

FIFTY YEARS INTO THE
WAR ON
POVERTY

Wednesday, August 20, 2014 | 9:00 a.m. – 3:00 p.m.
California Science Center, Los Angeles, CA

A SUMMIT ON
Advancing Southern California's Battle Plan for Victory –
Poverty to Jobs, Workforce Development Tactics
& Economic Growth Campaigns

FIFTY YEARS INTO THE WAR ON POVERTY

A Summit on Advancing Southern California's Battle Plan for Victory – Poverty to Jobs, Workforce Development Tactics & Economic Growth Campaigns

In his State of the Union address on January 8, 1964, President Lyndon B. Johnson declared an “unconditional war on poverty in America.” The President and Congress worked together to pass the Economic Opportunity Act, which was signed into law on August 20, 1964. Fifty years later, however, poverty is still a major challenge across the nation. Socioeconomic data presented at the 2013 Southern California Economic Recovery & Job Creation Summit showed that the Southern California region has a much lower than average educational attainment level, which in turn results in an alarmingly low median household income level and extremely high poverty rates. One in four children lives below the poverty line. Even after fifty years, more needs to be done.

The Southern California Association of Governments and the Southern California Leadership Council are hosting this summit to help raise awareness, develop a broad coalition of stakeholders to help find solutions, identify specific actions needed to move people out of poverty and into jobs, assure Southern California's future prosperity for our economy and residents, and outline ways for attendees to get involved.

AGENDA

8:30 A.M. REGISTRATION, NETWORKING & CONTINENTAL BREAKFAST

9:30 A.M. WELCOME & OPENING REMARKS

- Hon. Carl Morehouse, SCAG President, City of San Buenaventura
- Governor Gray Davis (Ret.), 37th Governor of the State of California

9:50 A.M. OPENING KEYNOTE

- Connie Rice, Co-Founder & Co-Director, Advancement Project

10:15 A.M. POVERTY IN FOCUS: ADDRESSING SOUTHERN CALIFORNIA'S GROWING CRISIS

Sobering statistics were revealed at the 2013 Southern California Economic Recovery & Job Creation Summit regarding the drastic increase in the poverty rate in the SCAG region. Hear from experts in the field on poverty as it relates to workforce and labor markets, as well as challenges and opportunities.

- Economist: Dr. John Husing, Chief Economist, Inland Empire Economic Partnership
- Moderator: Paul Granillo, President & CEO, Inland Empire Economic Partnership
- Father Michael Barry, President & Chairman of the Board, Mary's Mercy Center
- Lance Triggs, Chief Executive Officer, Operation HOPE, Los Angeles
- Tunua Thrash-Ntuk, Executive Director, West Angeles Community Development Corporation
- Frank Talarico, Jr., President & CEO, Goodwill of Orange County

11:15 A.M. ECONOMIC OPPORTUNITY 2014: PINPOINTING THE REGION'S GROWTH INDUSTRIES

Economic opportunity begins with knowing which sectors of the economy are ripe for growth. After a presentation on the economic cluster work from SCAG and the Los Angeles County Economic Development Corporation (LAEDC), hear from business leaders representing the region's top industries discuss opportunities for growth and how it relates to poverty.

- Economist: Dr. Christine Cooper, Vice President of Economic & Policy Analysis, LAEDC
- Moderator: Bill Allen, President & CEO, LAEDC
- Antonio Manning, Vice President, Office of Corporate Responsibility, Global Philanthropy, JP Morgan Chase & Co.
- Darrell Huntley, Vice President, Satellite Development Center, Network & Space Systems, The Boeing Company
- B.J. Patterson, CEO, President & Founder, Pacific Mountain Logistics

12:15 P.M. LUNCH

12:30 P.M. WORKING LUNCH – FROM POVERTY TO PROSPERITY: INCREASING PATHWAYS TO JOBS & OPPORTUNITY

With clear linkages between educational attainment, job opportunities, and income, more needs to be done to ensure future generations of Southern Californians have access to quality education and jobs. Hear from experts on workforce development regarding education and training tools that provide pathways out of poverty.

- Economist: Dr. Wallace Walrod, Chief Economic Advisor, Orange County Business Council
- Moderator: George Pla, Co-Chair, Southern California Leadership Council
- Mike Gallo, President & CEO, Kelly Space & Technology, Inc.
- Lupita Cortez Alcalá, Deputy Superintendent of Public Instruction, Instruction & Learning Support Branch, California Department of Education
- María Elena Durazo, Executive Secretary/Treasurer, Los Angeles County Federation of Labor, AFL-CIO
- Bret Lane, Chief Operating Officer, Southern California Gas Company

1:30 P.M. ADVANCING SOUTHERN CALIFORNIA'S BATTLE PLAN FOR VICTORY

More needs to be done to address the poverty, jobs, and economic development challenges facing the SCAG region. Hear from experts about proven programs and possible solutions in the areas of Poverty/Civic Engagement, Policy, Workforce Development/Education, and Regional Economic Development that could be utilized to address poverty in Southern California.

- Moderator: Conan Nolan, Chief Political Reporter & Anchor of "News Conference," NBC4 Southern California
- Nolan Rollins, President & CEO, Los Angeles Urban League
- Ralph Cordova, Jr., County Executive Officer, County of Imperial
- Van Ton-Quinlivan, Vice Chancellor of Workforce & Economic Development, California Community Colleges
- Kim Zeuli, Senior Vice President, Research & Advisory Practice, Initiative for a Competitive Inner City

2:45 P.M. CLOSING REMARKS, WRAP-UP & NEXT STEPS

- Hasan Ikhata, Executive Director, SCAG

3:00 P.M. SUMMIT ADJOURNMENT

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POVERTY AND EDUCATIONAL ATTAINMENT:

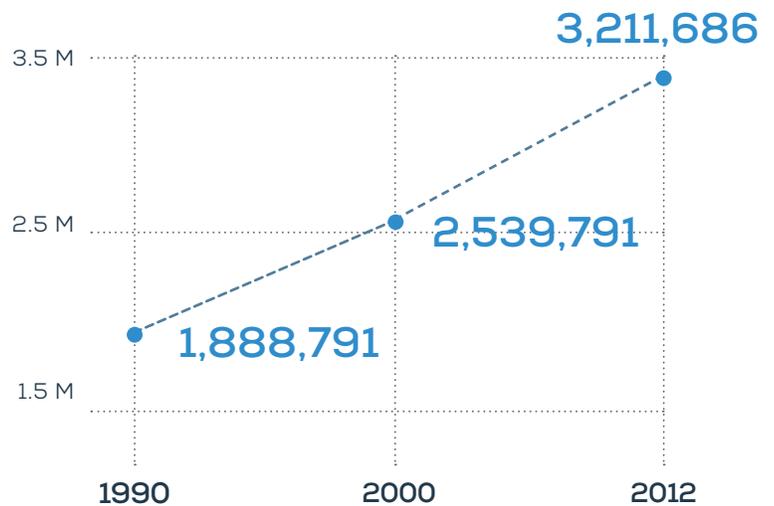
A GROWING SOUTHERN CALIFORNIA CONCERN

With the stock market hitting all-time highs, recent media reports give the impression that the national economy has fully recovered, leading many to believe that the economic woes caused by the Great Recession are largely behind us. Although job growth is up and unemployment rates have declined in 2013, many SCAG region residents are not yet realizing the benefits of economic recovery. Poverty in Southern California has risen significantly in the last two decades and is acutely concentrated in households of lower educated workers.

Population in Poverty in the SCAG Region: 1990–2012

From 1990–2012, the share of residents in the SCAG region living below the federal poverty level increased from 13% to 18% (less than \$23,550 annual income for a family of 4). Today, the region has 3.2 million residents in poverty, up 69% from 1.9 million in 1990, compared to population growth of only 26%.

Poverty status is determined by the U.S. Census Bureau at the federal level by comparing households' average income against a minimum threshold of basic living needs. It does not take into account the wide variation of cost of living across regions throughout the U.S. Since Southern California is considered to have a relatively high cost of living, the official poverty rate at the federal level likely understates the actual incidence of poverty in Southern California.

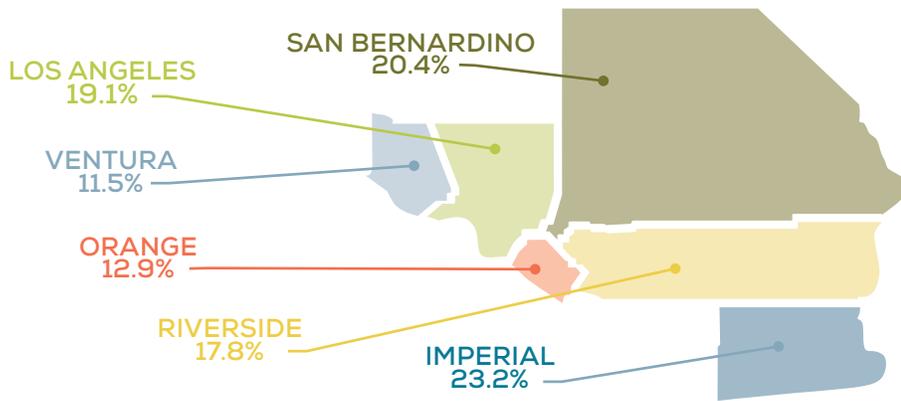


Changes in Poverty by Ethnic Composition: 1990–2012

The burden of poverty has also fallen disproportionately on specific groups within SCAG's community. There is a clear social justice dimension with shares of poverty in the SCAG region at 26% for African Americans; 24% for Hispanics; 12% for Asians; and 10% for Whites.

| | HISPANIC | WHITE | AFRICAN AMERICAN | ASIAN |
|------|-----------|---------|------------------|---------|
| 2012 | 1,979,275 | 587,192 | 304,336 | 269,857 |
| 2000 | 1,493,692 | 477,330 | 275,309 | 218,860 |
| 1990 | 1,020,485 | 460,988 | 243,008 | 173,524 |

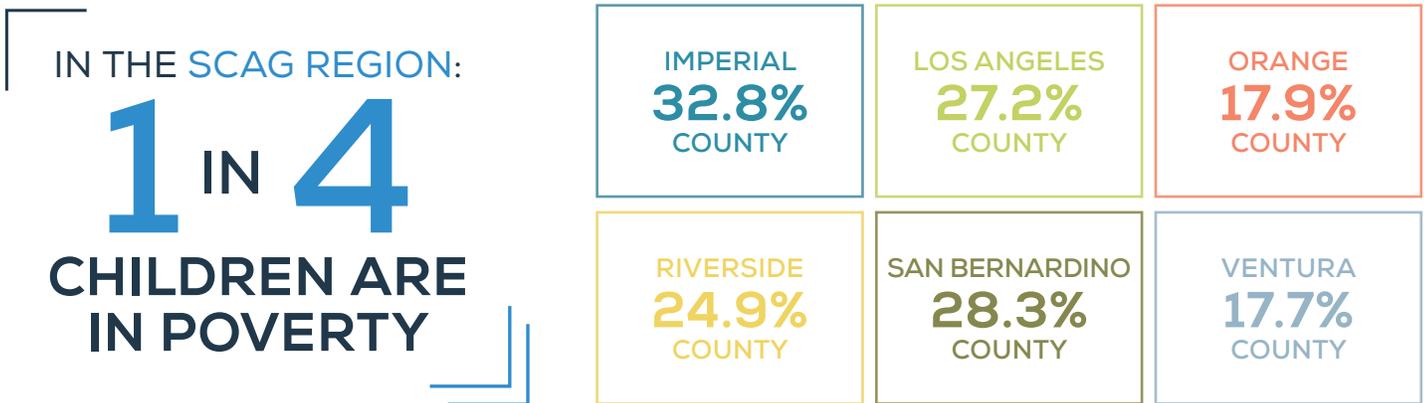
Percentage of County Population in Poverty 2012



Poverty has a definite geographic dimension as well. A careful look at the 2012 American Community Survey (ACS) shows the extent to which the burden of poverty disproportionately affects specific communities within the SCAG region. For example, 23% of Imperial County's residents are living below the poverty line versus 11% in Ventura County.

Child Poverty is on the Rise in the SCAG Region

Perhaps most alarming is the extent to which poverty impacts a growing number of children in the SCAG region. In 2012, over 25% of Southern California's youth lived below the poverty line, ranging from 17.7% of Ventura County youth to 32.8% in Imperial County.



Population in Poverty by County: 1990-2012

| | IMPERIAL | LOS ANGELES | ORANGE | RIVERSIDE | SAN BERNARDINO | VENTURA |
|------|----------|-------------|---------|-----------|----------------|---------|
| 2012 | 37,332 | 1,870,813 | 395,380 | 398,102 | 415,149 | 94,910 |
| 2000 | 29,681 | 1,674,599 | 289,475 | 214,084 | 263,412 | 68,540 |
| 1990 | 25,517 | 1,308,255 | 200,860 | 131,690 | 174,727 | 47,742 |

NEXUS OF EDUCATIONAL REQUIREMENTS JOB GROWTH & MEDIAN PAY

Opportunities for Workforce Development & Growth

Although Southern California finds itself in the midst of recovery, unemployment rates remain stubbornly high with nearly 800,000 Southern Californians unemployed and actively looking for work. Unfortunately, low paying sectors such as retail, consumer services, dining, hospitality, and agriculture have seen the fastest growth in Southern California since the Great Recession ended. These occupations, which have few entry level requirements, are projected to grow by 578,721 from 2012-2020, but their 2013 median pay is just \$29,039.

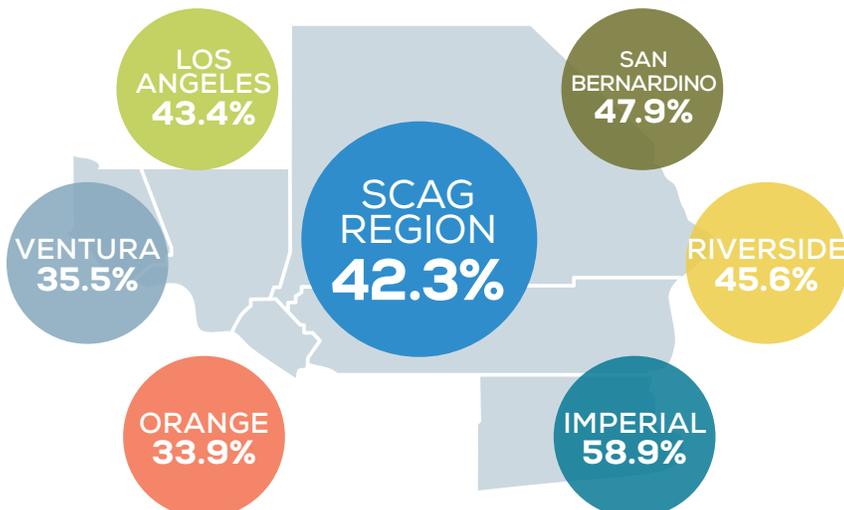
Many pathways to the middle class for families – good paying jobs in construction, manufacturing, and logistics/warehousing – traditionally did not require college degrees. In today's economy, however, those with a high school or less education are more likely to experience protracted economic hardship. These same sectors were also hit hardest by the Great Recession and are still struggling to recover, facing many hurdles and barriers to robust job growth.

California Employment Development Department (EDD) data is revealing in terms of what sectors might provide good-paying job opportunities in the future. Five sectors show promise: Construction; Health Care; Finance, Insurance and Real Estate; Logistics; and Manufacturing.

EDD forecasts these sectors to add 403,800 jobs to the SCAG region economy from 2012-2020, with Logistics leading with 143,100 new jobs, followed by Health Care (133,100) and Construction (61,600). Even Manufacturing, which EDD forecasts to create just 13,600 new jobs, will create many more job openings for trained newcomers due to the retirement of aging baby-boomer manufacturing workers.

| | % of Workers with a HS Diploma or less | New Jobs Forecasted, 2012-2020 | Median Income |
|--------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------|---------------|
|  Construction | 84% | 61,600 | \$53,036 |
|  Logistics | 80.2% | 143,100 | \$44,291 |
|  Finance, Insurance & Real Estate | 74.8% | 53,000 | \$48,010 |
|  Manufacturing | 68.0% | 13,600 | \$50,597 |
|  Health Care | 43.9% | 133,100 | \$57,444 |

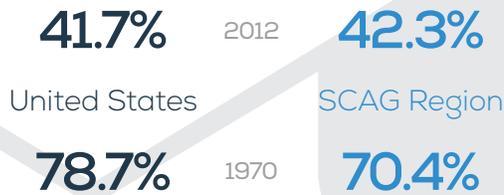
Percentage of Adults 25+ with High School Education or Less



In considering the underlying root causes of poverty, educational attainment is a highly correlated factor. Residents with lower levels of education are likely to find limited employment opportunities with mostly low (and stagnant) wage potential. Poverty rates for working residents without a high school diploma are about 26% in the SCAG region, 60% higher than for those with a high school diploma. The weak earning power for those at the lowest rungs of educational attainment represents a stark picture of the preponderance of the “working poor” in Southern California.

EDUCATIONAL ATTAINMENT CHALLENGES ACROSS THE REGION

HAVE A HS DIPLOMA OR LESS



Educational attainment challenges in Southern California follow similar ethnic and geographic lines as poverty, with significant geographic disparities in the SCAG region – respective shares of adult population with high school or less educational attainment range from 59% in Imperial County to 34% in Orange County. Differences are also found when looking at educational attainment among SCAG region ethnic communities with 66% of Hispanic adults, 35% of African American adults, 27.6% of Asian adults, and 25.4% of White adults having a high school education or less.

Unfortunately one clear trend is that education attainment has slipped in the SCAG region compared to national trends. For example, in 1970, 70.4% of adults in the SCAG region had a high school diploma or less, over 8 percentage points better than the national average (78.7%). By 2012, 42.3% of SCAG region adults had a high school diploma or less, trailing the national average (41.7%).

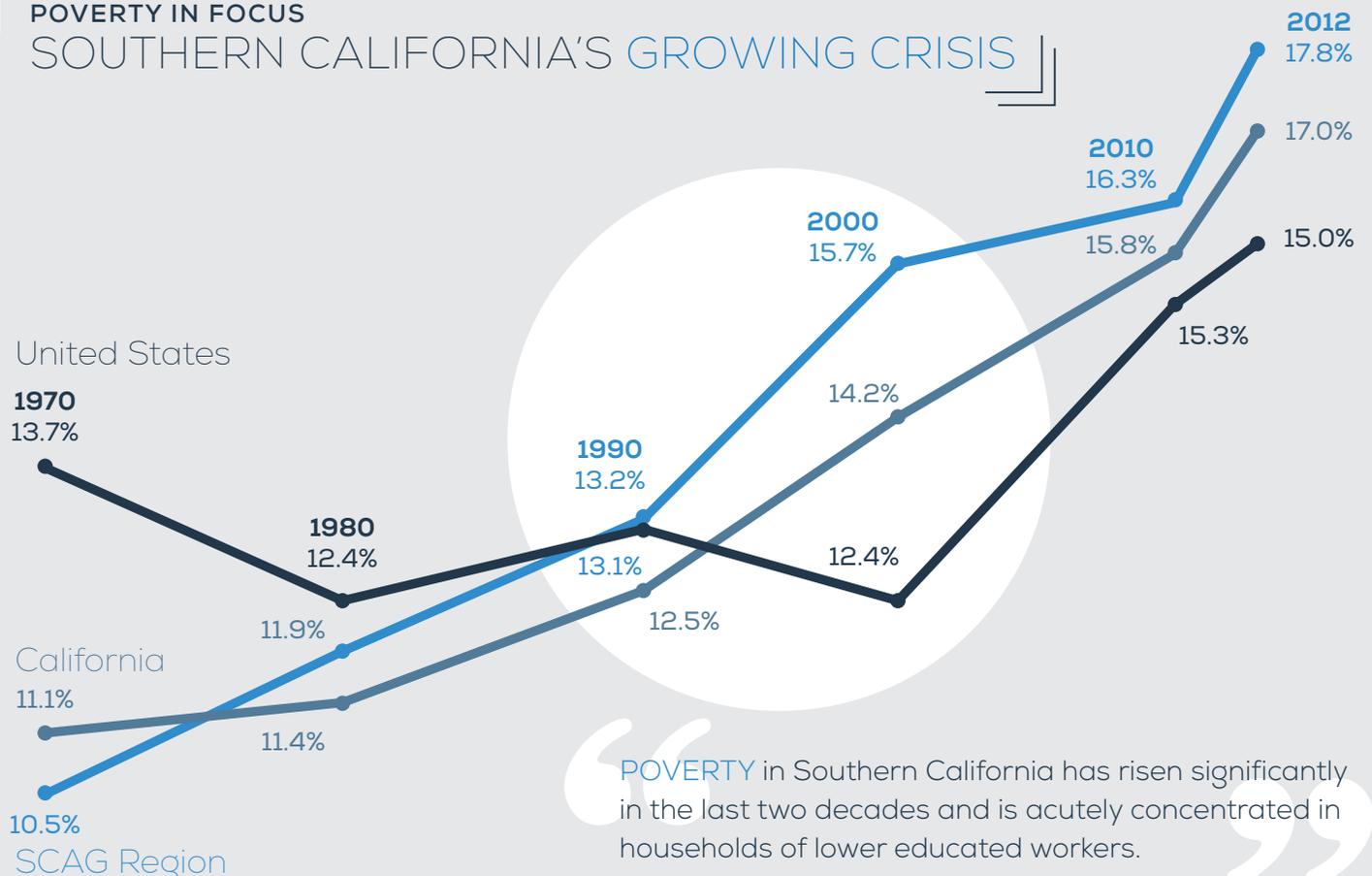
PER CAPITA PERSONAL INCOME



Similarly, 12.7% of SCAG region adults had a BA or higher, exceeding the national average (10.7%) in 1970. In 1990, SCAG's 21.9% average was still above the national average by 1.6 percentage points, but by 2012, the SCAG region (28.8%) had fallen below the national average (29.1%).

SCAG region per capita income trends have also stagnated compared to national averages. In 1990, annual SCAG per capita income was over \$1,700 above the national average, but by 2012 SCAG per capita income was \$1,650 below the national average.

POVERTY IN FOCUS SOUTHERN CALIFORNIA'S GROWING CRISIS



“POVERTY in Southern California has risen significantly in the last two decades and is acutely concentrated in households of lower educated workers.”

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“The measure before me this morning for signature offers the answer that its title implies--the answer of opportunity. For the purpose of the **ECONOMIC OPPORTUNITY ACT OF 1964** is to offer opportunity.... For the million young men and women who are out of school and who are out of work, this program will permit us to take them off the streets, put them into work training programs, to prepare them for productive lives, not wasted lives. In this same sound, sensible, and responsible way we will reach into all the pockets of poverty and help our people find their footing for a long climb toward a better way of life.”

*—President Lyndon Baines Johnson,
Remarks Upon Signing the Economic Opportunity Act,
August 20, 1964*