

The Community Uplift Initiative

A Statement from the Green-Rainbow Party 2014 Candidate Team

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A few weeks ago, we called for an Economic Bill of Rights (EBR) in Massachusetts. The EBR asserts that every human being deserves access to basic economic necessities so that they can live a life free of economic desperation. Among the needs that must be addressed are housing, food, health care, education, and employment opportunities. We were driven to make this commitment by our values - by our belief that human being deserves to live a life of dignity, respect, and love.

To fulfill the commitment of the Economic Bill of Rights, we must take legislative and budgetary action. Today we are proposing an initiative that would take a major step toward implementing the dream of the Economic Bill of Rights. We call this initiative the Community Uplift Initiative.

MASSACHUSETTS, WE HAVE A PROBLEM

Our economy is not working for too many of our people. Some of our major cities are suffering from high unemployment, low wages, poverty, lack of affordable housing, and urban decay. These are especially desperate times in cities such as Lawrence, New Bedford, Fall River, and Holyoke - as well as sections of Boston and certain rural communities - where the official unemployment has been hovering around 10 per cent for years [1]. Around 20 percent of workers there are unemployed or underemployed [2]. In these communities as many as 44% of children are living in poverty [3]. In Massachusetts as a whole 30% of children are growing up in poverty or near-poverty [4]. The rosy picture of the Massachusetts economy that is delivered in the Governor's State of the State speech stands in glaring contrast to what is being experienced in the lives of working people in our Commonwealth.

Our families are having difficulty just feeding themselves. A recent study by the Federal Reserve Bank of Boston found that in New England suburbs one in four families are now relying on food stamp assistance to feed themselves. In Massachusetts, food stamp participation increased by 86.4% between 2007 and 2011. This is more than the national average increase of 69.4%. 19% of Massachusetts residents participated in the food stamp program in 2012, up from 11% in 2010. [5] [6] [7]

Housing is increasingly unaffordable for large numbers of people. Even housing that is designated as "affordable" by state government is beyond the reach of almost half of households. [8]

Income inequality continues to be a major problem. In Boston, the bottom 20% of households are struggling to survive on just 2% of the total earned income [8].

Poverty is persistent. In the 2008 gubernatorial race, Governor Patrick assured us that "Massachusetts is on the move and on the mend". But today, with 30% of the children in Massachusetts living in poverty or near-poverty [4], the time for happy talk is long past. The official poverty line is an income of only \$11,600 for an individual and \$22,400 per year for a family of four. In speaking honestly about the problem of economic hardship, we must include people living in "near poverty" by which we mean households with incomes less than 200% of the official poverty level. The number of children living in poverty or near poverty has been increasing under the economic policies of both Democratic and Republican administrations.

SETTING A NEW COURSE

In a Commonwealth with such enormous wealth and potential, there is no need for so many of our citizens to be living in a state of economic desperation. The consequences of economic hardships fall upon everyone in the form of a multitude of social ills and costs. And the loss of human potential is perhaps the greatest and most unforgivable cost of all. Massachusetts needs to acknowledge our problem and make a serious effort to fix it.

It's time to stop just working on the problem and start solving it. State economic development programs have no concrete goals. Usually they simply award money to the well-connected, hold a few job training sessions, and then everyone goes back to struggling. The state fails to set serious goals and do the honest accounting and assessment that should be done to decide if the programs are succeeding. We are proposing something different. We are proposing a program that sets a target consistent with the Economic Bill of Rights and holds itself accountable for reaching it.

Massachusetts state government has a program for everything and a solution for nothing. It's time to stop asking "Do we have a program for that?" and to ask instead "How many years will it be before our program solves the problem?" If the answer is "It will take forever" then we need a new approach.

A key objective of our economic policy should be to **eliminate unemployment**. Not just bring it down a little - but essentially eliminate it except for people temporarily between jobs. This objective has been adopted by the Green Party in calling for a Green New Deal [9]

The Green-Rainbow Party will treat high unemployment and underemployment (where individuals work for less than a living wage) like a virulent disease that requires a public health type of response. Unemployment is not a problem to be allowed to fester year after year, waiting for help from some boom in the private sector that never seems to materialize. We recognize that when workers remain unemployed for week after week, a number of destructive consequences ensue. The resulting stress causes physical health problems and causes marriages to fail. Alcoholism, domestic violence, and suicides increase. Families lose their homes to

foreclosures. People fail to save for their retirement and for their children's education. Students drop out of school. Unemployment is a widening series of setbacks that cannot and should not be tolerated. We must bring it to an end.

Ending unemployment would bring enormous benefits to the Massachusetts economy. There are about 220,000 officially unemployed people in Massachusetts. This is an undercount, but let's take it as a working number for the moment. If each person were able to earn on average an income of just \$40,000 per year, then putting them all to work would immediately increase the total personal income in Massachusetts by *8.8 billion dollars*. As the additional \$8.8 billion circulated within the state economy, it would create tens of thousands of additional jobs. If the newly employed workers paid just 9% of their income in taxes and fees, it would bring in about \$792m per year in revenues to state and local governments- which would go a long way toward paying for programs instituted to eliminate unemployment.

The current huge pool of unemployed workers represents not only a loss of human potential for our society - it also represents an economic loss that we simply cannot tolerate. Can we afford programs leading to full employment? That's not the question. The question is how can we afford the enormous hit to the economy caused by our failure to eliminate unemployment.

Another key objective must be to **eliminate poverty**. Because we believe that every human being deserves a life of dignity, respect, and love, and that each person has a right to be free of economic desperation, we must make abolishing poverty a fundamental goal of our economic policy. Many of the components of the Community Uplift Initiative will drive down the rate of poverty as they pursue other goals. But our objective is not just to reduce poverty, but to eliminate it. This means we will take direct action to help individuals who remain in poverty escape its clutches.

It is important to realize that direct action to raise people out of poverty has positive impacts that extend far beyond the persons given direct aid. A number of social problems and costly expenses are addressed. When people who were living in poverty are given the financial resources to live at a decent level, the increased local economic activity boosts the entire local economy.

Many changes will occur to working conditions as our economy changes, technology advances, financial power shifts, and automation is introduced. We must decide on the type of economy we wish to have and not let this critical decision be dictated to us by outside powers that seek only to exploit our labor and our environment. Our ultimate vision is a job for every person who seeks work - at a living wage with a reduced work week that gives people time to engage with their family and their community. This will not happen by accident - it requires us to join together in common purpose to defend our values.

MISSING THE POINT: THE FAILURE OF THE TRICKLE-DOWN APPROACH

The type of economic assistance generally favored on Beacon Hill is predominantly based on the old trickle-down theory. It awards taxpayer money to the wealthy and well-off and tells everyone else to wait for the benefits to trickle down. (To be precise, it awards taxpayer money to moneyed interests that are major funders of

the political careers of Beacon Hill incumbents. But the excuse for doing this is the trickle-down theory.)

Governor Deval Patrick's "Billion for Bio-tech" initiative is an example of the type of economic stimulus that misses the mark for most communities. It is showering \$1 billion in taxpayer dollars on an industry that doesn't really need the money. A disproportionate amount of the benefits accrue to one city - Cambridge - which is home to over 127 bio-tech firms. The median income in Cambridge is \$69,000 and the unemployment rate is about 4.1%. We are happy that Cambridge is doing so well. But the economic crisis in our more distressed communities - where the average income is around \$37,000 and unemployment is over 10 per cent - is being addressed only by a scattering of underfunded programs with no commitment to any concrete performance goals.

If we want to address the economic needs of poorer communities, then we need more than just bio-tech or high tech start-ups. We must instead focus on rejuvenating the local economies using their inherent strengths. We must talk about making sure that wealth circulates within the community rather than being sucked out. We must talk about launching locally-based small businesses and cooperatives that hire local people, not just college graduates from other states. The Community Uplift Initiative is based on the principle that fertilizer works best when applied at the roots. If the foundation of the economy is made healthy, then everything else will follow.

AN ALTERNATIVE APPROACH: INVESTING IN THE COMMUNITIES

A few weeks ago the Green-Rainbow candidates stated their support for enacting an Economic Bill of Rights in Massachusetts. This would commit the Commonwealth to providing basic economic security for all its citizens. It would shift budget priorities from corporate welfare enriching the few to community welfare that helps every family and every resident of our Commonwealth. The first step toward honoring the commitments in the Economic Bill of Rights is an initiative we call the Community Uplift Initiative.

The **Community Uplift Initiative** is designed to put our distressed areas back on their feet and strengthen our entire society. The near-term goals of the CUI would be to reduce unemployment in the six or so most distressed areas to the state average, create thousands of new, locally-owned businesses, relieve the social burden caused by unaffordable housing, lift tens of thousands of Massachusetts families out of poverty, to bring people with disabilities fully into the economic planning process, and to revitalize struggling urban centers so that they become centers for community-enriching commerce and private investment.

The CUI planning for specific communities would be managed primarily by **transparent democratically-structured Community Uplift Commissions**, not by state bureaucrats or politicians. Nominations to the commission would come from the community, not just from the local political establishment. Checks and balances will ensure that the planning is done openly with full public participation.

A first step in executing the CUI would be to do an economic survey of the target community to determine the total number of people who are unemployed, underemployed, or excluded from the job market by factors that can be addressed (such as disabilities, lack of access to child care, lack of transportation, etc.). The

results of this survey would be used to set a target for the number of jobs that must be generated to achieve CUI goals.

Each **Community Uplift Commission** would develop a plan for how to take advantage of the CUI offerings in the way that is most appropriate for the needs of their community. The commissions would allocate their budget among the approved CUI component programs (There would be a separate provision for proposing a pilot program to demonstrate an innovative strategy not included in the CUI listing.) The community's plan would be inspected for soundness by a state-level CUI oversight board. Once approved, funding would be initiated. As the programs mature, they would be assessed honestly and critically to ensure that they are creating meaningful progress toward the goals of the Economic Bill of Rights. Any program that failed to show sufficient progress would be curtailed and the funding directed elsewhere.

Some component programs that might be considered for the CUI menu are

- Rehiring award vouchers for the long-term unemployed that give employers tax credits for hiring persons who have been out of work. This gives the worker an advantage in reentering the workforce and speeds recovery from economic recession by encouraging employers to take a chance on expanding their workforce.
- Real job training programs for unemployed and underemployed workers that are not just token efforts.
- Small business loans and business launch assistance for start-up of locally owned community-based businesses and cooperatives in target areas.
- Small business resource assistance, including building or renting appropriate retail spaces that would give small businesses, cooperatives, artists and artisans an affordable way to market their products.
- Low income housing (not just "affordable housing") created by nonprofit community development corporations, including initiatives for reclaiming and repurposing abandoned properties to create low income housing.
- A weatherization initiative to cut fuel costs for lower income families while creating green, living wage jobs
- Community revitalization projects to bring economic vitality to a targeted core area
- Community Commons grants to provide minimal cost meeting spaces for nonprofit community organizations and citizen meet-ups (mostly hosted within existing schools or churches)
- An Urban Agriculture Initiative creating small organic food production businesses in urban areas. This would include developing the marketing venues and mechanisms for small agricultural enterprises.
- A Center for Healthy Local Economies providing research and planning, analysis, and consultation focused on healthy, relocalized economies.

INCLUDING PEOPLE WITH DISABILITIES IN THE PROCESS

In Massachusetts we have over 724,000 people living with some form of physical disability. Many other people are living with mental disabilities with various levels of severity. Many of these people cannot find employment and are trying to live on pensions or assistance payments that simply do not cover the rising cost of living in Massachusetts. Around 28 per cent of these people are actually living in poverty.

[10]

Most people with disabilities are not helped by the typical economic stimulus program which involves job training or the opening of new businesses. When a new bio-tech facility opens and new college graduates move into the community to take jobs, people with disabilities seldom benefit. In fact, the impact that they often see is that their rent goes up.

The Community Uplift Initiative will undertake a comprehensive census to assess the financial situations of each person with disabilities and make sure that they have the assistance they need to get by. Each person will receive specific, individualized attention. Barriers to participation in the economic life of the community will be removed using both legislative means and financial incentives. Under the Economic Bill of Rights each person, including those with significant disabilities, has a right to live a life of dignity free of economic desperation. As proponents of the Economic Bill of Rights, we are committed to leaving no one behind.

CONCLUSION

In proposing the CUI we are calling for a clear break from the usual economic stimulus packages that deliver tax money to the wealthy and avoid any commitment to actually eliminating unemployment or poverty. We are calling for an end to programs in which big payoffs for well-connected corporations are negotiated in secret with Beacon Hill powerbrokers, and the affected communities are given a "take it or leave it" offer. The CUI is an economic policy of, by, and for the people.

One should not underestimate the importance of defining meaningful measures of community economic health. It is also critical to honestly and objectively assess the progress of the overall progress of the CUI as it moves toward its stated goals. This is essential not only for designing the program initially, but in assessing which components are working well and which need to be reconsidered.

A local economy is a complex entity. In fact, it is a *living* entity. It responds to economic inputs in a complex way. That is why single-problem/single-solution approaches are usually inappropriate. That is why the community itself needs to be involved in customizing any program to the needs and circumstances of the community.

There are tremendous synergies at work in any community. Helping one segment of the population results in an expanding set of benefits. A program that creates two jobs will discover that a third job is "induced" by the increase in personal income produced by the original two jobs. We can predict some of the synergistic effects, but economic science still operates with a cloudy crystal ball. We will learn about some of the synergism only after we observe programs in practice. The proposed Center for Healthy Local Economies will play a lead role in improving our understanding of the local economy's response to our initiatives.

The CUI is designed to make meaningful progress on the very real economic problems that have been allowed to grow to intolerable levels under previous administrations. The CUI will open up a new approach, that will be fully consistent with principles of economic justice and democracy. It will leave our Commonwealth stronger in terms of both social well-being and economic vitality. The CUI will move us toward a society in which growing inequity is reversed. It will move us toward a sustainable economy with green, living wage jobs that preserve and do not destroy the natural systems on which our lives depend. It will advance the idea that the

economy under which we live should be in our hands, to be shaped in open democratic processes, under control of the people who will be affected by the decisions, instead of being dictated to us by far away boards and bankers meeting in secret without any commitment to the welfare of the communities in which they operate.

When most of our people are healthy, gainfully employed, and free of the corrosive burden of poverty, our Commonwealth will be in much better shape to face the challenges of the future. We invite all who share this vision to join with us to make it a reality.

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