventional programs for substance abuse and violence intervention is termed "rehabilitation." At best, the rehabilitation produced by these programs amounts to no more than simply restoring a client back to the state he was in before he exhibited social deviance. But there is no reason to expect that, if an individual in that state was previously susceptible to the temptations of drugs or alcohol, he would not be susceptible again when he is returned to that state. Statistics show that when these rehabilitated individuals re-enter their dysfunctional environments they are likely to return to old patterns of behavior.

In contrast with psychological therapy and treatment that relies on medication, the goal of grassroots programs is not rehabilitation but "transformation." These programs, the majority of which are faith-based, do not seek simply to modify behavior but to engender a change

in the values and vision of the people enrolled to affect behavior. Unlike the volatile effects of behavior modification, the impact of a transformation lasts a lifetime. The neighborhood-based programs that inspire transformation do not simply curb deviant behavior but offer something more — a fulfilling life that eclipses the power of temptation. When transformed individuals re-enter their old environments, most do not become recidivists, and many have had the power to change those environments.

Faith-based grassroots leaders have also forged solutions to youth violence, even against the greatest odds in inner-city areas where the epidemic of violence has taken its greatest toll. In communities once riddled with violence, drug dealing, and desolation, young people whose lives have been reclaimed now function as antibodies against the disease. Incarceration did not change these young people, nor did therapy or any change in their environment. These youths were not disarmed by having their guns taken away. They achieved a state of disarmament when they no longer had the desire to use guns. Their transformation was internal, on the level of heart and spirit.

Those young people responded to the sincere, consistent outreach of God-centered men and women in their neighborhoods, who had faith in their potential and a conviction in the principles and values that could guide them to fulfill that potential. These “character coaches” and “moral tutors” took on a role that was beyond that of a mentor or a therapist. They engaged in a process of re-parenting the youths, providing long-term, unwavering commitment that broke down walls of toughness, resentment, and distrust, awakening dreams and stirring a revitalization of the spirit. Through this process, young people who were once agents of destruction emerged as ambassadors of peace, ready and willing to take the risks and make the investment to reach out to other youths.

How Grassroots Neighborhood Leaders Benefit Business

Now, perhaps as never before, community leaders who have engendered transformations in their communities offer much that is of value to the business and corporate arena. Today, the landscape has changed dramatically and the needs of business have shifted. Currently, much of our economy is linked to human services, information, and communications industries. Businesses need workers who are capable of retraining every seven years and are equipped with both the skills and attitude needed to perform complex functions. At the same time,

throughout the past three decades, poverty has had a powerful impact on low-income neighborhoods, where a culture of dependency has undermined the values of responsibility and reliability that are the backbone of a work force.

A Source of Work-Ready Employees

Many businesses today confront problems regarding human resources. Employers cannot obtain the quality of people they need in order to operate successfully. The issue isn't training. The problem is getting enough people for entry-level jobs who have work-ready attitudes and values. As the vice president of a telecommunications company wrote in the *Wall Street Journal*:

“It's not trained people that businesses need: it's dependable, hard workers. Just give me an unskilled but dependable person of character, and I'll take care of the rest. I can train a person to disassemble a phone. I can't train her not to get a bad attitude when she discovers that she's expected to come to work every day when the rest of us are here. I can train a worker to properly handle a PC board. I can't train him to show up sober or respect authority.”

A base of loyal, honest, enthusiastic workers is what businesses desperately need because these qualities directly affect the quality of their services and products. Importantly, these qualities are all characteristics of men and women who have undergone personal transformations through the guidance of a grassroots Joseph. A by-product of reclaiming lives is the creation of a reliable work force.

In addition to identifying prospective employees, neighborhood leaders could also attract customers for businesses. On the foundation of trust and mutual benefit, grassroots organizations could also educate residents of their neighborhoods about the value of products and services provided by various companies, opening a viable, but untapped, market.

Opening New Markets for Business

Security is another concern of companies that provide services in inner-city districts. The business expenses of Bell Atlantic, for example, escalated when a union contract required that they send a security guard with each repair crew going into inner-city areas. If graduates of neigh-

neighborhood-based programs were hired to repair and wire phones in their communities, they would be their own security force. The respect and reputation that these individuals had established previously on the streets would remain with them when they entered the work force. It is unlikely that their trucks would be vandalized or that they would be robbed while they were performing repair work in their own neighborhoods.

Plans are currently underway to apply this paradigm to meet the needs of an inner-city neighborhood in Washington, D.C., for taxi service. Young men who are participants in a violence-free zone initiative in their community will participate in a "taxicab apprenticeship" program. Youths who receive training and qualify for this position will ride with cab drivers serving their neighborhood. These young ambassadors for peace will wear distinctive uniforms identifying them with the peace initiative. The program will have multiple benefits. It will give cab drivers an enhanced sense of security and enable them to service underserved areas, to the residents' benefit. In addition, the apprentices will gain on-the-job training from experienced cabbies, preparing them to become taxicab owners.

Many corporations are also stymied when it comes to approaching inner-city communities. For example, in these areas, banks and insurance companies have difficulty making the same kind of character judgments that they make every day in middle- and upper-income areas. They don't know how to determine who should get a loan or who should be insured, and, consequently, they have made their decisions not on how people live but where people live. Because they established policies based on broad generalizations of the residents of low-income areas, they have been charged with redlining. Regulations now require insurance companies to insure in high-risk locations.

With the help of grassroots leaders who have a personal knowledge of their neighborhoods, banks and insurance companies would be able to make reliable character judgments. The Josephs of these neighborhoods could guide them to identify islands of excellence and areas of competence within inner-city communities. The companies then would be able to do business in low-income communities.

A Partnership for Progress

In a sense, business leaders of today are in the role of modern-day "pharaohs." They need not embrace the faith or spiritual orientation of our nation's Josephs in order to appreciate and benefit from the practi-

cal impact of their efforts. Today's pharaohs and Josephs should establish partnerships simply because it is good business.

One aspect of such a partnership would be to promote economic development in low-income areas. Through an alliance with grassroots leaders and organizations, business leaders could become involved in profitable efforts to stimulate entrepreneurship and revive once-active but now desolate inner-city business districts.

America's Josephs are healing agents and neighborhood antibodies. If businesses, even if motivated by their own interests, can join forces with them, providing financial support and technical assistance, there is the potential to create an entire immune system that will protect and preserve the health of our society.

The proper relationship between today's pharaohs and Josephs must go beyond the concepts of charity and compassion because both of these terms connote a one-way avenue from a gift giver to a receiver. In truth, the Josephs of today have something to give society that is far more valuable than anything they receive. In an era of spiritual hunger and moral disarray, today's Josephs are a source of both spiritual and economic renewal that will have an impact far beyond the boundaries of their neighborhoods.

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