Coalition of 200 Organizations Seeks to Fight Poverty and Create Opportunity

By Suzanne Perry

When Catholic Charities USA started a campaign four years ago to cut poverty in the United States in half by 2020, about 37.3 million people lived below the poverty line. Today, the shaky economy has made that goal even tougher to reach.

Nearly 46.2 million people were in poverty in 2010, according to the U.S. Census Bureau (meaning they had an income of less than $22,314 for a family of four). And a bigger percentage of people, 15.1 percent, are living in poverty than in any year since 1993.

Despite these grim numbers, Catholic Charities is not giving up on its goal. But its president, the Rev. Larry Snyder, says policy makers and nonprofits must change their approach if they want to provide more lasting solutions for the nation's poor.

"The safety net is great in the sense that it does catch people who are really living on the edge," he says. "But that's just it—it catches them. There's no incentive or initiative to get them out of poverty."

Next month, Father Snyder will share his ideas with several hundred nonprofit, foundation, academic, business, and government leaders at a conference in New York to explore ways to create more economic opportunities—with an emphasis on policies that can win support from both the political left and right.

Renewed Efforts

The meeting will mark the public debut of Opportunity Nation, a coalition of about 200 nonprofits, businesses, and universities led by Be the Change, a group in Cambridge, Mass., that was started by Alan Khazei, now a candidate for the Democratic nomination for U.S. senator in Massachusetts.

The effort is modeled after ServiceNation, a group that promotes national service and held a similar conference in 2008. Opportunity Nation has raised $3.5-million from grant makers including the Boston Foundation, Annie E. Casey Foundation, the California Endowment, and Ford Foundation; nonprofits including AARP and United Way Worldwide; and companies including Staples, State Farm, and Time. Mark Edwards, executive director of Opportunity Nation, says the coalition will issue at the conference a set of policy ideas, developed with help from both conservative and liberal scholars, that it hopes will be "conversation starters."

The group will release the results of a poll of low-income Americans on the barriers they encounter when trying to move up economically and socially. It will also unveil the Opportunity Nation Index, an annual scorecard of how every U.S. county measures up in areas such as jobs and economic opportunity, public health, civic involvement, and educational standards.

Rethinking Programs

In describing its goals, Opportunity Nation shies away from using the word poverty, instead favoring language associated with the "American Dream."

"One of our goals at the summit is to reframe the dialogue away from poverty and toward opportunity," Mr. Edwards says.

Conference speakers will discuss a range of ideas for tackling what has been a stubborn problem. One of the speakers, Stuart Butler, a fellow at the conservative Heritage Foundation, says he has been sharing with the coalition his research findings on the key things that give people economic mobility.

For example, he says schools, churches, neighborhood associations, and employers could all play a role in persuading people to save money, no matter how little income they have, so they can build up wealth over time.

He says that overhauling the country's public-school system, which he calls "a total disaster," is also critical since students need to have the tools to graduate from college so they can get better jobs.

Catholic Charities, meanwhile, has concluded that the federal government needs to rethink the way it spends money on social programs—and has even drafted legislation to show how it can be done.

The bill—which was introduced in Congress in 2010 and reintroduced in September by Sen. Robert P. Casey, Democrat of Pennsylvania—would set up pilot projects in 10 communities to pool money from federal safety-net programs like food stamps, energy assistance, and Head Start to create "local opportunity funds."

Local boards would then tailor programs to the needs of the individuals in their communities and draw up ways to measure results. Father Snyder said that such an approach is better than efforts to fight "poverty in a box from Washington and everybody has to fit into that."

Broad Approach

Another scheduled speaker, Luis Ubinas, president of the Ford Foundation, says helping low-income people build economic security will require "a broad array of efforts by nonprofits, business, and the government." He adds: "We just really have to focus on it."

He said in an e-mail that Ford's grant making reflects some possible approaches. It is paying for efforts to introduce financial-planning products for low-income people; encourage authorities in metropolitan regions to work together on issues like jobs, housing, and education; get states to streamline the way they deliver government benefits; and build a national coalition to expand the learning day for schoolchildren.

The 2008 ServiceNation conference attracted John McCain and Barack Obama, then Republican and Democratic presidential candidates. The Opportunity Nation gathering does not yet promise that level of star power, although Michael Bloomberg, New York's mayor, and Deval Patrick, the Democratic governor of Massachusetts, are scheduled to speak.

Economic Woes Push Poverty Rate Higher

46.2 million
The number of Americans who live in poverty, the highest in the 52 years of record-keeping.

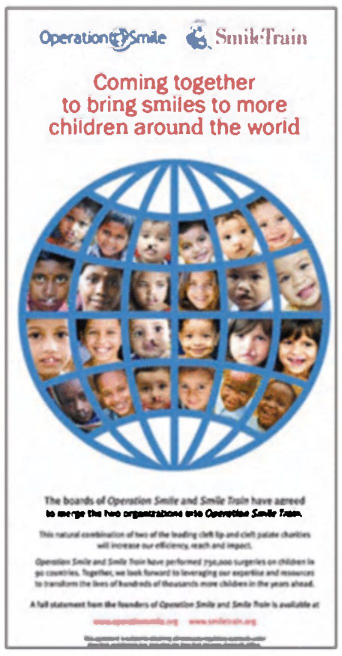
21%
The increase in poverty rates since the recession started in 2007.

15.1%
The share of people who are poor.

$22,314
The poverty line for a family of four.

SOURCE: U.S. Census Bureau

Keeping Trustees and Donors Informed Is Crucial in Mergers, Say Experts



An advertisement announces the ill-fated merger of Operation Smile and Smile Train.

Continued from Page 25

the support of community leaders and major donors.

At the final vote to approve the merger, a majority of Family Eldercare's 25 trustees unexpectedly voted to stay independent.

Staff members from both groups were stunned.

Looking back, executives and a trustee said, the two charities had vastly different plans. Meals on Wheels planned to continue its focus of serving low-income clients and people within the city. Family Eldercare hoped to expand its programs into the Austin suburbs, especially for the disabled.

A local probate-court judge said he was against the merger, worried that the new entity would end Family Eldercare's guardianship program, which manages estates for people who are incapacitated.

"We weren't seeing from our perspective a compelling case for how our programs were going to grow and benefit more than if we stayed separate," says John Crane, who was president of Family Eldercare's board of directors in 2010. "I got cornered at certain gatherings by people who said they didn't like it at all."

Mr. Crane says board members need to assess early in the process what their organizations would gain by merging. "Identify the things that are important to you," he says. "You may save yourself some time and aggravation."

Lowered Expectations

Sometimes mergers can raise expectations that the new organization will resemble the old.

More than two years ago, the board of the Virginia Ballet Theatre, in Norfolk, learned that the 45-year-old classical-dance company, which trustees had thought was financially healthy, was sliding into the red, says Angela Blackwell Carter, the theater's last board president. Its five annual productions were cut to two.

"A big lesson for each board member is to take very seriously their fiduciary responsibility on the board and to ask good questions," she says. "For years, we did not ask the right questions. So suddenly it seemed like a new revelation when we found out we had 18 months to come up with a plan to survive."

The top directors were replaced. Soon board members decided that the only way to save ballet in the region was to engineer a merger with Todd Rosenlieb Dance, a new modern-dance group in the city.

"As much as some of us loved classical ballet, that did not at all seem sustainable, not through what we were doing," Ms. Carter says.

The two-year preparation led to a merger last October. The hardest part, Mr. Rosenlieb says, was trying to account for Virginia Ballet's money and bills, some of which never were found. The company also tried to dial down expectations.

"The new entity that you're bringing on, the sick one, takes longer to build than the public thinks," he says. "I wish we had had the foresight to create a strategic plan to show the powers that be."

The new company has not yet produced a full-length ballet, such as a *Nutcracker*, because such a production can cost up to $1-million, Mr. Rosenlieb says.

Ms. Carter says she chose not to join the new board. Sometimes the best step to take in a merger is to let go.

Anger is still directed her way. Recently, someone accused her of destroying classical dance in the region.

"It's tough to volunteer and go through this much anguish," Ms. Carter says. "And it was anguish."