

**National Academy of Social Insurance Annual  
Conference  
Dinner Keynote  
1.29.09  
National Press Club  
Washington, DC**

**Intro**

- Thanks to Bob Greenstein for inviting me and especially for waging his ongoing fight for sensible and equitable budgetary priorities on behalf of low income children and families.
- And thanks to the National Academy for your work to ensure we regain—and then grow—a vibrant economy that would also better serve our most vulnerable populations.
- Your efforts are appreciated now, perhaps more than they ever have been. And this country is lucky to have leaders like you helping to lift us all back up out of this crisis.

**Tough Times: Defining the Problems**

And what a crisis it is. The larger historical comparisons are by now well-worn, but, from where I am standing, looking at the nonprofit community's million-plus charities and foundations, I can say this is a crisis like *our* sector has *never* seen before.

As government reimbursements are delayed, or not even remitted, as federal and state funding is slashed, as individual and foundation giving plummets and endowment values sink, the organizations on the front lines of the crisis

are struggling to make ends meet—or even stay in operation—all while demand for their services soars.

Here is how it is playing out, for example:

- Father Larry Snyder, of Catholic Charities USA reported that his agencies have seen a 100-percent increase in demand for services.
- And at their Chicago agency, the Illinois government still owes them \$24 million in delayed reimbursements.
- And, over in California, where state budget gaps loom especially large, many state-contracted nonprofits have received “IOUs” instead of reimbursements at this time, victims of the fact that, unlike federal requirements, states are not mandated to distribute reimbursements in a timely fashion. I am fairly certain that a stack of IOUs, no matter how tall, will not exactly help rebuild communities in the here and now, but the whole idea is emblematic of the deeper problem: As state budget gaps widen, nonprofit funding diminishes, and, all across the country, a vulnerable population suffers.

Throughout the sector, I am hearing stories of communities in desperate need of service, while the organizations they rely on are having trouble answering their calls for help.

We have seen in the past couple of weeks an important package of relief measures in the economic recovery proposal wending its way through the halls of Congress, though it still remains to be seen what ends up on the president’s desk. But that package certainly won’t solve all that lies ahead.

On the bright side, while foundation dollars only amount to about two percent of the nonprofit sector’s funding, I am hearing of numerous examples of foundations taking extraordinary action to make sure that those whom they fund will continue to receive support this year even if it means digging deeper into their own reserves.

A couple of examples for you:

- **The Weingart Foundation** announced on December 1 that it will be offering “core support” to underwrite administrative costs for social service agencies that provide necessities such as food, shelter, and health care to poor, unemployed, and sick people in the Los Angeles region. Core support is in the form of the one-year grants of up to \$150,000 to “well-managed” nonprofit organizations that provide essential human services.
- **The John D. and Catherine T. MacArthur Foundation** announced on October 15 that it is investing \$68 million in grants and low-interest loans to stop foreclosures in Chicago neighborhoods, to help 10,000 households, prevent 2,700 foreclosures by 2010 and provide counseling to 6,000 borrowers.

These focused ways of approaching massive problems are what leads me to the subject of tonight’s comments. After many years of seeing government in retreat, battered and beaten up by those who argued that it was the problem and, therefore, could not be part of the solution, we now find ourselves on the threshold of a new way of thinking about its role in the lives of our citizens. The changes in the way the public views government were already taking shape some time before our 44th president asserted in his inaugural address last week that: “The question we ask today is not whether our government is too big or too small, but whether it works—whether it helps families find jobs at a decent wage, care they can afford, a retirement that is dignified. Where the answer is yes, we intend to move forward. Where the answer is no, programs will end.”

**Remaking the World, Reimagining the social compact**

President Obama's call not just for more government, but for *better* government, is likely to fall on sympathetic ears from a public looking for new solutions to daunting problems and believing a more robust and effective government is essential to getting us there.

Witness the last year, in the public square and in the voting booth, a call for government to do business differently, more usefully, and more effectively. People said "no more" to a system that discourages government from governing, to a system where the checks were few and the balance was *way* off. A new call for accountability from all sectors in society could be heard—one where our institutions respond promptly and meaningfully to large-scale crises, be they hurricanes landing in the Gulf Coast or typhoons blowing through our financial system.

That call was clear in November, but some important questions remain in how we go about affecting the change everybody agrees is necessary. Questions like, what should be done to repair those systems that have failed us? How do we set about re-imagining the basic obligations each of us has to our communities? What is the proper responsibility of government and what is the role of other sectors in improving lives here in the US and around the world? How do the rest of us ensure that government, as the president promised, *works*?

Some guidance may be found in the texts of our nation's rich history.

FDR once said: "*We need enthusiasm, imagination and the ability to face facts, even unpleasant ones, bravely. We need to correct, by drastic means if necessary, the faults in our economic system from which we now suffer ... Yours is not the task of making your way in the world, but the task of remaking the world which you will find before you.*"

It is not merely incidental that more than three-quarters of a century ago, Americans were also deeply questioning the basic social compact that underlies our society.

In the 1930s, as now, Americans' essential understanding of the roles of government, industry, and civil society had been shaken by an economic crisis even more severe than today's, and by an unraveling of public trust. The ensuing election did more than place a new party in power; it also began to alter fundamental expectations about what the nation's leaders ought to *do*, and the urgency with which they had to do it.

The upheaval of the Great Depression began with a failure of the marketplace and deepened with an inadequate and confused government response. Suddenly poorer, alarmed at the apparent greed of and mismanagement by big business, and infuriated at the ineffectiveness of government, Americans sought to rebuild their social compact. New duties for government. New responsibilities for citizens. New relationships linking business, and government, and civil society.

Part of that new vision for America was a sense of shared sacrifice among the people, and a commitment by the government for large-scale initiatives to put the structures in place to prevent these kinds of crises from happening again.

It is no surprise, then, that at a time when many of our once-stable institutions in the business sector are on the brink of ruin, taking hundreds of thousands of jobs with them; at a time when government institutions have failed its citizens at their most critical time of need – just ask the residents of New Orleans about this one – Americans at all levels of society might be open to a rethinking of the social compact. And for many of the same reasons as the last time: Economic upheaval. Governmental negligence.

Nonprofits stretched to, or beyond, their limits. And amid the wreckage, a public deeply suspicious of an old order of dubious honesty and competence.

The strong words of our very talented new president described the u-turn he plans to make in the way government defines its responsibilities to its people. But those words will not, by themselves, be enough—even with the help of a new Congress—to produce the change we all need.

What the president had done by his remarks is to create an opportunity to re-examine some of the most elementary premises of our society:

- what government is *for*;
- what it's capable of;
- how it interacts with the private economy and embodies Americans' higher values and aspirations; and, more generally

What responsibilities and obligations bind Americans to their neighbors, to their leaders, and to the rest of the world?

This has been a long time coming. Over the last three-plus decades, we have seen the traditional American belief in *limited* government exaggerated, distorted, and caricatured—until at last it took the form of outright *contempt* for government. It's a view encapsulated by Ronald Reagan during his first inaugural, "Government is not the solution to our problem; government *is* the problem."

Most people do share a bedrock belief that government authority must be kept within clear and reasonable boundaries. But that fundamental principle instead became twisted, little by little, into a desire to see public systems hobbled, discredited, and some of them abolished outright.

At the same time came years of fiscal policy so dissolute that government increasingly couldn't *afford* to perform its functions adequately, whether those functions were appropriate or not. Federal spending increased immensely to pay for two wars, a large expansion of Medicare prescription drugs, and skyrocketing entitlement programs. Meanwhile, the Treasury was starved by massive tax cuts that mostly benefited the wealthiest Americans.

And the result? A government without the means to tackle new problems or even deal effectively with old ones. And a regulatory system that was not only shackled by new laws but shrunken by budget cuts. And all of this cheered on by a public, deeply distrustful of government's intentions, truthfulness, and capabilities.

This wasn't just a change in governing philosophy. It produced a change in the governed. Society itself was altered, profoundly for the worse. Growing numbers of very rich and very poor people were separated by gargantuan wealth differences, dividing the privileged few from the disadvantaged many. The idea of a common wealth, a community of shared interests, became harder and harder to sustain.

Reinforcing the idea of shared interests should be one of our first priorities, a notion that President Obama has embraced and has twinned with a call for giving back to community.

People giving to others is deeply ingrained in our national psyche, brought to life by the millions of volunteers inspired to devote some part of their lives to the greater good—and by all of us who give ourselves over day in and day out to repairing the world outside our windows, using our academic centers, policy think tanks, and service organizations to generate ideas and action in pursuit of a better world.

And we are now joined in that pursuit by a newly engaged populace. This past election has ignited, for many, a newfound interest in the well-being of our polity. Millions of people entered the public square for the first time or returned after a long absence, heeding the clarion call for hope and unity. It is time now for our institutions to be ready and able to tap into that once-a-generation energy—to transform their enthusiasm into bold new action.

Doing so is not only the job of the Obama administration, but a responsibility we all share together: to ensure that we have an interested, engaged, and informed citizenry, fueled by a deeper connection to the causes we all serve, and keen to share their views with their elected representatives.

The question remains about how we do this—how we maintain that enthusiasm, harness it, and wield it to hold our government accountable to the public's needs.

If we stand, as I believe we do, at a moment of a profound reframing of the American social compact, then the values of mutual concern and shared responsibility that unite us must be central to the discussion about fulfilling mounting public need—and, as a result, central to the work we all do.

That work we do must be done together—not in the customary silos our various sectors are prone to inhabit—but in an all-encompassing community of leaders working as one toward a common goal. Our community—and our collective leadership—are needed now like perhaps never before.

What lies in front of us is a more profound, vaster enterprise than many of us have imagined: Unemployment is at 7.2 per cent and climbing; consumer confidence is at an all-time low; we're staring at a trillion-dollar deficit; millions more families are living in poverty; the ranks of those without adequate or any health insurance continues to swell.



These, as you know so well, are not singular problems, isolated from each other, whose impact—and eventual solutions—affect one set of vulnerable people but not the others. Just as these challenges are closely linked, one to the other, so, too, should be those who work to overcome them. This is not the time to narrow our own vision within the context of our specific areas of expertise, but to broaden it—to see the problems we each tackle as part of a wider web to be untangled together, deepening the connections among us that will make that possible.

### **Shared Sacrifice and Mutual Concern: A Social Ecosystem**

Imagine if, tomorrow, one of our organizations or research centers discovers a cure for AIDS. That would mean for a five-year-old living in Swaziland, thought to have a death sentence, a chance to live. However, if the only investment made in that child was a cure for HIV, what kind of life would she have? Would there be a school for her to attend? Are there books and pencils for her to use? Will she have clean water to drink or healthy food to eat? Later on, will there be a job for her and will her government protect her? As essential a step as the cure for AIDS would be, it would still be but a first step, just a first link in a chain of conditions and opportunities, each connected to one another and each vital for her to grow and thrive. *Saving a life, as great an accomplishment as it is, is not the same as securing a future.*

Securing a future for that little girl requires folding in the policy analysis and the advocacy we do every day with those who deliver the services and the government agencies that support them. Here is the place where an inspired, informed, and engaged public can press government to pass the right laws and appropriate the funds to support the programs

necessary to pave for that Swazi girl the entire road to a fulfilling life, beginning to end.

That is true not only for the child across the world; it is also true for the child across town. For how much good is an after-school arts program to a young boy in Anacostia if he does not feel safe enough to walk there? How can he take advantage of a sports program if he is ill or malnourished? Where does he nurture a love of reading if the library is out of reach, or its shelves are bare? What does he miss if there are no parks and playgrounds?

A healthy youth, a successful life, a thriving community: Countless inputs and influences work in synchronicity to make these things possible. Our symbiotic relationships are not hard-wired into our biology. Our collaborative efforts are not a result of a Darwinian imperative of mutual coexistence in order to survive.

Instead, they are the result of choices we make about how we do our work. If we choose wisely, we create a climate that helps both ourselves and other organizations succeed—magnifying the impact of each others' efforts for the public's benefit.

## **Strengthening Our Social Ecosystem and Redefining Roles**

In that climate, we can build on the impressive momentum the president has created—and help fulfill the mandate bestowed by an eager public—to execute his vision of a more just, more decent society, recapturing the promise to use government as a powerful force in bringing that vision to life.

Riding that momentum should naturally lead us into the great national re-imagining that is poised to take place, requiring a good part of its moral and intellectual inspiration from our community. From our ideas and our actions.

We need to do this not just as individuals, but as agents of the common weal. We have an urgent responsibility to let our elected leaders know of our clear and unambiguous expectations about the obligations each of us must bear. And specifically that government must assume the full measure of *its* responsibility for protecting, enabling, and empowering its people, guaranteeing our freedoms and rights, all while ensuring that the various systems and structures that undergird our society and way of life are adequate to the task.

Just as government stepped forward, Republicans and Democrats together, to rescue the financial industry, so it must now step up and invest in the people and communities that also need help. Once they have stabilized those conditions, our next and greater task is to make America a society in which people are not defined by their fabulous wealth or extraordinary poverty, but a community where it is possible for everyone to succeed and to live well, well enough to give back to others.

A new vision for the future must also deal with the mathematical realities that American government has been mostly avoiding for the past 25 years. The fundamental fallacy of most of those years has been that we can provide entitlements, engage in multiple military interventions, maintain our infrastructure, and discharge all the day-to-day responsibilities of government—all while steadily chopping away at the revenue that pays for everything.

It has become a rite of passage for virtually all politicians, left and right, to vilify taxes. By a firm but unwritten law, taxes could never be as Oliver Wendell Holmes described

them—the price we pay for civilization. Instead, they must be seen as a kind of theft, taking what rightly belongs to taxpayers and using them for bridges to nowhere.

Yet as essential as government revenues are to the work of so many in this community, taxation and fiscal policy are not something on which our universe of organizations has had a *collectively* strong and vocal position. When we address matters of public policy, we tend to do so from our respective corners of expertise. We haven't, though, had a *common message* about the fundamental rules and principles that would keep the economy strong, provide for urgent needs, and make sure the bills are paid. It is time we found our common voice not only on the issues directly related to our missions, but on the issues that will determine whether we or our neighbors have the means to discharge our missions at all.

The purpose of a new social compact—beginning now, in the extraordinary weeks and months we are living through—will be to weave a new, more durable, more responsible web of interlocking obligations among *all* the sectors of society and then with our partners in all corners of the globe.

## **Conclusion**

Accomplishing all that needs to be done requires each of us to approach our work with eyes affixed on those elsewhere also trying to achieve the same for society—learning from them, working with them, coming together block by block, city by city, and at the national level, across all fields of interest. It requires a rededication to partnering with each other, and with our government leaders to pursue hand-in-hand the common objectives we share. It is not merely the best way to move forward; it is the *only* way.

"There is nothing," said the president from the Capitol steps last week, "so satisfying to the spirit, so defining of our character than giving our all to a difficult task"

This task is as difficult as any most of us have ever seen. Giving our all, rethinking and redefining the roles and responsibilities we play, assiduously strengthening the connections and commitments that bind us in this room together—this is the only way to overcome the monumental challenges we face; *this* is only way to remake the world we find before us.

Thank you.