UNITED STATES OF AMERICA

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THE PRESIDENT'S INITIATIVE ON RACE

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**ADVISORY BOARD MEETING**

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**MORNING ROUNDTABLE DISCUSSION:**

**"POVERTY AND RACE: FACTS, CAUSES, AND NATIONAL ISSUES"**

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**WEDNESDAY**

FEBRUARY 11, 1998

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SAN JOSE, CALIFORNIA

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The Commission's Advisory Board met at Independence High School, Luiz Valdez Performing Arts Center, 1776 Educational Park Drive, San Jose California, at 9:19 a.m., Dr. John Franklin, Chairman, presiding.

BOARD MEMBERS:

Dr. John Hope Franklin, Durham, NC, Chairman
Linda Chavez-Thompson, Washington D.C.
Suzan D. Johnson Cook, Bronx, NY
Thomas H. Kean, Madison, NJ
Angela E. Oh, Los Angeles, CA
Robert Thomas, Fort Lauderdale, FL
William F. Winter, Jackson, MS

WELCOMING REMARKS:

Susan Hammer, Mayor
San Jose, California
Judith A. Wilson, Executive Director
President's Initiative on Race

PANELISTS:

Moderator: Dr. Manuel Pastor
Professor
University of Santa Clara

Dr. Tarry Hum
Asian/Pacific/American Studies Program
New York University

Dr. Douglas Massey
Chair of the Department of Sociology
University of Pennsylvania

Dr. Raquel Rivera Pinderhughes
Associate Professor of Urban Studies
San Francisco State University

Dr. Matthew Snipp
Professor of Sociology
Stanford University

Professor William Julius Wilson
Professor of Social Policy
John F. Kennedy School of Government and
Department of African-American Studies
Harvard University

Mr. Robert L. Woodson, Sr.
Founder and President
National Center for Neighborhood Enterprise
Washington D.C.

AUDIENCE PARTICIPANTS:

Perry Lorenz
Dwayne Hearn
Jose Hernandez
Jeff Paulsen
Adrian Stewart
Cindy Chavez
Elbert Reed

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

(9:19 a.m.)

CHAIRMAN FRANKLIN: I want to welcome you to the sixth meeting of the President's Initiative on Race. We're taking credit for everything we can these days, and we're taking credit for bringing a cessation of the rain this morning.

(Applause.)

CHAIRMAN FRANKLIN: The President's Initiative on Race is a year-long initiative to engage the nation in moving toward a stronger, more just and more united America. We've been examining issues surrounding race and our common future, looking at current laws and policies and making recommendations that can help to ensure that we will remain one America.

We have been talking to, hearing from, and enlisting individuals, communities, businesses and government at all levels in this effort to understand, respect and celebrate our differences as we appreciate the values that unite us.

In June, 1997, the President appointed a seven-member Advisory Board to help meet the goals and objectives of the Initiative. I was, of course, honored that the President chose me to chair this distinguished Advisory Board.

And let me very quickly recognize each of

the members, my colleagues. You can read more about them in the public materials that will be made available on this and other occasions and on our Website.

First, the Hon. Gov. William Winter, former Governor of Mississippi, a lawyer in Jackson, Mississippi today.

Another lawyer, Angela Oh, a distinguished member of the Los Angeles Bar and a member of the Special Commission to study the riot in Los Angeles in 1992.

The Reverend Dr. Suzan Johnson Cook, of the Faith Community Church in the Bronx, New York, former White House Fellow and a distinguished leader in the faith community.

Robert Thomas, former President and CEO of Nissan USA, now Executive Vice President of Republic Industries in Fort Lauderdale, Florida.

And Linda Chavez-Thompson, the Executive Vice President of AFL-CIO.

Our seventh Advisory Board member, Gov. Thomas Kean, former Governor of New Jersey, was deeply disappointed that he could not be here this morning. The present Governor of the State of New Jersey, Gov. Whitman, asked him to share the podium with her today in going before the New Jersey State Legislature to present the New Jersey state budget that proposes

funds that are critical to his own agenda, and he is going to support that budget and he is in New Jersey with Gov. Whitman today.

Also joining us at this table is my able and wonderful Executive Director of the Initiative, the Hon. Judith Winston, former General Counsel for the Department of Education. With her help, we've been able to do a good deal. Without her help, of course, these meetings would not be possible at all.

I want to welcome you, Judy, and I understand you have some announcements you'd like to make.

MS. WINSTON: Yes. Thank you very much, Dr. Franklin.

I'm pleased to be able to report to the Board today and to the public attending here that the President's Report on the Economy has been released, for the first time with a chapter on race.

The President Council of Economic Advisers, which prepared the report, released it yesterday, and this new chapter on race was developed in response to the creation of the President's Initiative on Race and our interest, and the President's interest in assuring that more information is provided to the public about the racial disparities and the status of Americans across racial lines, in terms of economic participation.

The report documents that while there has been notable progress for most racial minorities, the improvements have been uneven and often slow in coming.

For example, despite declines in poverty rates for African-Americans over the last several decades, those rates are still considerably higher than those for whites.

The report also shows that Hispanics have lost ground over the last several decades, in part because of the arrival of Hispanic immigrants with lower levels of education.

The report therefore offers clear evidence of continuing disparities and the continued need for both public and private-sector assistance in reducing these inequities.

Today's two roundtable discussions will greatly assist the Advisory Board, we believe, as it assesses what existing efforts can be replicated or what additional efforts might be best taken.

We look forward to hearing from our panelists on these very complex issues. Thank you.

CHAIRMAN FRANKLIN: We are very delighted to be here in San Jose and the San Francisco Bay Area, and I want to thank you, all of you, for the hospitality that you have extended to us.

In keeping with our theme for this

meeting, which is race and poverty in America, we have visited a number of organizations in San Francisco and Oakland and East Palo Alto which are implementing programs to reduce poverty. We learned much from these meetings, as we did from the community forum that we held last evening, in which we heard from a number of community residents about their concerns related to race and their suggestions of how to deal with these issues.

I'm sure that I can speak for all the Board when I say that we are deeply grateful to all of you and for your contributions, and we hope that they will have a very, very profound and lasting effect on this community as well as on the Board and the policies of the government which will come from, we hope, from this Board.

In part, we chose to hold our meetings here in San Jose because its diverse mix of racial and ethnic already looks like what communities in America are moving towards in the 21st Century.

Our choice of San Jose as a meeting site has met our expectations and more.

And I have the pleasure of introducing the Mayor of this fine city, who understands the significance of our undertaking and the role that places like San Jose can play in contributing to the success of this Initiative.

We are extremely pleased to have with us today the Hon. Susan Hammer, Mayor of San Jose, who will extend some welcoming remarks.

Mayor Hammer has been governing this city of 175 square miles with a work force of 5300 employees and an annual budget of a billion dollars for some seven years. She's taken the lead in preparing San Jose for the 21st Century by promoting an array of far-seeing forward and modern programs, including those that acknowledge the importance of racial and cultural diversity.

I'm extremely honored and pleased and delighted to present to you Mayor Susan Hammer.

(Applause.)

MAYOR HAMMER: Good morning. Indeed, it is my honor to welcome you, Dr. Franklin and the distinguished panel, to San Jose. We are -- I should say we were -- delighted when we found that you intended to hold a hearing last night in our city and to have your board meeting here today, and I hope that you get to know a little bit about the city of San Jose, as people in front of me do, and leave here with a good feeling about the way we're going about addressing various problems in this city.

It is not often that we have an opportunity to engage in strategic thinking on

important issues such as race and poverty and to bring a broad-level perspective to the dialogue

Race and poverty in America is certainly not a new issue. It's a discussion that has been at the forefront of public debate for decades. It's an issue that is interwoven with problems of discrimination, socioeconomic status, public policy and the control of power and wealth in our society.

Here in San Jose we have projects whose goals are consistent with the themes of this conference and with your work -- to reduce poverty and increase opportunities in housing, in communities -- certainly in economic development throughout the city of San Jose.

One project in particular that I would like to tell you a little bit about operates under the premise that people of all backgrounds desire and respond to the opportunity to experience decision-making and policy recommendations at a very grass-root community level.

It's called the Mayfair Neighborhood Initiative, and I know that some of you out there are very familiar with that and probably involved in it.

This Initiative was launched in San Jose by the William and Flora Hewlett Foundation in December of 1997, with a commitment of $5 million over six years. It's a cross-disciplinary effort aimed at

improving the human and physical conditions as well as the economic conditions in the low-income neighborhood of Mayfair, which actually isn't too far from here.

Let me just share with you a couple of the goals or objectives of the Initiative.

One is to address poverty-related issues in a comprehensive manner. And another one -- which I think is so very, very important -- is to improve the capacity of community-based organizations and residents to participate fully in the planning and renewal of their neighborhood.

Another goal is to leverage significant -- and I believe this is very key -- significant public and private resources to support neighborhood change. The Mayfair Initiative is founded on the belief that effective long-term solutions to poverty and disinvestment in our neighborhoods can be achieved only if the community itself controls the planning and implementation of the revitalizing efforts.

The Mayfair community has many obstacles and challenges to face. It has one of the highest levels of poverty of any neighborhood in San Jose, there is high rate of unemployment, as you can imagine -- I'm sure that's no secret to you -- many of the neighborhood's young people are not doing well in school; dropout rates are high; and many of the public spaces and facilities in that neighborhood are

lacking.

The resources in the community lie in the residents themselves. Thirty-eight members representing the people who live in that neighborhood are working closely with community-based organizations, with high level county and city officials, as well as business leaders, to implement a plan that will be carried out over the next several years.

My goal is to have this Mayfair Initiative be a project that not only the community can be proud of but that will serve as a national model of what can be accomplished when a neighborhood works together on issues of social and economic change.

And let me just say -- and I'm sure you heard this last night and you will hear it today from people more knowledgeable than I -- but as you read about the boom times in Silicon Valley -- and there have never been better times in this valley, as everyone agrees -- I don't think we should be misled.

A report was issued recently -- and I understand that we sent it to you -- that was written by Working Partners, which is a non-profit organization of the AFL-CIO here, and that report clearly states that the disparity between those at the high end of the wage scale in this valley and the low end is growing rapidly.

And to that end, I think any information that you can help us with -- certainly you're going to hear from people who have been involved in that -- will go a long ways to -- working with us in addressing this.

It's very, very disturbing. More people are living below the poverty line in this community than ever before. The cost of housing is high. And we just simply have to begin to address this.

So while we're proud of the work that we're doing in the Mayfair neighborhood -- and as I said, I'm convinced, or at least confident, that it's going to be a model -- we still need to address issues like this on a broader scale.

Before I close -- and I'm about to do that -- let me remind all of us that the real campaign to end racism and poverty and create a democracy that respects and values a pluralistic community lies with the work that each of us do, day in and day out, in America, where the opportunity to earn a decent living wage is so critical, I believe, to ending the racism that is prevalent in our country.

So as I thank you for your forum and being here in America, let me just say that, in President Clinton's words, we're all working hard to achieve that one America, to build that one America, an America that has a common identity, shared values, an

America that respects and values our diversity and an America that I believe, will determine our role in the 21st Century world as how we are going to come to grips and address these issues.

So you are more than welcome to be in San Jose and I look forward to the products of your deliberations. Thank you very, very much.

(Applause.)

CHAIRMAN FRANKLIN: Thank you very much, Mayor Hammer. We're delighted to be in your city, and thank you for your welcome.

I want briefly to mention a few thoughts regarding the President's fiscal 1999 budget, which was announced last week.

As you know, President has proposed a balanced federal budget for FY 1999, the first balanced budget in some thirty years.

I'm pleased to say, however, that the President's budget not only ends the federal deficit, it also promotes spending on programs that could greatly help bridge the racial gap and the racial divide in America. I'll highlight just a few items.

First, on the area of civil rights enforcement the Advisory Board advised the President several months ago of our belief that adequate funding is essential to the enforcement of existing legal

protections that prohibit discrimination in America.

I am pleased to report that the President's proposed budget provides increased resources to support the enforcement of federal civil rights laws. This budget includes an $86 million, or 16 percent increase, in spending from the estimated 1998 level for civil rights enforcement agencies.

Second, in the critical area of education, which was the focus of advisory board's meetings in November and December of last year, the President has proposed substantial spending on educational programs that will greatly improve educational opportunities for minority students.

For example, the President has proposed a Hispanic Education Action Plan, which includes more than $600 million in additional spending on programs that promote the educational achievement of Hispanic students and address such national problems as high school dropout rates among Hispanic youth.

In addition, the President has announced the High Hopes Initiative, which is a long-term investment starting with $140 million in the fiscal 1999 budget to promote partnerships between colleges and middle and junior high schools in lower income communities and to strengthen the pipeline from K through 12 to college.

Finally, in the area of economic

opportunity -- which was the focus of the Advisory Board's meeting in January and is again the focus of the Advisory Board's meeting today as we discuss the complex issues of poverty and race in America, the President has proposed additional spending as well.

For example, the 1999 budget proposal includes $283 million to fund 50,000 new vouchers for people who need housing assistance to make the transition from welfare to work.

In addition, the President's budget provides $170 million per year for ten years -- a total of $1.7 billion, to fund 15 new urban and five new Rural Empowerment Zones.

These initiatives will be more successful if the general public will support them, and of course, if the general public will on its own go beyond these proposals that we will have an abundance of support for these items that will, of course, make a difference between the status of persons bordering on poverty today and the status that they might achieve with this kind of support and with the support of the general public.

Now today we are examining issues of race as they relate to poverty. We will do this through two roundtable discussions. This morning's round table will focus on the facts about poverty, giving us a better understanding about who is living in poverty

in America, and causes, of course, of their condition and national issues and solutions.

In the afternoon we will convene regional and local experts who will examine these issues at a local level and explore some of the efforts that people are making to assist financially distressed communities.

We will explore what implications their experiences have for the rest of the country.

Governor Kean, who could not be here today, did send us a report by the New Jersey Department of Health and Human Services entitled "The Blue Ribbon Report on Black Infant Mortality Reduction." That report found that:

> "Poverty is correlated with substandard and overcrowded housing. Yet, when variables such as income, education, maternal age and marital status are held constant, black mothers continue to be at increased risk for poor pregnancy outcomes and infant death."

In other words, the report finds that racism is a documented factor contributing to black infant mortality. We hope that our panel discussions will provide us with some insight and ideas for addressing issues such as this one.

I would like to welcome our first panel of participants and introduce the moderator for this morning's discussion.

Professor Manuel Pastor from the University of Santa Clara will be moderating the panel. Professor Pastor has researched poverty and community development in housing and other areas in Los Angeles. He is currently Director of Latin American Studies at the University of California at Santa Cruz.

Professor Pastor has moderated and participated in numerous discussions on these issues with people representing a wide spectrum of views. I am delighted to welcome Professor Pastor and to ask him briefly to introduce his discussion participants and to begin the discussion.

Dr. Pastor.

DR. PASTOR: Thank you very much. I'm going to moderate from here. Basically that way I can see everybody and make sure that I get a chance to call on you.

Let me take a minute or two to set the stage, and then introduce what is really a distinguished set of panelists here.

Let me welcome the Advisory Board to California. As it was mentioned, the demographics of California mirror the country's future. Probably the

economy does as well, and at least many of us in California are hopeful that our politics will not actually mirror the future, given how divisive they've been.

But they may, because these issues of race and poverty have been quite divisive politically.

Here, in California as elsewhere, poverty and race are intertwined. They're intertwined both in image, in the sense that many carry an image that all African-Americans, all Latinos, may be poor -- but also in reality.

If we look at the statistics, what we find currently is that despite tremendous progress in the United States with regard to reducing poverty rates generally, poverty rates for African-Americans and Latinos remain three times above the poverty rates for whites, or "anglos" -- the expression we like to use in California.

The highest poverty rate is for American Indians. And Asians, often thought to be the so-called model minority -- experience twice the poverty rates as whites.

So there's a serious intersection of race and poverty in the United States. And as many have pointed out, poverty is particularly concentrated or more concentrated for minorities.

In our own research in Los Angeles we

tried to see what areas were both 50 percent white and had twenty percent of the residents above the poverty level, and the only areas that we found were in Westwood, consisting of students who hadn't yet received checks from their parents, I think -- and artists in Hollywood.

But for minorities, the experience of poverty is often an experience of concentrated poverty, living in neighborhoods characterized by high levels of poverty. And this concentration has increased over the 1980's.

Now we should recall in this conversation that most poor people are white. Yet there seems to be a special experience for people of color, and there are certainly cries that dealing with the issue of racial justice should be built on a foundation of economic justice.

So to deal with this topic, we have a very distinguished panel, which I will introduce in a moment.

I want to point out that we are going to not deal with a couple of questions in detail here. The first question, which I'm sure will come up, but will come up, we believe, later on in other sessions, is immigration -- although it does come up with all these groups

And the second is the local situation. As

Mayor Hammer was saying, that will be dealt with in a second panel. And certainly in San Jose we have a situation where there's both a high-tech economy and a sort of Aztec working class, which has been a significant problem.

We're going to today, though, be organized around three questions for the discussion. And the first is, what has race got to do with it? How does race play into poverty levels?

The second question is, what should we do about it? What are the politics and policies of dealing with poverty?

And the third question is, what gives you cause for hope?

So that's where we'll try to end. I've talked to this panel before. I know there'll be a lot of gloom and doom. But we also know that we want to end with some hope. which also means that you don't need to be too hopeful in your opening remarks.

Let me introduce this distinguished panel. I'm going to introduce them just slightly out of order just because of one way that I want to do this. We will have with us today, or we have with us today, Professor William Julius Wilson, who is a Professor of Social Policy at Harvard University. He is certainly one of the leading sociologists in the country.

When his new book, <u>When Work Disappears</u>,

came out, a colleague who's a sociologist handed it to me and said, "This is the new bible." Meaning that this is what we'll be reacting to, from now on.

We also have with us Douglas Massey, who is from the University of Pennsylvania. Also a sociologist. He wrote another very key book -- American Apartheid, in itself a bible, in terms of residential segregation and dealing with the issue of residential segregation.

We have with us today as well, Robert Woodson, who has the distinction of not having written a bible but actually working with one. He is Founder and President of the National Center for Neighborhood Enterprise. They do a lot of work with faith-based communities as well as others. Very glad he's here.

We have with us as well, Matthew Snipp, who's Professor of Sociology at a small university up the road, Stanford. He, too, has written a bible: American Indians, the First to the Land. It's really sort of the landmark study in terms of Native American or American Indians, in the United States.

We have Dr. Raquel Rivera Pinderhughes, who herself has written a bible, with Joan Moore, which is In the Barrios: Latinos in the Underclass Debate, which really reframed the debate about how Latinos fit into the issues of poverty.

And finally we have Dr. Tarry Hum, who has

just finished her dissertation, which will soon also be a bible, thinking about the -- she's an expert on the Asian community and issues of economic restructuring and poverty there.

Let us begin this discussion by turning to Dr. Wilson, who's written extensively on this issue. And we'll begin with the question again, "What has race got to do with it?"

A lot of the work that Bill Wilson has done has been at least interpreted as the stressing the importance of the economy and not so much the importance of race.

Professor Wilson, what has race got to do with it?

DR. WILSON: Well, let me say first of all, that my work is often misinterpreted.

One of the things I was very, very concerned about when I wrote The Truly Disadvantaged is trying to account for the sharp increases in concentrated poverty in inner city neighborhoods after the passage of civil rights legislation, the creation of affirmative action programs and Great Society programs.

Conservatives argued that after these programs were created you had these rates of social dislocation, therefore there must be something wrong with the welfare state, we've created a welfare

culture.

Liberals argued that no, it's increased racism, and that wasn't very convincing.

A few people paid attention to the effects of the economy on this vulnerable population. And in trying to spell out the effects of the economy on this vulnerable population, the population is vulnerable because it's as if racism, having put, for example, blacks, in their economic place, stepped aside to watch changes in the economy and changes in technology destroy that place.

In trying to spell that argument out I did not emphasize as much as I obviously should have, the continuing effects of race. There's no way that you can explain the heavy concentration of blacks in inner city ghettos or the disproportionate number of minorities who are poor without taking the issue of race into account.

One of the legacies of racism is the urban ghetto.

So there's no way that you could not explain adequately the concentration of minorities in ghettos and slums and among the poor population without dealing with race.

DR. PASTOR: Doug Massey, you've focused significantly on the fact of residential segregation and how that has had an impact on the life chances of

blacks and Puerto Ricans. Can you tell us a little bit about that. What has race got to do with it?

DR. MASSEY: Well, I think you have to ask the question, what is unique about African-Americans in the late 20th Century. And I think the answer is, they're segregated.

It is a fact that black Americans in U.S. cities are now more segregated than any other group in American society. More segregated than Asians, more segregated than Latinos, more segregated than European ethnic groups are.

Moreover, they are more segregated than any other group in the history of the United States ever has been, and they've been this segregated for more than a hundred years.

This high level of segregation is comparable to the levels of segregation that one observes in places like Pretoria, Johannesburg, Capetown, in the Union of South Africa under apartheid.

So when you compare segregation levels in Chicago, Detroit, Cleveland, Milwaukee, St. Louis, New York, Houston, Dallas to levels observed in cities in South Africa, you get the same indexes.

This high level of segregation has relatively little to do with social classes. The most affluent African-Americans are just as segregated as

the poorest African-Americans. Indeed, the most affluent African-Americans are more segregated than the poorest Latinos and Asians.

Government surveys show that when African-Americans enter the housing market, for each additional unit of housing that is made available to a white home seeker, the odds are 60 to 90 percent that something will be done to make that same unit of housing available to a black home seeker.

Why is this important? Because housing markets don't simply distribute housing. Housing markets distribute anything that is correlated with where you live So housing markets distribute education, housing markets distribute safety, housing markets distribute the insurance rates you pay, the peer groups your kids associate with, the environment that a family experiences.

And if one group of people does not have free and uninhibited access to housing markets because of the color of their skin, then we are by no means a race-blind society.

So I think that racial segregation in the United States is one of the key factors building a strong link between race and poverty in the late-20th Century United States. And it is what separates African-Americans from all other groups at present or at any other point in American history.

It is what is different; it is what is unique.

DR. PASTOR: Can you follow up on one thing? Which is, there's at some point with immigrant communities, to the notion of folks coming together in an ethnic enclave as being a source of support and strength and growth, ability to get jobs, access family resources, and yet the concentration that you pose for African-Americans seems to be heading in the other direction.

Why is that?

DR. WILSON: Is the question put to me?

DR. PASTOR: It was actually put to Doug, but I think Bill could answer it too, and then I'll move on.

DR. WILSON: I was waiting for Doug to respond.

DR. PASTOR: Go ahead, Bill.

DR. WILSON: First of all, let me say that black neighborhoods, especially what we call ghetto neighborhoods -- that is, neighborhoods with poverty rates of at least 40 percent -- are significantly different from some of these other neighborhoods that we talk about, where they feature a lot of what we call voluntary segregation.

Black neighborhoods suffer from a weak institutional resource base which removes an important

layer of social organization. By an institutional resource base, a weak institutional resource base, I mean, that there is a weak link between churches and schools and community organizations and recreational facilities.

A weak institutional resource base is what distinguishes the segregated black neighborhoods from many other neighborhoods. And therefore, it's much more difficult for families to control the negative influences of the environment on their children.

Problems associated with a weak institutional resource base include joblessness. In a lot of these communities, and a lot of these communities with poverty rates of at least 40 percent, a majority of the adults are not working in a typical week, and joblessness is very definitely associated with low levels of social organization.

Low levels of social organization are very, very factors to take into consideration when you're comparing the effects of living in these neighborhoods.

DR. PASTOR: I notice when I was asking that question that Bob Woodson began nodding in terms of the difference with ethnic enclaves and the black community. Can you explain why you were so happy to hear the question, and what is your response to this notion of concentration and poverty?

MR. WOODSON: Because I think to suggest that -- first of all, we're using the word "segregation" too loosely. See, I grew up in segregation when you were legally required to live in a given place. There's a difference between an ethnic enclave, where people volunteer -- like Baldwin Hills is not segregated, any more than an Orthodox Jewish neighborhood is segregated. And then to suggest -- it's patronizing and insulting to suggest that somehow proximity to white people is tantamount to equality and justice and opportunity.

It is insulting because it puts the onus -- to suggest that power and opportunity can only be derived as blacks are living among and with whites. And our history just has discounted that.

The other -- and I think --

I'm a former civil rights leader, having gone to jail in that movement. But I concluded in the late 60s that continued emphasis on race alone would prevent us from embracing some of the more institutional problems that plague us.

Many of the people who suffered and sacrificed most in the struggle for civil rights did not benefit from the change. And so I think right now there is a bifurcation of the black community like never before.

For instance, blacks with incomes between

$35 and $70 thousand has increased 200 percent over the last 20 years. Black incomes over $75 thousand has gone up 300 percent at the same time poor black families with incomes of below $15 thousand, that group has expanded 150 percent.

So the income gap between low income blacks and upper-income blacks is greater than the disparity between whites and blacks.

The point that I'm trying to make is that we have got to begin to recognize that it is not the sex or race of the ruler that determines who wins, it's the rules of the games.

The troubling questions are, why is it that poor blacks are suffering in cities run by blacks over the past 20 years?

(Applause.)

MR. WOODSON: Why are Hispanics suffering in areas run by Hispanics? If race were the issue, why aren't all blacks and Hispanics suffering equally?

DR. PASTOR: Let me follow up with one question to you and then move to Raquel, and I'll move back to Doug in a little while.

But the question that might be a good follow-up for you is that I think that both Bill and Doug are arguing that in areas where there is concentrated poverty that are black communities, that there are all sorts of social mores, cultural signals,

the sorts of things that sometimes get out there in terms of behaviors that make -- and models, that make it more difficult for someone to succeed in that kind of a community.

How do you react to that sort of an argument? Bob. And then Raquel.

MR. WOODSON: Well, first of all, if you look historically, the question is, if those factors were the cause, why during the ten years of the Depression, when we had a negative GNP, 25 percent overall unemployment, 50 percent figure for unemployment in the black community, did you have 82 percent of black families having a man and a woman raising children? Crime did not escalate during that period of time, where we're being lynched every day, no political representations -- so that obviously we had strong moral and spiritual centers that kept us together in spite of racism and economic development.

And so we've got to understand that it is not just race and economics that determines one's behavior and attitudes and values.

DR. PASTOR: As I mentioned before, Bob Woodson has not written a bible, but he certainly calls on one.

MR. WOODSON: I have written a book, it's called The Triumphs of Joseph, that's on the bookstands right now.

DR. PASTOR: That's good.

MR. WOODSON: That articulates these same principles.

DR. PASTOR: That's great. And I'm glad that's true.

DR. WILSON: Could I respond to that?

DR. PASTOR: Let me move to Raquel and then I'll come back. Raquel, do you --

DR. PINDERHUGHES: Why don't we let Bill respond --

DR. PASTOR: Okay.

DR. PINDERHUGHES: -- to these points.

DR. PASTOR: Bill, why don't you go ahead and respond to it, and then we'll go to Raquel.

DR. WILSON: Blacks were in the same economic boat back during the Depression as other groups. The entire society was suffering, and therefore there was no reason to feel that the black situation was that unique, although blacks probably experienced even more joblessness than comparable whites.

And if you look at some of the cross-cultural data -- for example, if you look at the effects of the Depression in Austria, there's a small town in Austria where people were suddenly hit with massive joblessness in this particular town, and they didn't display any of the social dislocations and so

on that we associate with poverty.

But that town never recovered. And after ten-fifteen years, then they started to display some of the problems that we associate with joblessness in the inner city ghettos, because people lost hope.

And the significant thing is that following the -- following the Depression -- for example, if you look in 1950, if you take three cities, three neighborhoods in Chicago, Douglas, Grand Boulevard and Washington Park, an overwhelming majority of males in those three neighborhoods were working in 1950. Almost 70 percent of all males 14 and over held a job in a typical week in those three neighborhoods.

Today, or at least in 1990, only 37 percent of all males 16 and over worked in a typical week in those three neighborhoods.

There’s been a sharp reduction in the number of employed blacks, particularly in these high poverty neighborhoods. Now why is that?

Well, there’s one factor that we have not yet taken into consideration seriously. And that is the effects of changes in the economy on low-skilled workers. There has been a decreased relative demand for low-skilled labor in this country because of a number of changes, including changes in the global economy, including the computer revocation, including

the growing proportion of skilled workers because of the sharp increase in college graduates, which have therefore decreased the cost of skilled workers.

All of these things have affected the demand for low-skilled labor. And when you consider that in 1950, 80 percent of all black workers were low skilled, you know, there's, despite the sharp increase in the number of skilled blacks in the last several years -- managers, professionals, technical workers and so on -- you still know that there is a disproportionate number of low-skill blacks in this country, and therefore they will be adversely affected by these fundamental economic changes that are occurring. To repeat --

DR. PASTOR: So we're hearing two things here.

One is that joblessness is cumulative, it builds on itself.

DR. WILSON: Right.

DR. PASTOR: And the second is that the changing economy -- particularly the demand for low-wage labor -- had had a big impact --

DR. WILSON: Precisely.

DR. PASTOR: -- on African-Americans.

Let's move to Raquel, who's focused a lot on the Latino community, in which the appearance of low-wage has often -- seems to have been that of the

working poor, at least for Latinos in California.

Can you tell us how this debate plays out when we look at Latinos and different Latino groups?

DR. PINDERHUGHES: I'm sorry, I'm going to respond to an issue that was raised a little while ago, and maybe we can come back to that one afterwards. But I just wanted to say that I want to caution us about romanticizing the positive impacts of ethnic enclaves within the Latino community, which is the community to which I'm going to speak -- but I would say within community more broadly.

On the one hand, it's clearly the case that ethnic enclaves provide people with a socioeconomic cushion that's very important to them, especially within a discriminatory context.

But there's also a lot of evidence that being segregated in an ethnic enclave -- for example, Puerto Ricaños in New York City -- or for example, rural Latino farm workers in California or rural Mexicans on the border, has had devastating effects. Because there has been a decline in the capacity for people to leave those communities in the traditional ways that they might have otherwise.

For example, in rural Latino farm worker communities, the transition from rural farm worker to urban occupational opportunities has declined, for precisely the reasons that Bill and other than are

talking about.

With the skills and educational levels that many people in segregated communities have, it's very difficult for them to find work in an economy which does not have enough jobs for people at the low-end sectors of the labor market.

So on the one hand, it's true that ethnic enclaves can provide a lot of wonderful opportunities for immigrant populations and ethnic populations and populations as a whole, but there are lots of problems with segregation.

The Cuban case is an interesting one, too, because although we look at the Cuban economy, especially in Miami, as this very successful enclave economy, there's a lot of research which shows extraordinary exploitation of Cuban women workers in an ethnic economy, and part of the success of the ethnic economy on the back of exploited Cuban workers, who come in successively at different stages into that local economy.

So I just want to caution a word about that.

DR. PASTOR: One of the facts we uncovered in doing our own -- some of my own research in Los Angeles was a rather startling statistic, which is that in South Central Los Angeles, which has become about 50 percent Latino and 50 percent African-

American, there's a huge difference in labor force participation rates.

The labor force participation rate for Latino males is above 80 percent, for African-American males, below 60 percent.

Have you seen that in other kinds of research, and how do we understand those issues?

DR. PINDERHUGHES: Well, it's clearly the case that for the majority of Mexican, Central American and other Latino workers in California and Los Angeles, the majority of people who are living in poverty are living in poverty because their wages are too low to lift them out of poverty. They're not in poverty because they're out of the labor market.

And there are some important differences between poverty related to unemployment and long-term unemployment and poverty related to working poverty. But there are some similarities to being poor.

And again, I want to caution, too much emphasis on the difference, although obviously they're important.

DR. PASTOR: When we speak about ethnic enclaves and segregation, perhaps no population has been made more separate than the American Indian population. And yet it has a very special and unique relationship to these issues of race in the United States.

Matthew Snipp from Stanford, could you speak a little bit about that?

DR. SNIPP: Thank you. One of the points I want to make here is that American Indians, once upon a time in this nation's history, were utterly self-reliant, self-sustaining people.

And over a course of centuries of struggle and conflict, what we had is the creation of today a place called Indian country. And Indian country was originally established for the express purpose of isolating Indian people from the mainstream of American society. Cut and dried, they were concentration camps; people had to go to court in order to be allowed to leave.

Over the years, the reservations have become desegregated; Indian people are no better off. Over the years, we now have tribal governments operated by tribal people. Indian people are no better off.

Talk about unemployment rates in the Depression in the area of 25 percent. Well, today we have reservations out there were unemployment rates of 40 to 50 percent are not uncommon.

Many of the discussions we have in terms of you know, whether or not it's a moral decline or whether or not we have, you know, it's issues of segregation or desegregation, in effect, are non-

starters when it comes to their relevance to Indian country. Because the unique please and legal status of Indian people sets them apart from any of these debates.

And it's hard -- and when you move into Indian country, many of these debates about segregation, about moral decline, seem bizarre at best.

And in fact, to suggest that there has been a moral decline in the Indian community because of changes in the economy, I think is insulting. Indian people have been poor since being placed on reservations. They continue to be poor.

But our spiritual core is whole.

DR. PASTOR: Thank you.

(Applause.)

DR. PASTOR: Are there important distinctions when we make an analysis of the American Indians between those who are on the reservation and the rather large number that are also in urban areas? I think one of the things that's not understood in the general population is the fact that this is also an urban population with problems within urban areas.

DR. SNIPP: Yeah, but I'd like to make the point first -- is that Indian country, even though for urban Indians who are very often distant from their reservations or from their homelands, the reservations

and Indian country is still home. Many of these people return, they return to visit and sometimes they return to live.

There's an awful lot of circular migration that goes on up there.

But it is true that for urban Indians, they have a very different set of problems, particularly because they're invisible, for the most part. We don't live in enclaves, we tend to be small in number, we tend to be dispersed throughout urban areas, and to the extent that people can gather in places like urban Indian centers and other kinds of similar sorts of organizations, it's possible to be seen by them.

But very often in forums such as this or in city councils and county governments, the voices of American Indians are very often neglected, simply because they're too few in number and they're too spread out.

DR. PASTOR: All right. I want to explore a little bit this image of Asians as a model minority making it, and yet the statistics we see, which seem to suggest that the Asian poverty rate is twice as high.

How do we reconcile those? What's going on there, how do we understand the Asian-American community in terms of these dynamics of the economy

and race?

DR. HUM: I think I want to kind of -- I want to respond to this in terms of also your first question about well, what does race have to do with poverty?

I think some may ask, you know, what does poverty have to do with Asians? I think that's very much related to your question.

And part of this is the dominance of the model minority status that projects Asians as economically successful or self-sufficient and entrepreneurial. And yet, at the same time, as noted, this perception is simplistic, and also conceals a tremendous disparity among different Asian ethnic groups.

I think that the experience of Asians also kind of echoes a lot of the trends that Raquel was describing. I think that the economic changes that has resulted in increased joblessness for African-Americans -- new adversities, has also kind of created some marginal opportunities for Asian immigrants.

In particular, in addition to the deindustrialization that has happened, there has also been a re industrialization and downgrade in manufacturing and garment industries and in furniture making, and also an expansion of low-wage services that provided marginal opportunities for Asian

immigrants to create self-employment opportunities that relied extensively to having access to cheap co-ethnic labor.

So I think a lot of poverty among Asian Americans in addition to the welfare poverty of Southeast Asian refugees, the growing poverty among Asians is working poverty, is being concentrated in these ethnic economies that are really economically segregated from the mainstream economy and are in marginalized industries -- manufacturing and service industries.

DR. PASTOR: Some have seemed to suggest that the poverty rates for Asian-Americans and this issue of working poor Asian-Americans is really just a function of the recency of arrival of immigrants, and that as time passes, if we wait another 30 years, then the economic statistics will change and what seems to be a problem currently really would not be one.

What is your response to that? What is the data?

DR. HUM: I think that I'm a little bit cautious about promoting that Asian poverty is a temporary kind of immigrant experience that will dissipate as immigrant groups assimilate.

I think that given the changing context, the changing structure of opportunities, I think we

really need to look at whether the types of jobs and types of niches that immigrants currently hold provide the same opportunities for mobility as they may historically have. For example, in traditional kind of immigrant niches, like the garment industry, I think the global context of competition has really transformed that industry in terms of providing viable means of escaping poverty.

DR. PASTOR: Raquel, you had your hand up, and then I want to ask Doug, move back to Doug.

DR. PINDERHUGHES: Well, of course, this is a critical issue in the Latino community and immigration has also been used as a way of explaining the eventual upward mobility of most Latino populations.

And I also have a lot of trouble with that explanation, for a number of reasons.

The first is that statistically, there are as many Latinos, native-born populations in poverty as there are immigrant populations in poverty. About a quarter of each population is living in poverty. One in four native-born Latinos, some of whom trace their history in the United States to the 16th Century and certainly might have benefited previously -- and of course, among recent immigrants as well, about a quarter of the population if not more.

But I think the problem is not so much to

explain why immigrants might find themselves in a weaker socioeconomic disadvantage but why both native born and immigrant Latino populations are disadvantaged over the long period.

And clearly the traditional roots of upward economic mobility that Europeans have taken are not available in the same way that they were in that period. You know, the decline of the manufacturing sector, the global economy, as was discussed, the increased emphasis on education as a route towards upward mobility, with horrendously low levels of educational attainment amongst most Latino populations.

These route are not available in the same way.

DR. PASTOR: I want to be moving in the direction of policy here in just a second so that we look forward to solutions. I wanted to end this, though, by asking perhaps Doug to comment -- I told this panel at the beginning that I know that since they were all so distinguished and powerful that no matter what I asked, they'd make sure they got their message out.

And certainly I want you to respond to any of the strands you heard here, if you want.

But I wanted to ask you specifically, too -- Doug is a really unique researcher in that he's

done so much work on migration and immigration as well as on urban African-Americans.

And there is a very interesting kind of set of issues which seems to be emerging. I think when we have thought about race in the United States traditionally, we've viewed it through a sort of white-black paradigm -- I know this group has talked about that.

And yet there are all these now intermediate groups, and there's arguments that Latinos and African-Americans are bumping each other in the labor market -- that sort of a thing.

What's your take on that? Are we seeing increased tensions between ethnic minorities? And then of course, whatever else you will be able to work into your answer.

DR. MASSEY: Let me start with "whatever else" first. Let me respond to some of the things that have come out in the discussion to this point.

And specifically, I want to address, I think, two myths.

The first myth concerns the way that economic mobility happens now and has happened in the past. And the myth is that somehow groups come into American society and they're segregated, and -- but they work hard and they get their economic act together and they move up socioeconomically, and then,

having done that, they move out into the world.

Well, it never happened that way and it doesn't happen that way now.

What happened in the past was, people moved a little bit up the economic ladder. And as they moved a little bit up the economic ladder they used their hard-won resources to buy into a better neighborhood, to move a little bit up the residential ladder, to purchase into better schools, higher home values, safer streets, and so on.

By moving up the residential ladder, they put themselves and their children in a better position to move further up the economic ladder. And over time and across the generations, various groups have come into American cities and ratcheted themselves up by taking one step at a time and moving up a ladder of mobility.

And it was part -- so residential mobility was part and parcel of economic mobility.

Now this has nothing to do with whether you want to live near European whites. I -- as Manuel said, I study a lot of Mexicans, and I can say that when Mexicans come into the United States and live in Mexican neighborhoods, other things equal, they'd probably rather live around Mexicans.

But the problem is, other things aren't equal. Opportunities and resources get distributed

widely around metropolitan areas. And perhaps they'd like to live in the barrio, but the barrio has higher crime rates, home values aren't rising so good, the schools aren't so great, there are gang problems and so on.

And so to move up in the world, they move residentially. And the issue is not whether they want to live near anglos, the issue is whether they're willing to put up with anglos in order to get access to the full range of benefits, goods and resources that are offered in American society.

(Applause.)

DR. MASSEY: And the point is that African-Americans don't get to make this choice, in many cases, because somebody else makes the decision for them.

Now the second myth is that somehow things were much rosier back in the good old days of segregation. And if you look at stuff -- at the literature being written about urban black communities in the 1930's -- read Black Metropolis and the chapters on the black lower class. You find the same sorts of things, the same sorts of problems. The same -- in some cases, even more severe social dislocations.

The difference was that the Depression lasted -- was preceded by the boom of the 20's, lasted

ten years and was followed by a post-war economic boom of unprecedented duration. So that we're only talking about a ten-year period, and the deep-seated problems that we're observing now simply didn't have time to take root.

Now back to the issue of immigration and race.

DR. PASTOR: That was smooth, Doug, you know?

(Laughter)

DR. MASSEY: I think that the whole -- the black versus Latino thing is a red herring. I think African-Americans got a lot of problems in American society, but immigrants isn't one of them.

I think that if racism is the issue, then you deal with racism head-on. And I see the fault lines being drawn between African-Americans and Latinos and Asians and various immigrant groups as being an issue of divide and conquer.

DR. PASTOR: I want to move in the direction of --

DR. WILSON: Could I please respond -- excuse me -- please --

DR. PASTOR: Yes, quite a bit of excitement here. Then I'll let Bill and Bob respond, and then start to move to policy through Matt, I hope.

DR. WILSON: This rhetorical, you know,

ploy that, you know, somehow it's a myth back then, because you know, things were much rosier. That's skating over the issue.

What I was trying to point out is that the jobless rate -- even though people were working in very, very poor jobs -- the jobless rate back then in the 1950's was much higher than the jobless rate in the same neighborhoods that Drake and Caton (phonetic) researched -- Douglas, Grand Boulevard and Washington Park.

And when I talk to the older residents of Chicago -- people have been in these neighborhoods for a long period of time. They said, "Look, it was hard back then. But at least we could sleep out on the fire escapes at night and sleep out in the parks."

DR. PASTOR: That's right.

DR. WILSON: "We had crime and so on, but at least, you know, people weren't mugging -- now we're afraid to even go outside our doors."

You're talking about extremely high rates of joblessness in these communities today that are unparalleled, and they are affecting the community. And I think we do a disservice by suggesting that somehow these things are comparable.

They're not.

DR. PASTOR: Bob, did you want to comment right on that?

MR. WOODSON: Yes.

DR. PASTOR: And then I want to start moving to policy. Although I think we're moving in that direction with these discussions.

MR. WOODSON: Yeah, we really are.

Someone said, "If you keep doing the same thing the same way and expecting a different result, that's how you define insanity."

(laughter)

MR. WOODSON: And it seems to me that we've got to begin to move outside of this kind of narrow box that somehow, first of all, black American is a patient community, that somehow our destiny is always determined by the largesse of somebody outside.

It's patronizing and insulting, okay?

The second point is, we refuse to acknowledge that some of the strategies that have been employed over the years to assist poor people have injured with the helping hand. Urban renewal did more in three years to wipe out commercial centers in black communities than the Klan ever did in 40 years.

(Applause.)

DR. WOODSON: Durham, North Carolina, the Haiti (phonetic) section -- a hundred businesses, six hundred residential properties and 75 acres leveled. And you could go into Washington D.C. and just so -- a massive kind of relocation of people in the name of

helping them.

The point is that we in -- a black child born in Harlem today has a lower life expectancy than a child born in Bangladesh. Where we are experiencing a high percentage of per capita expend[iture] --

Same in Washington D.C.

The point is, we've got to look beyond conventional strategies of poverty and race base to recognize that culture is a factor.

So the fact that there are enclaves of blacks in public housing that are safe and secure, where people living there don't depend on these models coming from outside, but when people reinvest in themselves and restore those communities they have demonstrated that they can recover and attract other people to them.

Somehow it's elitist to suggest that people living in so-called barrios or low-income black neighborhoods are somehow incapable of restoring themselves and rebuilding their communities. There are too many examples that I can take you to where this has happened without a lot of outside intervention, and we need to begin to study the strengths of people instead of always talking about them as if they're passive clients of somebody else.

(Applause.)

DR. PASTOR: Let us -- I want to move to -- we're moving in the direction of policy, and I'll be moving to Raquel, whose got her hand up, too.

I just want to say that it's wonderful to have a conversation that has both heat and light. Because I think a lot of light is actually being shed here.

These debates are strong and firm debates -- and I think all of these positions have some validity. And I know I'm asking a lot of devil's advocate questions to force things out.

Raquel, what should we do? What should policy be --

MS. PINDERHUGHES: I'm getting there.

DR. PASTOR: -- how should we move to strategies?

MS. PINDERHUGHES: I think that it would be a mistake to not understand that the majority of the people that we are focusing on right now, with the exception of Native American populations, are living in urban cities, and they're living in cities where there's been an enormous decline in the urban infrastructure.

For example, in public education -- I mean, within California, we were first in the scores, we're now 49th in the scores.

There's been enormous decline in the

infrastructure in which Latinos and Asians and African-Americans, with all of their diversity, are living in an urban context.

I think it would also be a mistake to think that children have the same kind of control over their destiny that you're referring to, Robert. For example, in the Latino community, we see kids who are coming in with limited English skills who are not getting the kind of transitional experiences that they need.

Now without those kind of transitional educational experiences, by the third grade they are dramatically lagging behind most of their peers and all other immigrant groups. This is not something about which they or their parents have an enormous amount of control. If those services are not made available they are going to continue to lag behind, as they have.

Similarly -- well, I won't take up too much more time. But I think we could -- if there's a lack of investment at the local level, then there's not going to be access to social networks that people are going to be able to use to find work.

And we could go on and on talking about the impact in the decline in the community infrastructure in an urban context, and we could do so in a rural context just as easily.

DR. PASTOR: Now you've mentioned a couple of -- Bob, I'll come back to you. I'll be good.

You've mentioned a couple of specific policies there, Raquel, and this is the direction I want to move in. And I want us to consider, too, what are the politics of those policies? And I don't mean by this Democratic Party or Republican Party, but how do we generate a national consensus to do something around these issues?

Bill Wilson, what are the sort of policies and how does a political consensus come around -- policies that are appropriate to dealing with this coincidence of race and poverty?

DR. WILSON: You know, they're a complex set of issues when you start talking about ways to deal with the problems of race and poverty.

I think, first of all, the policies that are -- looking at the more fundamental ways to address these problems -- policies that are designed to increase productivity and lower inequality, reduce spatial and economic segregation, will also effectively deal with one of the problems we're talking about. For example, concentrated poverty, ghetto poverty.

It seems to me that without broader changes in the metropolitan and in rates of segregation it's going to be very, very difficult to

address a lot of the problems that we're talking about. And I'd like to see us combine these broader strategies with more specific community-based strategies. I think the two should go hand-in-hand and we shouldn't emphasize one rather than the other.

But I do think it's very, very important to recognize that in the final analysis we need a national fundamental plan to address the problems.

And I must say that I have been impressed with the effects of the sustained economic recovery. Any program that's designed to maintain tight labor markets will have a profound positive effect, for example, on inner city ghetto neighborhoods. I don't have the figures in my head, but for example, there was one recent study that showed that during a two-month period, you know, a significant number of long-term jobless people were brought back into the labor market. These are people that had dropped out altogether.

The problem in a lot of these inner city neighborhoods is that people have been out of work for long periods of time, and as soon as they get a chance to get a job, we enter a recession. So the period of economic recovery was relatively short.

The best thing that could happen to these inner city neighborhoods, if we could extend this economic recovery period for another decade or so, it

would be fantastic, you see.

DR. PASTOR: That's an important point. And yet your own research and a number of other bits of research in which there's confidential employer surveys demonstrate that there remains significant discrimination in employer minds against African-American males --

DR. WILSON: And employers --

DR. PASTOR: -- in particular.

DR. WILSON: -- employers are much more likely to discriminate when you have a slack labor market. That is, when workers are looking for work.

You turn it around and you create a tight labor market like we have now, where employees are looking for workers -- see, it changes their behavior.

DR. PASTOR: Very good.

DR. WILSON: And you see that in so many historical examples. Tight labor markets are very, very important. It also affects discrimination.

DR. PASTOR: There is -- one is always worried, particularly with this group, about misreading what they've written.

But one reading, anyway, of what Doug has written is that perhaps a really critical policy would be continued focus on residential desegregation, and really changing the housing market.

Is that an accurate characterization?

What other kind of policies would make a difference around race and poverty?

DR. MASSEY: Well, I think happily, in this case, the document kind of analyses that you've seen around the table today don't lead to mutually exclusive policy options.

My only point in writing American Apartheid and in making the arguments that I've made today is that there's still a lot of discrimination that goes on out there in the housing market that has serious consequences for African-Americans, and to a lesser extent, for Latinos and Asians.

And there's still a lot of discrimination out there in the labor market. We've measured this. And this is simply a fact. This was Jack Kemp's housing survey, not some shining liberal out to find discrimination.

So we know that these things exist, and my only point is that there's nothing wrong with attending to cultural issues in the black community. I fully support efforts to promote full employment and do something about the stagnating wages at the lower end of the wage distribution.

But at the same time that you're doing these other things, you have to realize that it's still not a race-blind world out there and that you need to have forceful anti-discrimination programs.

In housing markets especially, but also in labor markets.

Perhaps we're getting to things a little early, but one of the signs of hope that I see is that for the first time in a long time, in President Clinton's latest budget we're actually seeing an increase in anti-discrimination enforcement.

We've tolerated it for far too long. And this is not to say that the economy isn't important or that culture isn't important. It's just to say that there's still discrimination out there and we have to recognize this fact and deal with it.

(Applause.)

DR. PASTOR: Doug, it's never too early for hope. It's also never too late.

Let us -- I want to ask Matthew Snipp to comment. One of the big debates that's gone on with regard to urban poverty is the issue of whether or not to bring the jobs to the people or the people to the jobs -- whether or not to quote-unquote rebuild the ghetto or work on the residential desegregation model.

Certainly American Indians have some experience with both of these things, and I'm wondering what your experiences and your own comments are.

DR. SNIPP: Well, I've become a little

uncomfortable -- in fact, I've become very uncomfortable with this notion that we're going to reach a consensus about policy and it's going to be a sort of a one-size-fits-all solution.

I think there are many sorts of considerations that have to be taken into account. We've heard some of them, and there are many others as well.

But certainly when you start talking about issues of segregation, issues of spatial mismatch in urban labor markets, for the most part, that simply leaves Native Americans out of the dialogue.

When you look at the experience of American Indians, most people don't realize it, but there was a massive program of desegregation on reservations which took place from about 1890 to 1930. It was called allotment.

And it didn't do a thing for the economic standing of native people -- and in fact, if anything, it represented a huge hemorrhaging of wealth in the form of land from native communities.

The other experience is that -- most people don't realize it also -- is, but for a native people, the land is central to their lives. They have a very special, even spiritual attachment to the land. And so talking about residential mobility as a way of moving up in the world, again, simply doesn't fit.

Because what you're in a sense talking about is the destruction of native communities when you start talking about moving people out of the community.

And in spite of that -- and knowing that, in fact, the federal government embarked on a plan back in the 1950's, which continued on through the 1960's, in which they attempted to move Indians off reservations into urban labor markets as a way of dealing with some problems of unemployment as well as some other issues in Indian country, and over the space of about 15 or 20 years, relocated almost a hundred thousand native people to places like the Bay Area, as well as Seattle, Chicago and other cities around the country.

What the federal government's experience was with that particular experiment was that they could take a poorly educated, unemployed reservation Indian and turn him into a poorly educated unemployed urban Indian.

DR. PASTOR: You're not suggesting that as a model, then.

[Laughter]

DR. SNIPP: No.

And over time, the absolute failure of this program, and the objections of native people to the impact on their own communities in terms of how it

affected the. composition of their communities, these programs were finally scaled back and phased out in the 70's and early 80's.

So I think it's worth taking a look at the experiences of native people, particularly when you start looking at whether you're going to move people to jobs or jobs to people.

DR. PASTOR: Tarry, I want to come to you in a second. But Bob, you've been out in the community doing a lot of work to try to make a difference on these issues.

Can you describe the kind of work you're doing, and can you give us a sense of what you think would really make a difference for the urban poor -- particularly minority urban poor?

MR. WOODSON: We work very closely with groups -- like Cochrane (phonetic) in St. Louis that was highlighted on "Sixty Minutes," public housing development where the residents took over control and began to discipline themselves.

And as a consequence, crime went dramatically down, and market-rate housing was built directly across the street and major urban market -- a supermarket located because of the control.

Benning Terrace, recently we had a gang truce in one of the most dangerous communities in Washington D.C. Hasn't been a single killing in a

year.

And now we're getting these young people to come together. So we're doing this all over. Change in the attitudes and behavior --

But let me just say this in terms of policy. When we talk about labor force participation we always seem to think about an employer hiring people. We never think about small business development.

Any ethnic group's participation in the economy depends upon their small business formation rate. A healthy community generates about 2.5 businesses per thousand people per year.

Black and Hispanic communities generate 3 businesses per hundred thousand per year. And yet precisely bootstrap capitalism is being discouraged in city after city, even cities run by blacks.

Like vendors. Washington D.C. drove off the streets 9,000 vendors. New York City, the same.

Baltimore, Maryland. Yet Penney's and Marriott started as vendors. And yet people who are supposed to be concerned about the poor are silent in the presence of this.

One quick example. In New York City you have to take 900 hours of cosmetology training to braid hair. But only 116 hours as a medical technician to operate a heart machine.

[Laughter]

MR. WOODSON: And only about 41 hours of training to be a security guard in the use of deadly force.

So what we don't talk about in sessions like this is that a lot of poor -- poverty in these communities, there is an interest group that profits from the existence of poverty and racial antagonism, and therefore we don't say anything about that.

(Applause.)

MR. WOODSON: And so it seems to me, if we are really interested in empowering the poor, we would look at all of these rules and regulations that drive off the streets people who are looking to get that first rung on the ladder that doesn't require much capital or much education. But we are silent about this.

DR. PASTOR: My second Ph.D. was in economics but my first one was in hair braiding, and it was a long process.

(Laughter)

DR. PASTOR: How do we scale up from the examples that you're working with? What would really make it go beyond the places that you're working, and make a difference in more neighborhoods?

Because when one thinks about policy, one

is hoping to have a broad impact.

MR. WOODSON: First of all, I think what we need to is recognize that we've got to get beyond this bipolar debate between left and right.

The left believes that poor people are too stupid to make informed decisions for themselves, therefore they need professionals to make their decision for them.

And people on the right tend to believe, "Well, since it hasn't worked, let's just cut it."

There's an old African proverb that when bull elephants fight, the grass always loses.

And so we need to really challenge everybody to devolve more power and responsibility to parents so that if those schoolteachers had to answer to the parents, then maybe they will teach better.

And so what I think we need to bring to the table, some of those grassroots leaders who have practical experiences, people who share the same zipcode of the those experiencing the problems.

Instead of -- Harvard can never solve the problems of Harlem. Harlem has to solve that problem, and therefore we need Harlem at the table.

DR. PASTOR: I will be certain to give a professor from Harvard a chance to respond to that set of issues.

But I did want to say that we are moving

also in this direction of what is the politics of trying to bring left and right, as you're saying, into a conversation that is a respectful one and build new strategies.

Tarry, one of the things that happens in this conversation, unfortunately is, because of time constraints. Raquel pointed this out to me earlier. We wind up mentioning a lot about our own ethnic group to make sure that gets out on the table.

I do want to make sure that we in this process of debating about policy, hear what specifically might make a difference for Asian Americans, but also to hear your ideas generally on urban strategies, the urban poor, what is really the central set of policies that needs to occur.

DR. HUM: I think that the experience of Asians sets some kind of cautionary note about the emphasis on small business development as a solution to poverty. In the sense that -- I think that in the case of the Asian community the emphasis would be less on kind of business startups, but more on kind of improving the viability of the existing businesses, and in that way also improving the work conditions of which, you know, the workers are in.

So that would mean diversifying these ethnic niches and linking these small businesses with regional growth areas.

But other more even basic strategies that can be employed to improve the conditions of the Asian worker poor is just enforcement of basic labor standards, which I think is lacking in a lot of work environments.

And of course, I think that in part, the emphasis of building viable businesses starts to emphasize kind of the need to build assets -- move away from social services in terms of addressing poverty but really building community assets and viable businesses.

DR. PASTOR: I do want to give Harvard a chance to respond.

But let me ask Bill Wilson. What is the role or contribution of research in the formation of policy? And then I'll be moving to more, again, the politics of this.

DR. WILSON: What is the role of what?

DR. PASTOR: The role of the kind of research and work that people in the universities can do -- how do all those studies really contribute to the formation of policy?

DR. WILSON: Well, they contribute in the sense of addressing issues that are on the public agenda that policymakers read and try to digest.

I've been working closely with people in Congress and with the members of the executive branch

of the government talking about you know, various research that I've been involved in, and others.

One of the things I've pointed out in a recent address at the summit -- or I should say the urban seminar organized by Vice President Gore and Secretary of Urban Development Cuomo, is that there've been some very, very successful work force development programs across the country, but people don't know about them.

And that it would be a very good idea, for example, to publicize the results of some of these local efforts -- for example, Quest in San Antonio -- and make them available to a broader population, and also stimulate support for these kinds of programs.

There was another program that I pointed out in this talk that we don't know a great deal about, and that's the Demonstration Bridges to Work, and this is an effort to get inner city residents out to the suburbs, where the jobs are -- because of the spatial mismatch problem.

And I think one of the things that this Commission might talk about is collecting information on some of these very, very successful local efforts that have made a difference in their area, and making this information widely known so that they could serve as models for other programs around the country.

DR. PASTOR: Great. So one point you're

making is that we need more information on what's working, both at the level of dealing with poverty but also at the level of dealing with human relations, which is another aspect of this --

DR. WILSON: Precisely.

DR. PASTOR: What are the politics -- and I'll be looping back to Matt -- what are the politics of putting together a social -- I realize there will always be divisions, but of putting together a conversation which moves us forward?

I want to start on this with Raquel, because certainly the issues that you've mentioned with regard to Latinos in California -- you mentioned, for example, the need for transitional education and support, and yet we're seeing a lack of support for educational structures in California, we see an Unz Initiative, which is certainly controversial about the way to teach children.

How do we craft a politics that brings a body politics together on these problems?

DR. PINDERHUGHES: Well, first of all, there's no single kind of monolithic formula here, a strategy or even agenda.

I think we have to look at the different reasons that people find themselves in poverty and we have to try to address some of those specific issues.

So I think even trying to find a

monolithic strategy is problematic.

But certainly within the context of California, we have to deal with the anti-immigrant climate, which is rampant here, and which is making all immigrant populations and native born ethnic populations more vulnerable to labor market exploitation, civil rights violations, pitting groups against one another, allowing employers to discriminate.

And there are certainly things that we can do about that very specifically.

DR. PASTOR: Matthew.

DR. SNIPP: Yeah, I wanted to make two comments. One, being at Stanford, I'm a little reluctant to say anything nice about Harvard.

But I did want to point out that there is a very good example of what researchers can do for communities at Harvard, in the form of something called the Harvard Project on American Indian Economic Development, in which students from the Kennedy School go out and work with trouble communities and in terms of bringing special kinds of expertise that aren't normally available.

In order to the politics 3 you know, I think we have to look at it both the national and the local levels.

But the experience of Indian people is is

that one of the largest obstacles to creating economic development on many communities isn't at the national level but it's at the local level. It's local business people, it's local leaders, it's opposition from Chambers of Commerce, it's non-cooperation from bankers and a host of other local actors who have a direct interest in keeping the Indian community in a disadvantaged position.

DR. PASTOR: We have about 15 more minutes -- two more minutes?

(Pause.)

DR. PASTOR: Good. I'm learning to read hand signals.

And what I wanted to here is to remind Advisory Board members that you can jump in at any time with questions, I'll recognize you and move in that direction.

Let me continue us along this conversation by starting here with Doug, and trying to focus in on this issue of politics and a political message -- and again, not one connected to a party but one connected to how do we do something about this?

One of the debates that's gone on over the last year or so -- and again, it may be a misreading of both positions, but it's one reading of a debate that's gone on between Doug Massey and Bill Wilson is about stressing sort of economic issues versus

stressing issues of racism and discrimination in terms of dealing with building a political consensus to do something about this.

And at least one reading of Doug's work is that you really have to tackle the race issue head-on. And yet it's such a difficult issue to move forward. How do you -- I mean, how do you do that, and is that what you're saying?

DR. MASSEY: I think it's a matter of how you frame the issue. And I agree with mr. Woodson, I think we have to move beyond the kind of caricatured positions of liberals and conservatives.

We're a market society. We've decided that the way we're going to distribute goods and services in this country is through markets, and so often in the past, liberals have tried to go outside the market, the government was going to do things for you, the government was going to fix it, the government was going to transfer you.

And I think politically, that model is dead.

That doesn't mean that the government doesn't have a role and that liberal thought doesn't have a role.

I think if we accept that we're a country of markets, the role of government and the role of liberals in this is to ensure that people have free

and open access to the markets and there aren't racial and ethnic barriers to their full participation in those markets and that people have an opportunity to enter the market on an equal footing. And this principally means education.

So the government has a very important role that liberals can rally behind.

And conservatives and liberals, I think, can come together on these issues. Because how can a conservative argue that people shouldn't have free and open access to markets and that there shouldn't be racial barriers to market participation? And not housing markets and labor markets, but capital markets are extremely important, as well.

So that I think an emerging -- a consensus can be formed if you frame the issue around giving people choices, giving people agencies, and the liberals want to make sure that the markets are working as advertised, and the conservatives want to focus people's attention on the markets rather than the government.

DR. PASTOR: I want to give Advisory Board Member Robert Thomas a chance to ask a question.

MR. THOMAS: Yes. Professor Massey had mentioned the concept of residential mobility. And I wanted to ask, actually, Professor Snipp.

He mentioned that residential mobility

doesn’t really fit the Indian nation model, and it’s tied more to the land. And we talked about some of the things that didn’t work.

But I thought before we got out of here, it’d be interesting to hear from you what model you thought would work, or at least what model you thought would be an analogous measure of success?

DR. SNIPP: Well, over a period of twenty years Indian communities have been struggling to in a sense, revitalize the places where they live. Because those places are essential for their very being.

There have been a lot of different strategies to bring jobs or to create jobs, bootstrap capitalism.

Vendors don’t work, but you do find small construction companies, gas stations, convenience stores, that are there now that weren’t there twenty years ago.

There are some communities -- like the Choctaw, in Philadelphia, Mississippi -- the Oneida in Wisconsin. The -- the Passmaquoddy in Maine, who have been very successful in developing a diversified economic base.

And then there have been a few spectacular successes, like the Milaks (phonetic) people in Minnesota, or the Pequots, who have built businesses around gaming. But these are exceptions rather than

the rule.

I don't -- you know, in looking at this, it's hard to come with a single strategy that works for these communities, because they are all so different culturally as well as the kinds of resources they have access to.

Gaming seems to work well in places where they have access to a large market. It doesn't work so well in Southern South Dakota.

So I think, you know, in terms of developing strategies and in terms of models, at least for Indian people, you almost have to do it on a case-by-case basis, and actually I think this is one of the things that's laudable about the Harvard project, is that they sent people out to work with the tribes in terms of what they have available to them, what their opportunities are, and to develop their strategies from there.

DR. PASTOR: Robert Woodson, is there a parallel there, in terms of looking at cases specifically by community, with the work that you're doing?

MR. WOODSON: I guess what I've been trying to make a case for is that if you look at the data in terms of what are the problems that are looming, I think the case can be made that if you look at affluent white communities and others, a lot of the

problems that you associate with inner city poor are beginning to surface in affluent white communities, where people have power, influence and money -- particularly teen pregnancy rates.

And so that’s not a problem of race.

And I always begin with the end in sight, to say, if we had perfect racial reconciliation and economic parity, how would it address the black-on-black crime rate? How would it address the kind of despair and empty lives that young whites are experiencing in Fairfax County, Virginia that’s causing them to turn to suicide and drugs?

My point is that a lot of the neighborhood healers that have been abler to address the moral free-fall that inner city gang members and others are experiencing by being character coaches and moral tutors, and demonstrated that they can markedly change their behavior.

If people in suburban communities knew that they could look to those neighborhood healers for answers to the problems facing their children, then you would have moral and spiritual reconciliation; a byproduct would be racial reconciliation.

But if we continue to look at these issues strictly through the prism of "Well, if everyone had a good job and a decent place to live," that somehow America would be okay, I think we’re missing an

opportunity here.

But I do think that if groups could come together to talk about these kinds of things, but to share remedies -- for instance, John Sibley Butler (phonetic) at the University of Texas at Austin. I attended a three-day meeting where he gathered various ethnic groups' representatives together for three days to talk about strategies of capital formation, so that they can share their strengths with one another.

And we've had community groups that come together to talk about how do you begin to rebuild communities by looking to the cultural leaders and the moral and spiritual leaders in those communities, and how do you begin to factor them into an economic strategy.

But for somehow to leave this part out -- we never talk about God, we never talk about faith. Yet, this is what is on the mind and in the hearts of most people. But we don't have this discussion in places like this.

(Applause.)

DR. PASTOR: Let me ask Professor Wilson a question and then go to Dr. Franklin, who has his hand up.

Bill, one of the ways in which your work has been interpreted has been that part of the

politics or political implications of it are that it makes great sense to call for things which have universal benefits but may wind up having significant impacts on the populations that you're the most concerned about.

Is that a characterization of what you think is an appropriate political strategy -- and again, in the sense not of a party strategy but of building a politics of consensus around policy?

DR. WILSON: First of all, let me say that I do not think that we're going to be able to address effectively the problems of the expanding have-not population -- and I'm talking about not only about the poor here, but a growing number of working class whites, Latinos, Asians, blacks and middle class people who are experiencing increasing economic anxiety.

Despite the tight labor market we have now, the economic recovery, people are still concerned about the future, they're still economically anxious. That helped explain why despite very, very low unemployment rates, wages haven't increased very much because people are reluctant to ask for higher wages because they're still economically anxious.

So it seems to me that we have a basis here for pulling people together, for the have-nots to address a lot of the issues that affect them. And I'm

convinced that they're not going to be able to address these issues until they can overcome their racial and ethnic differences and recognize that they have a great deal in common.

We emphasize so much in this country economic divisions that we lose sight of the fact that people have common goals and common problems and common values and common aspirations and common hopes.

And as I think about the possibilities -- as I think about the possibilities for an effective multi-ethnic multi-racial coalition to address some of these issues, I want people to recognize these things, and that's why I have emphasized the need to sort of focus on some of these race-neutral strategies that bring people together without -- but that doesn't mean we ignore the problem of race. Race has to be part of it, too.

But one of the things that you bring people together is to get them to recognize that they have a great deal in common, you see.

DR. PASTOR: Thank you. And one of the striking things about the research that Bill Wilson has in When Work Disappears -- and again, I recommend all the books that I mentioned here -- is a survey of the attitudes of individuals who live in inner city neighborhoods characterized by high levels of poverty, and find that much of the value structure -- even if

behaviors are different, much of what is valued is very similar to what are called mainstream values.

It’s a very interesting finding.

Dr. Franklin.

CHAIRMAN FRANKLIN: Well, I’ve been so fascinated with this discussion I’ve been almost passive. That is, I’ve been listening without reacting in a vocal manner.

But there are one or two points that I think are worth considering by a number of members of the panel. And I would invite them, I would request them, if they would , to react to this.

My esteemed friend Bill Wilson made some reference earlier to the fact that as you have full employment or are moving towards full employment, you get as diminution of discrimination. That is, you don’t have as much discrimination when you have full employment as when you have less full employment.

That raises some question about merit and about the -- about fairness and that sort of thing. And I wonder if the members of the panel will address that.

For if you -- it is conceivable, with Bill’s observation, that a person who doesn’t have employment and who might have some qualifications might be met with the argument that "You just wait in line and when we get -- when we move towards full

employment, you'll be -- we'll remember you, we'll call upon you."

I think that that as an approach is a state where we -- that we might not want to go, in the direction of fairness. I think that overlooks a problem which is almost endemic in our society -- namely, that we do discriminate against people when there is unemployment, when there is more employment and when there is full employment.

And I wouldn't want to wait, if I were on the unemployed list, I wouldn't want to wait until we get nearly full employment before I get some consideration for a job.

So I wonder if isn't it an important strategy problem -- it's about the policy problem -- but I would invite Bill and Doug Massey and Bob Woodson and any others just to comment on that.

DR. PASTOR: Actually, let me start with Raquel on that, since she's been waiting patiently in line, and --

Oh, you want to start with Bill on that, and then I'll come back to you, okay.

DR. WILSON: Let me say I couldn't agree with you more, that we can't wait until we -- well, we're in full employment now. But if we weren't in full employment I certainly wouldn't argue that we have to wait until we get full employment before we

can deal with these issues of fairness.

All I was trying to say is that -- you know, prejudice is a product of situations. Discrimination is a product of situations -- economic situations, political situations, social situations.

And the worst kind of situation you can have is an economy that has high unemployment and you have politicians out there openly demonizing groups as they did, for example, in 1994 and ’95, when they shifted attention from the real source of our problems and deflected them onto minorities, so we talked about -- to demonized welfare mothers and we demonized minorities who benefit from affirmative action and immigrants who invade our shores.

So all I was trying to lay out are, what kinds of situations will enhance racial antagonisms and what kinds of situations will distinguish them? And a full employment economy is one of those situations that distinguishes the racial antagonisms because it changes a situation.

But we certainly -- there is no way that we can wait for these conditions to develop before we do something. But at the same time it seems to me that we want to do something to ensure that we maintain the current favorable situation in the economy. And there are a number of things that I would like to focus on there, but I see you want to

move on to somebody else, so I'll just pass on that.

DR. PASTOR: Well, I hope we'll get back so we can focus on those economic issues.

Raquel, your comments on this issue.

And I want to ask Matt, who's been studying a population that has not been pulled in so much by recovery to comment on this as well.

DR. PINDERHUGHES: A couple of points.

I don't want to take away from the emphasis on people needing to transition into work. But I think if nothing else, the experience of poverty in the Latino community shows us that simply working does not lift you out of poverty. And simply working does not even necessarily lift you out of poverty intergenerationally.

So we need to talk about raising the minimum wage, we need to talk about programs which transition people from low-wage sectors of the labor market into other sectors of the labor market. We need to talk about providing non-college-bound youth with opportunities to transition into reasonably decent wage jobs in the labor market.

We need to talk about figuring out ways, and to expand the middle sector of the labor market, so that the only opportunities are not at the low end or the high end.

We also need to talk about ways in which

to ensure that once people get into the labor market they can move through the labor market, because we know that there are ceilings of every kind that exist, and programs in affirmative action that are being eroded.

So the focus on transitioning non-working populations into the labor market is critical, but we also need to remember that there are huge numbers of people who are working, and their wages are not high enough to lift them out of poverty, and unless we raise the minimum wage, and enforce minimum wage legislation, and also deal with, in the case of rural Latino poverty, labor market exploitation that is government-sanctioned, we are not going to be able to do anything about the problem of poverty.

DR. PASTOR: So we need to move between a -- beyond people having a choice between no job and a bad job, huh?

Matt, and then Tarry, and then Doug, I know you'll want to comment.

DR. SNIPP: Well, when I go out and visit Indian country, as I spent quite a bit of time doing this summer, I always wonder about the economic recovery and full employment. Because you go out and see 40 and 50 percent unemployment on these reservations, you really wonder what happened to the recovery and who recovered.

But as you see native people more and more who do get jobs, it's still a recurring theme that just because they're working, it doesn't mean they're not poor anymore. And most of these people are really only a paycheck away from disaster.

And one of the things that I would strongly agree with Raquel about is that we need to think of ways about not just creating jobs and not just creating employment, but the kinds of jobs and the kinds of employment we're creating.

It does no one very much good in terms of getting out of poverty, to put them on minimum wage jobs where they're in some cases making less than they would have receive if they'd stayed on the dole.

DR. PASTOR: By the way, I should explain to both the Advisory Board members, the panel in general, and the audience, that we were to have a keynote address by SBA Administrator Aida Alvarez, and my understanding is she has not been able to arrive --

Or she will be arriving later. That's what that flurry of notes has been. And for those on the panel who thought you would have stopped speaking a while ago, the opportunity to hear your voices, which is welcome for everyone, has been extended by her lateness.

We have just ten -- ten more minutes. And I want to definitely ask my last question, too.

But Tarry, let me let you have a shot at this, and then I know that the Reverend and Angela Oh, and then I want to conclude.

DR. HUM: I think I just wanted to cite a -- or describe a current situation that is happening at my institution, New York University, which kind of emphasizes the difficulty of transitioning from kind of ethnic labor markets into the mainstream, and how discrimination in the mainstream labor market is a very important consideration in the ability to be mobile.

For example, at NYU right now there is a construction site, building a new dormitory. And there have been some Chinese construction workers that have been excluded from being hired on the site, and they've been getting a lot of runaround in the sense that the unions are telling them that they're not able to join the union until they have an apprenticeship, and the contractors are saying to them they can't get an apprenticeship unless they're union members.

So I think that there's, you know, institutionalized racism in the workplace and in organizations that act as gatekeepers. We still need to be very vigilant about how prevalent that is, in terms of talking about anti-poverty strategies.

DR. PASTOR: Thank you. Reverend Johnson Cook.

REV. JOHNSON COOK: I'm really enjoying. This is probably the most lively discussion we've had, and it's so good to have all of you.

I want to address a question to both Professor Wilson and Mr. Woodson in terms of number one, defining who you see as the neighborhood healers, and also looking at the institutional -- the lack of institutional resource bases in the communities. How do you see that that can be strengthened at this time?

Because I've served congregations who, even if their minimum wages were raised and -- who have a poverty mentality, because there's three and four generations of it, so even if they got more money tomorrow, would not be able to go and attract the kind of job that they needed to survive in this society.

So I want to look at what you see as the solution to breaking that poverty mentality and also strengthening the institutional resource base.

DR. PASTOR: Bob and then Bill.

MR. WOODSON: Absolutely right. There are some people -- and we deal with neighborhood organizations in 38 states representing thousands and thousands of low-income people.

There are some people there who just lack opportunity. They don't need to be fixed. You just give them a job, and they will work, their values are all right.

But the people who concern us most are not work-ready. They're drug addicts or they're alcoholic or just got poor work habits. With them, they require the neighborhood healing agencies, the Josephs that I talk about in my book -- people that have the same zipcodes, perhaps that have been broken, who have healed their own lives. They didn't start their efforts as a consequence of responding to a proposal request but they have invested themselves.

They're also recognized by local people as having had the trust, they're the folks that you can turn to on Friday and Saturday night, and they go to the hospitals, funerals.

So those are the neighborhood healing agents that have demonstrated that they can help transform people and change their -- so that they are work-ready.

For some people who are unemployed, they need to volunteer their time, to gain work experience. And so -- but there are in Virginia and Maryland, for instance, there are a hundred thousand jobs pulling cable paying $11 an hour.

We have been able to, as a result of transforming the attitudes, work attitudes, get some of our young people who were gang-banging trained. Now they're making nine and ten, eleven dollars an hour pulling cable and working for companies.

So they’re not just minimum wage jobs, but there are people whose attitudes have been transformed. But it’s been through a spiritual transformation.

And yet we discriminate against faith-based providers. Also, we discriminate in our policies of providing service based upon education.

Somehow you got to have master’s degree to be a drug and alcohol counselor when most of the most effective drug and alcohol counselors are ex-drug addicts, without any education.

(Applause.)

DR. PASTOR: Bill Wilson, can you talk a little bit about the neighborhood healers you see in your own work, particularly given your focus on larger structural factors as well.

DR. WILSON: When I was listening to Bob earlier talk about Harvard University sitting at the panel I said to myself, "Now don’t get defensive, don’t respond."

But I would like to say, Bob, you’d be surprised to know that I’m involved with faith-based healers in Boston, working them, at the Kennedy School to develop programs to address some of the very issues that I’m talking about.

I’ve been working on proposals that support bringing to the Kennedy School a group of

ministers nationwide who are concerned about many of these issues. I think that they're very, very important in this overall effort.

But just let me address this issue about the community resource base.

Certainly, local efforts of the kind that Bob talks about could address some of these problems. But as I said earlier, I would like to see a combination of national programs and these local programs working together. How much easier it would be for some of these dedicated community leaders if they got resources from the national level to work on some of these problems?

But they're not getting it. And we've talked about empowerment zones, but we haven't -- only a very small percentage of the cities really get these empowerment zones, and maybe, as John Hope was talking about earlier, that with the increased resources available because of the budget deficit, [sic] maybe we could work carefully with some of these local leaders and provide them with the resources they need to really get the job done.

DR. PASTOR: I grew up in Los Angeles and before moving up in this direction about a year and a half ago, spent about thirteen years living there and doing work. I would therefore be remiss if I did not make sure that Angela Oh, from LA, got in a question.

Particularly because we were so delighted in Los Angeles to see somebody from Los Angeles appointed to serve on this Commission, who could bring forward all of these issues of an interethnic community.

And Linda Chavez-Thompson has her hand up, too.

What I'm going to do, just to give you an idea -- and nod or scream if it's not okay -- is Angela, you'll ask your question, we'll get some answers; Linda will ask her question, we'll get some answers. Then we'll open up to the audience. You've been very patient.

And then we'll -- as we close, what I'll do is I'll close with that question about what gives you hope? We'll save hope for last, okay?

So, Angela.

MS. OH: Thank you very much. And you're very kind to say what you've said, although I'm not sure that I've absolutely been very productive.

I do think that I've raised some tough issues, and this is one of the most difficult ones for me. Is it an issue of race or is it an issue of class, economy, poverty? And it depends on how you look at it.

But here are my questions.

Am I way off the mark in thinking, because we're engaged in this process of looking at one

American in the 21st Century as we move forward, could there not be sort of a multifaceted -- and are there any people studying this -- a multifaceted paradigm in which we are taking some basic principles -- and I think the fundamental principle that we need to embrace is, the creation of wealth, at all levels. I think this is what people are looking for, at all levels.

And even in the most poverty-stricken circumstances.

And then, understand that while at the national level we can lead with regard to some thinking, we cannot actually do the work, that the meaningful work happens at local levels.

So, does it make sense to look to government to provide the funding for there to be some research, but not to make that research be necessarily ethnic or racially specific but to look at the reality of the multi-racial, multi-generational facts, in many -- especially large urban centers?

And then also take that research and funding -- or government role -- and look at where are some other resources, not just government resources but private resources? Because I have seen some extraordinary models put forward by private industry, where they’re trying to take what they know and share some of that knowledge and technical assistance with

people who are trying to grow businesses and actually use that model to plug in the business you're growing to what we're doing, "and we could give you contracts."

DR. PASTOR: I want to give Doug, who hasn't had a chance to speak in awhile, a shot at that question.

And I know Raquel has her hand up.

DR. MASSEY: I think that could a backdrop to everything we're talking about today is the dirty little secret. And the dirty little secret is that we're in an unprecedented period of rising income inequality. That since 1973, wages, wealth, incomes -- however you want to measure it -- have gotten more unequal than at any other point in American history.

We are now a more unequal society than we were in the early 1920's. All of the postwar gains have been wiped out in the past 25 years.

Now this has a lot to do with the building of racial and ethnic coalitions. Because if you look at the income distribution, 20 percent of the families are doing great, never had it so good.

Eighty percent -- twenty percent at the bottom have actually seen their wages stagnate, and their incomes stagnate.

And the ones in the middle have been

basically running to stay in place, throwing more workers into the labor force to maintain their family incomes while not really advancing.

So you've got 80 percent of the population of the United States who really haven't benefited fully from all this prosperity and all this full employment and this roaring economy that's happened in the last seven years, hasn't done anything to change the fundamental structural change that's occurred in the United States, and that is the creation of a system that is promoting the wealth of twenty percent of the population and the stagnation of eighty percent of the population.

Now that eighty percent of the population includes just about everybody. That is a multiracial, multi-hued, rainbow coalition of the United States.

The top twenty percent is disproportionately white, of European origin. Not completely. There are certainly more doors open now than in the past.

But that does not mean that that eighty percent of the population that really hasn't gotten a great deal out of the political economy for the past 25 years does not have a powerful material incentive to form coalitions to bring about political change.

DR. PASTOR: So I think we're hearing about the national level being as important as the

local level.

There's some hands up and some wonderful comments. This is such a smart group, I know that they're going to work it into the questions that we have to move to here.

I will, before I move into the audience, let Linda Chavez ask one question -- that's an Advisory Board member prerogative.

MS. CHAVEZ-THOMPSON: It's not necessarily a question as much as a statement, going back to something --

DR. PASTOR: A statement's better, because then we can go back to these questions.

MS. CHAVEZ-THOMPSON: But I wanted everybody to get off of this particular subject because I wanted to address something that Professor Hum said just a minute ago regarding the apprenticeship programs, etcetera.

I want to stress that the AFL-CIO, with the new changes and the new reshaping of the labor movement has begun to do some things in bringing more people of color into the labor movement, searching out leadership, searching out ways that the American labor movement can address sometimes the many issues of just who is able to participate in apprenticeship programs or where unions go to organize.

We believe that fighting racism will

strengthen the labor movement, and we want to create full participation as we reshape the labor movement.

But in addition to that, creating channels of communication, making sure that people know that the labor movement is trying to make these changes and that Wednesday also trying to create new pathways for advancement for people of color.

We're having four labor forums around the country where unions will be participating, and we'll be asking the public to participate in just how we can reshape ourselves, how we can participate, why we need to have the work force as it changes and the type of changes within that work force and how we can enhance ourselves within that work force to make sure that -- again, if you're talking about race, if you're talking about poverty, that unions do make a difference when it comes to the kind of wages and the kind of infrastructure needs that people of color need when they come into the work force or as they enhance themselves in the work force.

So the labor movement recognizes the need to change as well, and what's happening in America today, and I wanted to make sure that she knows that we are trying to make those changes.

We know that sometimes in some cases there is a need for education as well as participation, and we are doing the best that we can in making those

changes in trying to get our labor unions to go along with the changes that we ourselves want to make.

DR. PASTOR: I think Professor Hum will be making a phone call not too long after this to discuss this, I'm sure. That's great.

And I wanted to move to the questions. There will be a couple of people in the audiences with mikes, and I will call on you.

Let me ask you for one thing before we get going, which is to try to make your questions questions -- to try, if you're going to preface them with a statement, to get there quickly.

To help you with that, if you continue to go on, I will raise one hand to try to let you know that we will try to stop. And if I raise two hands, I would ask the audience to please applaud the questioner for asking a question, and we would then go on to rephrase it as a question and make sure the panel has a chance.

Again, we want to keep things as fast moving as we have here.

So let me start over here.

MR. LORENZ: One of the reasons for persistent poverty in the United States is President Clinton's support for an immigration policy that brings in massive numbers of third world people into this country, most of whom are in poverty.

Thus we are importing poverty.

The numbers of third world people being brought into this country are so massive, in fact, that it is transforming the racial makeup of this country, reducing the fraction of European-Americans from what it was during the first 65 years of this century, which was 88 percent, down to 73 percent today, and within 50 years, down to minority status.

(Commotion in room)

(Boos.)

MR. LORENZ: The American stand opposed --

DR. PASTOR: Please. Please. This is a dialogue -- excuse me, and you'll get a chance to go on. This is dialogue, and what I would ask you to do is to respect the fact that we don't all agree with one another.

What I will do is to make sure this doesn't become a speech. It's not becoming a speech, I'm hoping there's a question here at the end.

But please, let us respect people as they ask their questions.

Sir, please go on.

MR. LORENZ: Okay. The -- the Chinese, for example, claim the land of China to be theirs, exclusively, and forever.

The Indians claim the land of India to be theirs, exclusively, and forever, as do the Mexicans

claim the land of Mexico to be theirs, exclusively, and forever, and nobody complains.

But when we Americans claim this land to be ours exclusively and forever, we are called racists.

DR. PASTOR: Excuse me. And okay, so what I'm going to do is --

MR. LORENZ: Now to call us racist is like a thief who calls his victim --

DR. PASTOR: Sir.

MR. LORENZ: -- a materialist.

DR. PASTOR: Okay. Now there's a big round of applause for you.

MR. LORENZ: I have a question for you.

DR. PASTOR: And please --

(Applause.)

MR. LORENZ: And that is, why are we discussing the racial transformation of America which the Americans stand opposed to and have opposed to for the last several decades of massive immigration?

DR. PASTOR: Okay. Sir, the rules were clear, the rules are to pull the mike at this point and to help you make that become a question.

And the question is, with regard to immigration -- and there is a concern out there about the changing character of the United States that is being addressed here.

Is this a concern? Has it made race a more problematic issue? Should we be concerned about this?

Raquel, you had your hand up. And Matt, you had your hand up?

DR. PINDERHUGHES: I'm sorry, Manuel, I'm not going to answer the question that way.

I just want to point out that 85 percent of the new immigrants that come into this country come in through the Family Reunification Program. That has been the bedstone of immigration policy since the beginning of the founding of this nation. We have always believed that families have the right to be together.

And I think it's extremely divisive and inaccurate to try to understand problems of poverty by trying to frame them within a context of new immigration, especially given those statistics.

DR. PASTOR: Matthew Snipp?

DR. PINDERHUGHES: Enough said, I think, enough said.

DR. PINDERHUGHES: And we'll just --

DR. SNIPP: As an American Indian, I feel like I ought --

DR. PINDERHUGHES: I'm sorry, Matt, I just want to say one more thing.

DR. SNIPP: -- to address this.

(Laughter)

DR. PINDERHUGHES: I just want to say one more thing, Matt.

DR. PASTOR: Excuse me.

DR. PINDERHUGHES: I'll say it without my mike. I have one more point.

DR. PASTOR: I'll come right back to you. Matthew?

DR. SNIPP: Yeah. As I said, American Indians have had an immigration issue for a long time.

(Applause.)

DR. SNIPP: Thank you. But having said that -- and Doug and Bill might be able to sort of actually know the numbers on this, but it's my understanding that some of the most rapid economic expansions in this country have coincided with immigration and a liberal immigration policy.

DR. PASTOR: Raquel, you had one more point you wanted to --

DR. PINDERHUGHES: I just wanted to say that the anti-immigrant climate in California radiating through the rest of the nation is part of the reason for the vulnerability of low-wage workers and unemployed workers.

DR. PASTOR: The gentleman over there with the sweatshirt had his hand up.

MR. HEARN: Hi, my name is Dwayne Hearn,

I'm a graduate student at San Jose State University and I work for the City of San Jose.

And I'm a person with hidden disabilities. And conversations like this are very entertaining, and they're interesting. The problem I have, though, is that people -- who are going to speak for the people who are most disenfranchised by poverty and racism?

People with disabilities, elderly people. And what's going to make this conversation, or these conversations, any different if you don't invite these people to speak and you don't hear from these people.

Because they're not in the audience, for the most part. How do we allow these people an opportunity to engage in these important conversations so there might actually be some change that takes place in this country?

DR. PASTOR: Let me just say that was a model question. It was actually a question. And a hard question as well.

Either the Advisory Board could comment on that or in fact, we could also hear from the panel.

Does the advisory -- Judith, did you want to say something about that?

MS. WINSTON: Let me say that we understand that that is a challenge, and we have tried very hard to broaden the outreach as we have been

meeting in different parts of the country.

We did send out public notices of this meeting and the subject matter that we would be talking about.

We've met with a number of community people here in this area of the country and you know, we need some help to make sure that people like you, with connections to the communities that you've mentioned, and all of us, get the word out and to ask people to come, and to also share with us the kind of issues that you think are important to address and share with us the names of people who are particularly expert in those areas.

So I think that as many of you who have followed the work of this Advisory Board have seen, that we have been broadening more and more at each meeting our outreach, and it really is a question of making these meetings as accessible as possible.

We've had the community forums, for example, at times and in places where we thought we would provide the best opportunity for the broad participation that you speak of.

DR. PASTOR: Let us go in this direction.

It's the gentleman in the blue shirt whose got his hand up back there.

It's you, yeah. It's like you just won the lottery, right? Yeah.

MR. HERNANDEZ: My name is José Hernandez. I'm the chair of the Advisory Commission on Rents. And I'm going to make a comment -- or a statement, and leave it open for a comment, if any.

And I hope those friends that know me in the audience might still want me as their friend afterwards.

Back in the 70's I experienced a sense of prejudism towards Asian-Americans. There was an influx of them coming in, and I was a younger man then, and didn't know how to deal with these new people and their different ways and different speak, or language and everything.

And I was afraid that I was going to have to change my name and that San Jose was going to be called something else, and all these really stupid and ignorant thoughts.

And I was angry with myself for harboring these thoughts. And I knew that the only basis, the only fact that I had for feeling this way was because of ignorance and nothing more. I didn't know them, I didn't know anything about their culture or anything.

Once I realized this, I made an honest effort to go out to visit a Tet festival, to visit a noodle house, to try to pronounce last names and to try to understand a little bit more about the culture.

And it came to me in a realization that

the Vietnamese community was just like all the rest of us. We want to be able to sit on our front porch, to watch our kids play and to be happy. And it's very important for me to get this word out to people, that we are a good people, and we have the potential to be a great people if we can just get past this race issue.

DR. PASTOR: Thank you. And I think it's very admirable to bring out the issue of your own problems. It reminds me, though, of Paul Rodriguez, who is a comic out of East Los Angeles, told a joke about being in an elevator in Los Angeles and going up and a bunch of people who were Asian entered and were speaking Chinese and he got nervous, like you were describing, because he didn't know the language and he felt misplaced and he turned around and he said, "Gosh, don't you know you're in America? Speak Spanish."

(Laughter)

DR. PASTOR: I want to go to the gentleman right there, gray hair, tie on.

MR. PAULSEN: My name is Jeff Paulsen. I worked for the Presidential Inaugural Committee preparing material on racial reconciliation. And I wanted to follow up on a statement made by Mr. Woodson regarding the spiritual issues.

There are wounds in this country -- old

wounds. There's blood in the soil right here beneath our feet, blood of the babies that were killed by the European immigrants, the blood of the Chinese.

In other places, the blood of the oppressed people cries out for justice. As a white male, I've had a great sense of sorrow, of repentance, of apology and forgiveness for this, and I've sought the forgiveness of people, and I've received the forgiveness, and there's been a wonderful healing.

But my question is, how are we going to confront this issue of the spiritual and the racial issue that underlies the economic issue? How are we going to confront that head-on in this country?

How are we going to encourage the acknowledgement, encourage the apology and encourage the forgiveness that will let us walk united together into the 21st Century without having to walk on a Wounded Knee?

(Applause.)

DR. PASTOR: Bob, do you want to say anything about that?

DR. WOODSON: I don't understand this question about apology, I just don't. I mean, I am more concerned about what we do to move forward.

And I just don't understand the question. Somebody else can --

DR. PASTOR: Reverend Johnson Cook?

REV. JOHNSON COOK: I wanted to just share with you that there are a series of meetings with the faith community across the nation that both myself and some of the staff are initiating. We've already had two, we had one at the White House, and we've had several around the country and we'll continue to do that.

And I think that the best way to talk about faith issues is to bring the faith leaders together and let the faith leaders make the recommendations, and we have them from all walks of life.

And so we have begun that and we'll continue through the length of this Initiative.

DR. PASTOR: The young man with the watch cap, please stand so she can find you.

MR. STEWART: Adrian Stewart.

Mr. Wilson, discrimination isn't changed by economic prosperity. San Jose and Santa Clara Valley is a model of that.

I say that because I've gone to many interviews in this area. Especially one interview when I had a brand-new suit on, fresh white shirt, polished shoes, went to the library, did all the research for the job.

Guy came in, he had torn jeans, torn

tennis shoes on, torn t-shirt, didn't know the job, made demands for a salary he didn't deserve and got the job.

He was white, I was black.

To the Governor, I want to let you know, I'm a Mississippian.

Also, I want [you] to know that there's not just spiritual emptiness in poor places and ghettos and in reservations. It's just as much spiritual emptiness in those places like the suburbs and in rich communities. White people when I was a kid sent their daughters to Europe. And we all know why.

DR. PASTOR: And I'm going to go ahead and let them respond to your first question. Thank you.

Bill Wilson, do you want to respond to the issues raised by this young man?

DR. WILSON: Yeah, let me just say that during the economic boom of the 1980's, those metropolitan areas that experienced this economic boom -- for example, the northeast -- witnessed a substantial reduction in ghetto poverty, and it was associated with increase in the number of jobs and increase in annual income.

But let me just focus very quickly on the problem of jobs.

I had a debate with a conservative,

Charles Murray, who said, "Look, black people won’t" -- he says, "These ghetto people won’t respond to increased opportunities because we’re talking about a basic value problem here, they don’t want to work, you provide them with jobs, they won’t respond."

He said "I bet if you" -- this is right during the economic recovery period, the Massachusetts Miracle. He says, "I bet if you look at Massachusetts right now, which is in a period of incredible economic recovery, I’ll bet the jobless rate in places like Roxbury is still very high because people are not responding to opportunities."

I said, "Well, I just happen to have some data." And I pulled it out. I showed the incredible drop in the jobless rate and the incredible rise in the employment rate of black males in Roxbury.

The employment rate of black males in Roxbury exceeded the national white male employment rate during this period.

And I talked about, you know, a number of factors involved in that, including the situation where employers were looking for workers. They either go out of business or they hire some of these people.

In fact, in certain areas in Boston, employers were going into inner city ghettos of Roxbury and recruiting youngsters to go out there and

work in their suburban McDonald's -- because they were looking for workers -- that's all I'm saying.

But there are other things you want to do as well.

DR. PASTOR: There's a young woman in the front here. Please wait till the mike comes down your way. Standing up here.

MS. CHAVEZ: Two things. One is, I'm with working partnerships and the South Bay Labor Council locally, and we brought copies of this report that the Mayor referenced this morning for you to be able to take with you.

What's fascinating about Silicon Valley is it's one of those places that you know, people before they come here think that the roads are paved with gold, and we, like all you know, other places in the country, are experiencing a huge discrepancy between the haves and the have-nots.

One of the reasons I work with the labor movement is I believe one of the best anti-poverty programs in the country, most successful, has been workers being able to have collective bargaining and having the opportunity to demand save working conditions, wages and benefits.

And my question for you as a committee, what kinds of labor law reforms will you be willing to recommend so it's easier for people to become members

of unions and not be threatened with being fired whenever they think about standing up for their rights, particularly immigrant communities?

DR. PASTOR: This is probably a question that makes Linda happy it's being asked.

MS. CHAVEZ-THOMPSON: Yes. one of the things I have tried to do sitting on this Advisory Board has been to talk about the economics of race, to talk about how people need to react to the economical questions.

I think we are providing some chart books about how unions bring about economic justice to workers and how the rights of union members for us is almost like a civil rights question, having to do with no discrimination on the job, including the right to organize.

So we are trying to bring about a lot of these things into the conversations that we are having, and we have had conversations with the President and with the vice president talking about how do we deal sometimes with the issues -- and I've mentioned this before, where in North Carolina we had an election where Mexicans were brought in to the jobs and eventually voted down the union because of the fear that the company would call in the immigration services against them for not having the right papers.

And yet, the company was bringing these

people in and pitting them against African-American workers.

So there was a question of who's going to get the better jobs, how those jobs will be spread out as far as which race gets the better job.

And so there was a lot of conflict, and of course, the union lost the election.

The question here is, we recognize that unions also have to make changes themselves.

DR. PASTOR: Bob Woodson, a comment on that, and then there'll be a last question from the audience, and then we'll start closing.

MR. WOODSON: See, this is where -- some of these issues are not as simple as they appear.

Something I said earlier, that Harriet Tubman, when she was mustering out of the military, was allowed to vend on the streets of Washington D.C. Blacks then had more freedom to engage in enterprise then, during slavery, than they do currently now in a city that is run by blacks -- and they are being driven out.

And so all I'm suggesting is that if you look at it strictly through a racial prism you assume that anytime that someone looks like you is in charge, then there's no problem.

And the consequence will be poor people will be driven out.

It's the same with the federal communications laws. Blacks and minorities are not in on television, on radio stations? So what is the answer?

Allow generous tax breaks so that they can own them. A hundred and thirty-nine of them purchased these stations and flipped them over within three years and walked away millionaires.

And yet, what Congress did was to change it and take that same amount of money than helped 13 rich minorities become richer and use it to allow small business owners -- hairdressers, taxi drivers, to write off a hundred percent of their health care benefits on their taxes.

So I'm suggesting, when we are looking at these policies, we need to begin with the end in mind and say, which groups are going to benefit?

I frankly believe that instead of helping just 13 wealthy minorities become richer, that we ought to take that same amount of resources and devolve it to those who are in the trenches trying to raise their families in these communities.

DR. PASTOR: I know that I'm still waiting for "Chico and the Man" to come back.

One very brief question, and one very brief answer, and then we'll close.

Sir, right here. Bring the microphone

forward, please.

MR. REED: Good morning. I want to thank the panel for coming.

I'm with the Dr. Martin Luther King Association of Santa Clara Valley and also with the African-American Community Service Agency.

I would like to also offer several opportunities. I think working together with a mixed group -- as an example, at the Martin Luther King Association we have Persians, we have European-Americans, we have blacks, we have Mexican-Americans working together to solve our problems.

And I think that the President's committee should try to encourage groups within the communities to work together to help solve this problem.

After last night's meeting I went back and I got about 50 calls this morning saying, "When are you going to set up the same type of forum at your center?"

We will be setting forms at our center -- Gerald McAtee (phonetic) and I have already agreed that we will be doing some here in Santa Clara Valley.

I think the encouragement of the community is sure to encourage other cities in all cities to get together and bring groups together, because like last night -- hate last night (explode/expo) should be in a small room so that we all can share it out and come

with some type of common cause.

DR. PASTOR: Well, thank you very much, it's a great way to begin our closure.

And what I want to do is to ask the committee -- we're glad to see that initiative going forward on a local level -- is to end with the last question.

I'm just going to ask the presenters to take thirty seconds -- it's terrible -- to say, "What gives you hope? After all of these panorama of statistics and how depressed we sometimes get, what gives you hope, what keeps you doing what you do?"

We'll start with Raquel and move this way.

DR. PINDERHUGHES: Well, there's been some positive change in race relations over the last 200 years. And I think it's largely been a consequence of people struggling for socioeconomic justice in social movements all over this country, and also the role of government in giving people the economic and social supports that they need in order to move through the economy.

So my hope is in communities that are struggling all over the country for social and economic justice, demanding their rights, and --

However, I think that those communities will not be successful unless government plays a major role in providing them with opportunities for economic

and social mobility.

DR. PASTOR: Bob Woodson, what gives you hope?

MR. WOODSON: What gives me hope is that there are just thousands and thousands of people -- grass roots leaders around this nation, to refuse to define themselves as society's victims and who refuse to accept the fact that they must be rescued from outside and taking charge of their own communities.

(Applause.)

MR. WOODSON: They are coming out of -- we spoke in Osborne Prison in Hartford, Connecticut, and the leadership is going to come from beneath, and in these communities. And I think you're going to see a moral revolution coming from the people in grass roots communities.

DR. PASTOR: Very good.

(Applause.)

DR. PASTOR: Tarry Hum, what gives you hope?

DR. HUM: What gives me hope is also on the community-based level and what I've been able to observe.

Increasingly, I think working-poor enclaves are becoming more multi-ethnic, and I think that there's -- in this one particular neighborhood

that I know very well, because I grew up in this neighborhood in Brooklyn -- it's called the third largest Chinatown, but in fact, it's primarily a Latino neighborhood.

And I think that the neighborhood economy in that community is based very much on the work of Asian and Latino women in the garment industry. What gives me hope is that there's new leadership that's recognizing that the rising tide of economic recovery is not lifting all boats and that the majority of us are not in the boat, and in building new leadership for the multi-racial coalitions to address the common sources of poverty and inequality.

DR. PASTOR: Professor Wilson, what gives you hope?

DR. WILSON: Well, I'm much more hopeful today than I was in 1995, when our politicians were openly demonizing the most vulnerable groups in our society -- welfare mothers, immigrants, minorities who benefit from affirmative action.

They're much less likely to do that today, and that's encouraging.

Secondly, I'm hopeful because there's been a reduction in the federal budget deficit, and maybe this will free up some resources that we didn't have before, and people are now beginning to talk about government programs to address some of these problems,

freeing up resources to improve the conditions in life of many people.

And thirdly, I'm hopeful because I've been convinced by some economists that this economic recovery period that we're in now will be extended for several more years, which will, I think, have real positive effects on the jobless and poverty rates.

Thank you.

DR. PASTOR: Professor Massey, what gives you hope?

DR. MASSEY: Well, one of the things that gives me hope is that we're having this sort of conversation. I think it's been delayed far too long.

And that the Clinton Administration and others in American society are finally turning back to the unfinished business of the civil rights years.

DR. PASTOR: Matthew Snipp -- Professor Matthew Snipp from Stanford.

DR. SNIPP: When I look around Indian country I see lots of things that give me hope.

I see that we are no longer known as vanishing Americans. I see that our culture and traditions are stronger now than they ever have been, for many years. There are now more native speakers than there have been for many years.

The Native American church is perhaps more active than it has been for many years. Our tribal

governments are stronger, and for the first time in perhaps 200 years our numbers exceeded two million in 1990.

And that all gives me a lot of hope.

(Applause.)

DR. PASTOR: Thank you. Let me indulge myself out of the role of moderator to talk about, for just a second, what gives me hope.

I'm the son of immigrants, an immigrant father whose papers were not entirely in order when he first came to this country, and who was able to find a job and advance and provide a home and move forward and with his wife, my mother, create a family and hope.

It was an economy that was expanding, it was a time in which we could integrate.

What gives me pessimism is the difficulties in the economy and the disappearance of the middle.

What gives me hope is the activism that we see out there in the communities. What gives me hope is the quality of this panel today and the quality of the discussion that this President's Initiative on Race has launched.

I believe -- I've been around many conversations about race and poverty and urban issues. I've been around few of such high quality in which

both passion -- heat -- and analysis -- light -- have been brought to bear.

Let us thank these panelists for really an extraordinary meeting.

(Applause.)

CHAIRMAN FRANKLIN: I want very much to thank Professor Pastor and his star-studded panel that have brought us this stimulating discussion this morning.

Ms. Alvarez -- Ms. Aida Alvarez, who was to speak just before the questions, has not arrived --

MS. ALVAREZ: I'm here.

CHAIRMAN FRANKLIN: Well, she did not arrive in time for her speech.

(Laughter)

CHAIRMAN FRANKLIN: That will come at the beginning of the afternoon session.

The afternoon session will begin at one o'clock, and there will be two speeches before we begin our afternoon discussion and then we will carry on the discussion until the end of the afternoon session.

So that now we will be breaking for lunch, and we will resume our discussions at one o'clock. That's an hour and ten minutes from now.

(Whereupon the Morning Session was concluded at 11:50 a.m.)