

Supplementary Docu-  
ments - The OSO  
Organization

10/1/64

Mission:

To formulate goals, to measure effectiveness in achieving those goals, and to develop new program proposals.

Functions:

1. Continuous evaluation of effectiveness of ongoing programs.
2. Evaluation of such project submissions as the Director refers to the office for independent evaluation.
3. Evaluate budget requests and make recommendations for budget allocations.
4. Evaluate OEO's internal organization and interagency relations.
5. Contract with universities and private nonprofit organizations for special research and evaluation projects.
6. Explore the possibility of establishing expert advisory councils, institutes for poverty studies, and other long-range planning mechanisms.
7. Frame program proposals for new programs and revision of ongoing programs.
8. Develop, if feasible, a cost effectiveness system of evaluation.
9. Utilize fully the data gathering services of the Government, including the Bureau of the Census and the Bureau of Labor Standards.
10. Utilize the insights, experience, and firsthand knowledge of persons involved in program operation (drawn from the operating divisions, other agencies, field staff, project staff), by giving them temporary assignments to the Evaluation Office on a regular rotation basis.
11. Evaluate non-OEO poverty-related programs in relation to OEO programs.
12. Rely heavily on and utilize the insights and evaluations of program development offices in CAP, Job Corps, and all

operating agencies (Presumably, all agencies administering Federal programs attempt to assess, revise and improve their own operations. Provision should be made for access to and maximum utilization of the work of such program development units.)

October 1, 1964

OFFICE OF  
RESEARCH, PLANS, PROGRAMS AND EVALUATION

3/5/65

Primary Responsibilities

Provide research, plans, programs, and evaluation necessary to (1) identify the total nature of poverty; (2) develop a total program needed to successfully combat poverty; (3) make rapid and continuing evaluations of total or specific program conditions and accomplishment.

Major Functions

A. Research and Planning Division:

1. Development of adequate operational definitions and indices of poverty in the Nation.
2. Monitoring and maintaining cognizance of all of the significant research conducted by governmental, academic, and other institutions related to the problems of poverty and efforts being made towards its elimination.
3. Review and coordination of research proposals of program constituents in OEO and other agencies with delegated or related programs to prevent inadvertent duplication of effort and to ensure the maintenance of the best possible mix in the allocation of research resources within and among the various subject matter and program areas of the national anti-poverty effort.
4. Development and implementation of an over-all research program to provide basic information needed to implement the anti-poverty

program, including the stimulation, development, negotiation, execution, and direction of specific research activities and agreements with private or public research institutions, and the establishment of special research institutes involving one or more academic institutions.

5. Provision of advice and assistance to elements of OEO and other Federal agencies and State and local governments in the development of research programs to be conducted by them which will be responsive to their needs in carrying out their operational responsibilities.
6. Conduct of original researches into specific problem areas relating to the national programs to break the poverty cycle.
7. Development of long and shorter range planning alternatives for the elimination of poverty in the Nation, based upon original research and knowledge gained from a coordinated review of the results of research programs implemented by substantive program offices in the OEO, as well as such programs conducted by agencies performing delegated responsibilities and related Government and non-Government institutions.
8. Design and development of criteria and a framework or structure for the most meaningful classification of program efforts.
9. Translation of long-range planning alternatives into an approved five-year program structured in a framework oriented toward the economic and social objectives of the national anti-poverty program.

10. Framing of proposals for new programs and major revisions and change in program priorities to the approved five-year program, as a result of major studies of the interrelationship of all programs focused toward the elimination of poverty.
11. Intensive and selective analysis of particular elements of the approved five-year program, using the most modern statistical, econometric, sociological, and operations analysis knowledge and techniques, to facilitate the establishment of their cost, utility, and effectiveness relative to other program elements already approved or proposed for incorporation in the approved program.

B. Program and Evaluation Division:

1. Development, implementation, and maintenance of a means of translating planning alternatives into a formal, structured programming system which will provide a logical framework for evaluating and integrating anti-poverty efforts under direct, delegated, and related programs.
2. Development of criteria and definitions for the categorization of program elements within the over-all programming structure, and maintenance of a comprehensive reporting system compatible with that structure which will provide current and relevant program information to the Director, OEO.
3. Assembly and consolidation of data and information pertinent to programs of the OEO and other Federal agencies with responsibil-

data into financial and economic information for presentation in various forms to reveal the total financial and economic resource requirements of current and proposed programs.

4. Leadership and technical guidance to the OEO in the development and implementation of an over-all management information system to provide basic research and program information in support of the development of plans and the establishment and maintenance of an approved five-year program.
5. Establishment of critical decision thresholds to determine what level and scope of program change proposals to modify the Approved Five-Year Program must have the Director of OEO's approval.
6. Conduct of analytical studies designed to reveal relevant sources of basic program data and information in OEO, other Federal agencies performing delegated and related responsibilities, State and local governments, and not-for-profit institutions.
7. Development of systems, methods, procedures, and techniques which will synthesize, integrate, and coordinate basic program data and information for use in the analysis of resource requirements and their efficient use for evaluation of national anti-poverty programs.
8. Development of measures of resource utilization and methods of characterizing resource limitations and availabilities, to permit rapid and accurate responses to questions regarding the relative

costs and feasibility of a variety of alternative program proposals for the elimination of poverty projected over a period of several years. Presentation of information developed so as to point up the over-all program and resource implications of alternative programs, and the problems of choice involved, to be used by the Director of OEO in making broad policy decisions.

9. Development and implementation of cost-benefit tests and their application to the program structure and costing systems in order to provide the basic data for evaluation of basic programming assumptions and alternatives relevant to decisions and recommendations in resource allocation and program management.

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3/5/65

RPP+E

EVALUATING THE WAR ON POVERTY

ROBERT A. LEVINE, ASSISTANT DIRECTOR,  
OFFICE OF ECONOMIC OPPORTUNITY

~~CONFIDENTIAL~~

## EVALUATION OF THE WAR ON POVERTY

ROBERT A. LEVINE, ASSISTANT DIRECTOR,  
OFFICE OF ECONOMIC OPPORTUNITY

Policy evaluation is the art--not the science, not for social programs anyhow--of measuring the results of a program and weighing them against a set of criteria. At least, defining evaluation in this way is both convenient and close to the common understanding of the word. This sort of evaluation should play a crucial role in the making of policy decisions. In fact, at least until the recent institution of the Programming, Planning and Budgeting System throughout the U.S. Government, it has played such a role only on a casual basis but there is hope that PPBS may change this. At least we think that such evaluation is being done in the War on Poverty and is affecting policy decision.

Because the War on Poverty is new, it can provide a relatively clear example of the role of evaluation in policy. In the beginning there was the plan--a set of proposals based on conceptual and quantitative analysis of what poverty is and what programs are needed to eliminate it. Second came the program--the translation of the plan into dollars and cents, into administrative arrangements, and into

chronological phases. Then was the budget--the allocation forced on the program by limits to the fund available. For the first two years of the War on Poverty, the cycle went through plan, program and budget. But now, three years after the official beginning of this War, programs have been in effect long enough to produce results and perhaps for the first time it is reasonable for the authorities at every executive and legislative level to demand the evaluation of these results and their building back into the next year's plan. This is where we are now. Evaluation must complete the cycle between budget and next plan.

Criteria for evaluation and methods of measurement are needed at three levels. First, we must define success for the War on Poverty as such, and having defined it, be prepared to measure the effects of the entire \$25 billion a year worth of anti-poverty programs against these criteria. Second, we must have criteria and measurements for the evaluation of individual programs which comprise the War on Poverty--particularly but not exclusively the newest ones run by the Office of Economic Opportunity; hard evaluation of OEO programs is a prime political necessity, even more than for programs run by other agencies. Third, we need criteria for comparing the effects of the individual programs against one another in order to aid in decisions concerning the allocation of funds and efforts.

These three--War on Poverty Evaluation, individual program evaluation, and relative program evaluation provide a reasonable sequence for evaluating the evaluations themselves.

#### The War on Poverty as a Whole

Let it be said at the outset that we define poverty in terms of command over economic resources, and that this definition is not universally acceptable. There are those who would define it in terms of some bundle of individual, social and cultural attributes including, but not limited to command over resources. Matters of definition come close to being matters of taste; we think that command over economic resources describes what is meant by poverty both conventionally and legislatively, but we cannot swear that this definition is abstractly correct. Let it be said in partial pacification of those who would define poverty in less economic terms that the economic definition goes back through the intricacies of poverty to end up with no less emphasis on non-economic programs than would a non-economic definition itself.

Command over resources is determined by both the current flow of income and the stock of assets held by an individual or family. Since we do not yet have usable data on the assets of the poor, (although such data should soon be available from the Survey of Economic Opportunity sponsored by OEO and taken by Census in 1966) the working definition can concern only income.

The "poverty line" used by the federal government is one designed by Mollie Orshansky of the Social Security Administration which, on the basis of estimates of food budgets and their relationships to total family budgets, defines a family of 4 as poor if it has less than roughly \$3,200 income at current prices, with an adjustment of about \$500 up or down per person for larger or smaller families. Although this definition has a rationale, it is essentially arbitrary as would be any single poverty line for a particular group of families. Obviously something is lacking when we define a family with \$3,199 as poor and a family with \$3,201 as not poor. This arbitrariness bears on the different uses that can be made of this poverty line as a criterion for evaluating the success of the War on Poverty. The simplest use that can be made of the line and the way it is being used now is to count the number of Americans below the line. Year to year decreases in this number, to the extent that they can be traced back to the War on Poverty, are indicators of program success. This method has validity, so long as decreasing the number of poor is taken not as the objective of the anti-poverty program, but rather as a reasonable and simple indicator of the more complicated real objectives.

One immediate way to add complexity and realism is to measure not the number of poor, but the "income gap"--that is, the number of

dollars of additional income which would be necessary to bring all poor families up to the poverty line. This has the advantage over the first method of giving weight not only to the number of people below the poverty line but the distance they have to go to reach that line.

This second measure, however, still has a disadvantage that only movements below the poverty line are counted. Surely we should take some credit for the movement, say, of a \$3,201 family to \$4,000 even though neither level is poor for a four-person family. A method which accounts for this, and probably brings the command-over-resources criterion to its ultimate sophistication has been suggested by Harold Watts.<sup>1</sup> Professor Watts, Director of the Institute for Research on Poverty at the University of Wisconsin suggests a method by which income movements are counted whether they are above or below the poverty line, but they are weighted more heavily the further below the line they start and less heavily the further above the line they go.

Given the data currently available, we have so far made use only of the first method, counting the number of the poor. This count shows that in 1964, the year the War on Poverty was officially declared, there were 34.1 million poor people in the United States, according to data gathered by the Current Population Survey. In 1966, which is the last year for which data are available (since these data are based on a full-year income) there were 29.7 million poor; a drop of almost 4-1/2

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<sup>1</sup>Watts, Harold, "An Economic Definition of Poverty," Institute for Research on Poverty, University of Wisconsin, April 1967 (Mimeographed)

million in the first two years of the War on Poverty.

Because poverty is closely related to unemployment, and unemployment has dropped less from 1966 to 1967 than in the previous two years, the improvement in 1967 will probably be somewhat less. The rate of improvement will also depend in part on the form and timing of the increases in Social Security benefits proposed by the President and currently being amended by the Congress. Social Security and other income maintenance programs form a vital portion of the War on Poverty.

In fact, depending on how broadly we define the War on Poverty, all or part of the 4-1/2 million drop in the number of poor can be taken as an evaluative measurement of success. For us to count the entire drop, however, we would have to count economic growth and decreasing unemployment in their entirety as parts of the War and this may be stretching it a bit.

In attempting to isolate the effects of the newer programs more commonly thought of as comprising the War on Poverty (primarily the programs of OEO, the Department of Labor, and the Department of HEW), we tried to project the number of poor from data enumerated during the pre-1965 years when most of the new programs were not in effect, and to compare these projections to the actual changes in the number of poor since the new programs came into being. For two reasons, these comparisons are inconclusive. The first reason is

that such projection models are necessarily inexact and variations of a million or so poor people in one direction or another are well within the noise level. The second reason is that a necessary independent variable in any such model projecting poverty from a pre-1965 data base is the unemployment rate, but the unemployment rate itself is a variable highly dependent upon poverty programs. That is, since a very large portion of War on Poverty funds are devoted to job training and even larger portions to other programs such as education which are supportive of job programs, we would hope that the success of these would directly affect the rate of unemployment. In fact, in a statistical sense, we know that there has been some such effect, because participants in programs such as the Neighborhood Youth Corps are counted as employed.

In any case, for projections from pre-1965 data to provide a valid basis for comparisons with actual post-1965 data it would have to be assumed that the unemployment rate which was unaffected by poverty programs before 1965 is still unaffected by poverty programs. This assumption is demonstrably untrue but until we can build the equations which measure changes in unemployment rates due to War on Poverty programs, this method of deriving effectiveness by such comparison breaks down because of its own circularity.

Thus we know that the number of poor has been reduced by 4-1/2 million since the War on Poverty has been going, we know that the major portion of that drop has been due to economic growth, we know some of the improvement has been due to the War on Poverty, but we do not know how much improvement is in each category.

Or at least we know only one other fact. All of the drop in poverty cannot be attributed to our efforts but, as Sargent Shriver has said, had there been an increase in poverty it would have all been blamed on us.

| Evaluation of Individual War on Poverty Program |

To complicate matters even further, when we move to the next level, the evaluation of individual components of the War on Poverty, each of these programs must be evaluated by two different sets of criteria. They must be evaluated for their proximate effects--e.g., the effectiveness of a health program in improving the health of the poor--and they must be evaluated for their anti-poverty effectiveness. The latter measure must ultimately be carried out in terms of criteria like those discussed above for the overall effectiveness of the War on Poverty, but the current essential is merely to connect proximate effectiveness with poverty. What has health improvement got to do with getting the poor out of poverty, for example?

For purposes of analysis, we divide the programs of the  
War on Poverty into four categories: Manpower Programs, the  
purpose of which is to provide jobs or job training for the poor;  
Individual Improvement Programs, including education and health,  
designed to change at an early and more fundamental level the  
factors which prevent people from taking advantage of job and  
other opportunities; Community Betterment Programs to change the  
stultifying environment which holds the poor down; and Income  
Maintenance Programs which recognize that, for many of the poor,  
opportunity is meaningless and the need is simply more money, (and also  
recognize that for many, money itself increases the range of opportunity.)  
These programs support one another rather than being alternatives.

Better education, for example, will increase the capability of the poor to profit from training and to hold jobs, but a decent job program is necessary to make education meaningful and to motivate people to learn.

In each of these four categories the relationship of evaluation for proximate effects to evaluation for ultimate War on Poverty effectiveness varies. For Manpower programs, proximate and ultimate evaluations are quite similar. The number-of-people-in-poverty criterion for evaluating War on Poverty effectiveness is not easy to use for Manpower programs, but, as it turns out, the more

sophisticated War on Poverty criteria--the dollar poverty gap and the Watts weighted-income-gain criterion--are conceptually quite close to the criteria ordinarily used in evaluation of training and employment programs. The benefits of Manpower programs are ordinarily measured by the earnings gain attributable to the programs, and measures of such gains can obviously be tied directly into dollar measures of effectiveness of these programs as anti-poverty tools.

For Individual Improvement, however, the proximate and ultimate criteria begin to diverge. In the case of education, it is possible to tie gains directly to income and thus derive an evaluation measure closely aligned with the ultimate War on Poverty measure as in the case of Manpower programs. (In fact, as will be discussed below, the evaluation of Job Corps as a Manpower program was based on educational gains within the program.) But for early year and in-school education programs, the ties to later earning capabilities are difficult to derive, and the art of evaluating the proximate effects of such early-year programs (e.g., the effect of an in-school program on raising subject matter achievement levels) is still at such a primitive level that much work is needed to develop these proximate measures before we attempt to tie them directly to the War on Poverty.

The conceptual status of evaluation for Community Betterment programs is even worse. For many of the specific programs which fall into this category such as housing, evaluating the proximate effects may be relatively straightforward. Does a housing program

build decent housing? But for most of these component programs falling under Community Betterment, the ties to anti-poverty effectiveness are unclear. That better housing will help people get out of poverty has never really been established.

And to complicate matters, the Community Betterment category is not merely the sum of its component programs but is explicitly designed to bring about a poorly defined something called "social change," which we do not know how to measure at all.

Finally, for Income Maintenance programs, the tie between proximate and ultimate measures is simple, because they are virtually the same. Income Maintenance programs are primarily designed to increase income and thus to decrease the income gap which was suggested as a second measure of War on Poverty effectiveness; they can easily be weighted according to who receives the gains in order to derive a Watts criterion. But some of the subordinate measures for evaluating income maintenance are more complicated. For example, it does not suffice to evaluate these programs for their direct income gap reducing effects; it is also necessary to observe their effects, favorable or unfavorable, on such matters as work incentives of the program recipients, and family stability in recipient families.

In each of these categories, the effort is made to measure program results quantitatively, if possible, and to evaluate the programs by comparing these results to quantitative criteria. One

such quantitative criterion is the cost of the program, and such a comparison can be expressed as a benefit-cost ratio. The ordinary formulation of such a ratio means two things. First, a ratio of benefits to cost which is greater than unity (i.e., greater than 1:1) means that the dollar benefits exceed the dollar costs; conversely a ratio less than one means the dollar costs are greater. Second, as such ratios are computed for anti-poverty programs, a ratio greater than one means that a greater long-run anti-poverty effectiveness per dollar can be obtained from the program being measured than from the alternative of a simple stream of federal income transfer payments paid to the poor recipient; and conversely.

Several points should be made quite clear about benefit-cost ratios as they are used for anti-poverty program evaluation;

1. A ratio less than one does not mean that a program is unsuccessful. There are usually many intangibles which cannot be computed into benefits; costs are all too tangible. Further, even though a ratio less than one might indicate that income transfer payments are cheaper, a program which leads to increased earnings is ordinarily considered socially preferable to one of transfer payments, and allowance must be made for this.

2. The state of the art and the state of the data for benefit-cost comparison are both primitive enough that it is almost always unwise to compare even similar programs on the basis of computed ratios, unless the ratios were specifically computed in a single study for purposes of such a comparison.
3. A program is not counted as preferable simply because a benefit-cost ratio (or other quantitative evaluation) is computable, whereas it is not for another program. For most anti-poverty programs, quantitative analysis is not yet possible; for some it never will be--and these include some of the most important programs. Effectiveness and quantifiability should never be confused, and it is an error to substitute the concrete for the important. Benefit-cost analysis, where possible, plays a role in the evaluation of programs, but it is only a part of evaluation. Conversely, however, where benefit-cost analysis is possible, it can play an important role in the defense of programs, because if a program can be justified by counting part--the measurable part--of its benefits and all of its costs, an a fortiori case can be built by reference to the benefits not counted.

Given all these caveats, the current results of individual program evaluation in OEO can be summarized by saying: that most of the evaluations are ambiguous, due primarily to the lack of unambiguous quantitative or qualitative data; the few programs for which good data were available come out looking very good; and two programs can be evaluated unfavorably, indicating the need for substantial program changes and perhaps phaseout.

#### Manpower

Manpower programs are relatively easy to evaluate because the proximate and ultimate criteria are similar. To evaluate a training program, our primary data needs are for characteristics of the trainee before entering the program and after passing through it. Such characteristics include both items of the demographic type such as age, race, and education as control variables; and also job-holding experience and earnings as variables of direct interest.

It is not proper, of course, to evaluate the effectiveness of a training program by comparing earnings after to earnings before, because change may be an effect of lapsed time or of other factors outside the program, as well as a direct effect of the program. Just as obviously, even though such before-after comparison is not really legitimate, we do it because we frequently have nothing else to fall back on. But the really important and legitimate form of evaluation

compares the before-and-after experience of trainees to the similarly time-phased experience of non-trainees in a carefully selected control group. This makes things a lot less simple, particularly when we talk about youth training. Youth control groups are particularly difficult to come by, both because so many young people between the ages of 16 and 21 have passed through OEO programs, and because the self-selection process for youth training programs means that the possible members of a control group may differ from the trainees in certain specific (but undefined) characteristics which led them to avoid the training program. Because of these difficulties, we are proceeding rather carefully in setting up the youth control group which is vital to our program evaluation. We are, however, already collecting substantial data on the pre-training characteristics and some data on post-training characteristics of our program participants and are in the process of setting up a youth control sample.

A pilot study is now underway to determine the feasibility of setting up a large national sample of poor youth, 16-21, which could be tested and then reinterviewed and retested two or three years later. The objective is to create a sample which is large enough to allow the establishment of groups of youth which are statistically similar in terms of relevant socio-economic variables, some of whom have participated in training programs, Job Corps, NYC and MDTA, and some

of whom have not. Hopefully, such a sample would allow both cross-section and longitudinal comparisons which would provide some of the sort of evaluative information, admittedly crude, which is necessary for realistic judgements about reasonable program mix. Elements of this sample would serve as a control group, so that program effects could be separated to some degree from effects due simply to growth of the youths and to changes in general economic and social conditions. In addition, it may be possible to determine which types of programs are best suited for which types of poor youth and, within programs, which program characteristics seem to be related with favorable results. We are fully aware of the limitations of such an approach to the problems of evaluation--and this is one of the reasons for proceeding first on a pilot basis--but it seems to us that the logic of the program evaluation efforts leads inevitably to this type of an approach. If the limitations of this type of evaluative method prove too severe, I suppose we must re-examine the logic of program evaluation as it now stands.

Given all this, we have been able to carry on some real evaluation in the Manpower area. Professor Glen Cain of the University of Wisconsin has designed and carried out a benefit-cost evaluation of the Job Corps, the residential Youth Training Program which not only throws a good deal of light on the effectiveness of this

program but also makes a substantial advance in the state of the art of Manpower evaluation.<sup>2</sup> Cain's study shows that the benefit stream attributable to the Job Corps, discounted back to a current capital value, can be estimated at 1.18 times the current cost. This estimate is quite conservative. It bases the benefit calculation entirely upon measured educational gains for Job Corps enrollees, as based on periodic testing within Job Corps camps. In this particular case, it was possible to get around the control group problem by using the reasonable assumption that for out-of-school youth at this age, educational gains in fields such as reading and math would be non-existent or negligible lacking a formal program. The earnings gains stemming from the Job Corps educational gains are then estimated by using the known benefits of education to others in similar age and demographic cohorts.

The reason the study is conservative, then, is that it can be assumed that there are many other benefits for which credit has not been taken obtained by youngsters from Job Corps. Some of these gains are measurable but have not yet been measured--gains from vocational training and possible reductions in crime and welfare rates for example. Others may never be measurable, but are still tangible and important, such as the benefits to earnings capabilities gained from what Job Corps calls the "socialization process"--the ability to get along with other people in a work

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<sup>2</sup>Cain, Glen, "Benefit/Cost Estimates for Job Corps Based on Educational Gains Data and Wage Data from the Harris Surveys," Office of Economic Opportunity, May 1967 (Mimeographed).

situation. Still other gains not credited in the Cain study are less tangible but perhaps the most important of all. An example here would be effectiveness of Women's Job Corps in maintaining the stability of the future families of girls currently passing through the program. A guess is that adding those benefits which have not been measured to the 1.18 cost benefit ratio which has been measured would lead to a benefit cost ratio nearer to 2.0--a current value for the stream of benefits worth twice the current cost of the program.

We have no other evaluations in the manpower field comparable to that done for Job Corps. Job Corps is a separately definable program whose effects can be readily measured; the fact that it is a relatively long-term high-cost program means that there is more leeway for testing and more money for data gathering than for some other programs. Another seemingly similar program, the Out-of-School Neighborhood Youth Corps, a non-residential training program for school dropouts, has not been able to provide data for a similar sort of evaluation. In any case, NYC is a different enough program so that evaluation would have to be done on other bases than Job Corps, and the results would not be readily comparable between the two programs. Job Corps was evaluated initially on the basis of educational gains, but Out-of-School NYC has no educational component. It is at a minimum an aging vat for kids at a difficult age who have dropped out of school,

it is at most a source of valuable counseling and work experience. And adding to the distinction between Neighborhood Youth Corps and Job Corps is the fact that both are voluntary programs and the self-selection process may lead quite different sorts of youngsters into each of the two programs. This last is likely to be true even though the gross demographic characteristics of the Job Corps and NYC populations are quite similar.

The difficulties of comparing NYC to Job Corps provides an illustration of a general caveat about evaluation, mentioned above. It is so difficult to do evaluations of similar programs on precisely the same bases that very few evaluations have been accomplished yet which can be used for comparing programs to one another. The benefit-cost ratios cited above for Job Corps are favorable ones, for example, but they are lower than benefit-cost ratios produced by the Planning Research Corporation for the Labor Department in a study of MDTA institutional and on-the-job training programs. In fact, the MDTA study was done in a different way and the benefit-cost ratios produced bear no relationship to Job Corps benefit-cost ratios. The use of ratios like these to compare different programs on the basis of different studies just because two different statistics are both called "benefit-cost ratios" is a dubious process.

Until recently, virtually all the OEO manpower programs were aimed at youth below 21. The one exception was the Work Experience Program (Title V of the Economic Opportunity Act), for training of adults on relief plus certain others, primarily adult males, in categories which might become eligible for relief. Although no benefit-cost studies have been done on this program, data have been gathered indicating a relatively low "success" rate and showing other flaws in the program. We have analyzed these evaluative results and have come to the conclusion that it seems likely that training programs, whether for adults or youths, can be more effectively run by manpower experts than by Public Assistance Authorities; and that welfare recipients can be more effectively trained if they are not separated out as welfare recipients.

Much more OEO money is now going into adult training programs, primarily through monies delegated to the Department of Labor for the Concentrated Employment Program designed for the worst poverty areas of large cities and some rural communities. As we plan to evaluate these programs, it is becoming clear that evaluation of adult training programs is going to be even more difficult than that of youth programs. For poor adults in general, educational gains seem unlikely and since we are dealing with a group which for the most part has substantial if spotty previous work experience, a comparison between what they do after the programs and what they were doing immediately before will be imperfect. Adding to this the fact that

the success rate of adults in programs is likely to be due to a very wide variety of factors--individual, family, and social--and we have an evaluation situation which can be quite complex. At this stage of the game, what we can say is that we are setting up data systems to bring in the relevant numbers on the program, and, with the assistance of the RAND Corporation we are attempting to create systems of evaluation for these programs.

#### Individual Improvement

The programs we count in the Individual Improvement category are primarily although not exclusively educational ones. The evaluation of education programs is less straightforward than manpower. Remarkably little has been done along the lines of systematic comparative evaluation of different educational techniques for reaching the underprivileged. The Office of Education which disposes of a billion dollars or more a year for the education of the poor under Title I of the Elementary and Secondary Act of 1965 is beginning a comprehensive evaluation program, although this will not be simple because the Office of Education statutorily provides monies without being able to control them, and local school authorities don't like to be evaluated. Up until this effort, virtually nothing has been done on a systematic basis.

Table 1

## SUMMARY OF FEDERALLY FUNDED COMPENSATORY EDUCATIONAL SERVICES AND FINANCIAL ASSISTANCE TO THE POOR

KIND OF PROGRAM	FEDERAL AGENCY AND AUTHORITY	BENEFICIARIES (thousands)			FUNDING (millions)			IMPACT ON LEARNING OF DISADVANTAGED	
		65	66	67	65	66	67	Experimental (Controls)	Operational (Norms or Judgments)
<u>Pre-School (3-5)</u>		561,000	500,000	500,000	\$85	\$180	\$310	Deutsch--modest	IX survey showed gains, 5 points
Head Start	OEO-CAP	20,000	100,000	210,000				gains of pre-school	on non-verbal tests of in-
Other Pre-School programs	OE, Title I, ESEA Pre-School only Pre-School and Kin- dergarten		60.0	See below	---	See below	See below	and expanded in K	and 1st grade.
			348.0					Control groups	suffered cumulative
								slippage in K &	1st grade.
<u>In-School Children (3-15)</u>									
Compensatory, remedial tutorial programs in schools and complementary to schools	OEO, CAP Education Components (Includ- ing Upward Bound)			339.0	---	---	77.0		Scattered evaluations, large'v subjective. Tutorials and Up- ward Bound projects show most observers think these experi- ences beneficial.
OE ESEA	OE-ESEA Title I	---	6,600.0	7,000.0	---	775.0	1,070.0	Systematic evalua-	Preliminary analyses of 300 pro- ject sample showing types of projects only. No big cities included.
								tion in planning	
								stage. No info.	
								as yet.	
<u>In-School Youth (16-21)</u>									
Counseling and Guidance	OE-NDEA, Counseling and Guidance	2,800.0	3,400.0	3,600.0	(156.2)	(209.4)	(209.7)	N/A	Descriptive and judgemental eval- uations and periodic administra- tive assessments.
Vocational Education	OE -Voc. Ed. Act of '63								
NYC in-school work programs	OEO-Labor-EOA	102.2	115.0	125.0	28.4	75.0	81.2	N/A	Increased attendance and retention in school, but slight negative impact on academic achievement.
Work Study -- Voc. Ed.	OE-NEA	114.4	115.0	125.0				N/A	
		15.0	85.0	---					
Opportunity Grants (HE)	OE-NEA	---	115.0	220.0	---	60.8	122.0	N/A	No information.
Higher Ed. Loans	OE-NDEA	---	(400.0)	(375.0)	---	(179.3)	(190.0)	N/A	No systematic evaluation by income level of recipients.
Guaranteed Student Loans	OE-NEA	---	(132.0)	(775.0)	---	(9.5)	(46.0)	N/A	No systematic evaluation showing impact on entry, retention, or achievement of low-income stu- dents.
			110.0	150.0					
Work Study, Higher Education	OE-NEA		60.0	90.0		93.9	134.1		
			150.0	210.0					

Table 1  
(continued)

SUMMARY OF FEDERALLY FUNDED COMPENSATORY EDUCATIONAL SERVICES AND FINANCIAL ASSISTANCE TO THE POOR

KIND OF PROGRAM	FEDERAL AGENCY AND AUTHORITY	BENEFICIARIES (thousands)			FUNDING (millions)			IMPACT ON LEARNING OF DISADVANTAGED	
		65	66	67	65	66	67	Experimental (Controls)	Operational (Norms or Judgments)
<u>Out-of-School Youth (16-21)</u>									
Job Corps	OEO-EOA Men Women	15.6 1.3	325.8 4.2	39.0 6.0	193.0	310.0	228.0	N/A	Info. on basic educational attainment of enrollees not available yet.
NYC out-of-school program	OEO Labor (little basic ed.)	(61.7)	(60.0)	(64.0)	(\$44.8)	(\$97.0)	(\$138.6)		
1MDTA Institutional	OE-Labor	10.4 (125)	10.4 (125)	---					See below NETA
OJT	MDTA-Labor	(---)	( )	( )					
<u>Adult Education--(Basic Education Only)</u>									
CAP Adult & Adult Basic Projects	CAP-Sections 206, 207 largely basic literacy or remedial subjects, taught along as prerequisite to vocational education	23.9	87.5	117.0	---	15.3	47.0		No information.
Adult Basic (literacy) Education	OE-OEO Title II B	---	75.0	100.0	---	21.0	30.0		Preliminary findings by Greenleigh not yet available.
<u>Adult Education -- (Basic Education Combined w/Voc. or other adult Education)</u>									
Work Experience	OEO Welfare Administration, Title V (provides adult basic in absence of II B program).	(88.0)	(109.3)	(105.0)	(110.0)	(150.0)	(158.7)		No information on Basic Educational attainment of enrollees.
2MDTA Institutional Training	OE-Labor	14.5 (125)	14.5 (125)	---	(No information on funding of programs: basic education components)				Four experiments showed average gain of 1.5 grade levels in basic subjects in 15-20 weeks. No systematic information on basic educational attainment of enrollees.

Table 1  
(Continued)

SUMMARY OF FEDERALLY FUNDED COMPENSATORY EDUCATIONAL SERVICES AND FINANCIAL ASSISTANCE TO THE POOR

KIND OF PROGRAM	FEDERAL AGENCY AND AUTHORITY	BENEFICIARIES			FUNDING (millions)			IMPACT ON LEARNING OF DISADVANTAGED	
		(thousands)						Experimental	Conventional
		65	66	67	65	66	67	(Controls)	(Norms or Judgments)
OJT	Labor								
Vocational Education	OE Voc. Ed. Act of '63 etal	(2,281.0)	---	---	(18% of total funding for adult classes)			None	None

NOTE: Numbers in parenthesis are total of beneficiaries or total funding, when it is not known how many enrollees actually receive literacy or other compensatory education, or are poor.

1/ MDTA institutional programs. About 42% of enrollment is under 21 years of age. Twenty percent of these receive compensatory basic education. All of these latter number were counted as poor.

2/ Adults over 22 years of age accounted for 58% of enrollment in MDTA institutional training programs. Again about 20% of these are receiving significant amounts of basic education. All these have been counted as poor in enrollment figures w/o parenthesis.

3/ Does not include basic compensatory. Enrollments often for single evening course.

Table 1 brings together an inventory of Federal programs which are intended to contribute to the compensatory education effort or which are or can be used to contribute to the compensatory education effort. In addition to identifying Federal programs and administering agencies, Table 1 estimates the number of beneficiaries and the amount of funding through 1967.

The two right hand columns briefly summarize the kind of evaluation information available about each program. It is important to note that while there are several inventories of Federal educational programs for the poor, this Table represents the first attempt to summarize what is known about the impact of such programs on the amount or rate of learning whether this be measured in cognitive, behavioral or attitudinal terms.

Obviously, the findings reflected by this Table do not pretend to be definitive. It is important, however, that it represents the first time evaluative findings to date have been set down check by jowel with measures of the numbers to be served and dollars to be spent in the Federal effort. This Table drives home the need for a major effort to evaluate the essentially experimental programs being funded. Immediate steps should be taken to provide that every program and every experiment should include an evaluation design from the start. Only then can we increase our capacity to know what works, or

what works best in compensatory education. As we now stand, the state of evaluation of educational programs is such that we cannot even be sure that when favorable program results are obtained, they are the result of good program design or merely a Hawthorne effect.

The evaluation of various programs for federal aid to education is primarily the responsibility of the Office of Education in the Department of Health, Education and Welfare. They are moving forward on this through the very difficult barriers of State and local rights and school board defensiveness which thus far have been insuperable obstacles in the way of effective federal programming in education, never mind evaluation. Upward Bound

OEO educational evaluation is at least institutionally easier because OEO educational programs are run on a national basis. The most rigorous evaluation done for an OEO educational program is that of Upward Bound, a program designed to take poor youth in the upper grades of high school who have been getting poor marks but show a spark of basic capability, and convert them into college material by intensive summer and other training. Benefit-cost ratios have been computed using techniques similar to those of Job Corps, estimating stream of increases in future earnings stemming from increases in education due to the program. Our estimates show that the Upward Bound effect in preventing High School dropouts among

those who might otherwise have dropped out gives benefit-cost ratios of 2.5 to 1. The additional benefits to that portion of the group who enter college and stay for at least a year are in the ratio of about 1.6 to 1 to cost. For college graduates, the benefit-cost ratio will be 2.8 to 1, although the program is new enough so that none of its enrollees have yet finished college. The overall benefit-cost ratio then, will be somewhere in the range of these three figures depending on the proportions of youngsters who continue their education over different time periods.

Beginnings are being made on good evaluation of In-School Neighborhood Youth Corps, a program designed to keep youngsters in high school by providing them the experience and pocket money that goes with part-time jobs. No data sufficient for rigorous analysis is yet available, but preliminary analysis in a few cities, notably Washington, D. C., indicate that enrollees in the program do have a significantly lower dropout rate than similar youth not in the program. Since the value of high school completion to a poor youngster is very high, this effect is a quite favorable one though we do not yet know how favorable relative to the cost of achieving it.

The largest and best known HEAD START education program, of course, is Head Start. Head Start is a surprising difficult program to evaluate for three major reasons. The first is that test instruments fully adequate to measure the capabilities and achievements of underprivileged

pre-school children have not yet been designed. Since what we are trying to measure is change due to the program, this defect becomes even more important. Second, summer Head Start became so big so fast that we have not yet been able to obtain a control group for the program. It is difficult to find poor pre-school youngsters in the United States who have not been in Head Start without wondering whether there are not other than random factors which distinguish them from the Head Start kids. Third, although Head Start is sometimes thought of as being a pre-school education program, it is much more than that. Even if the educational gains stemming from Head Start were negligible, health gains alone, for example--the very fact of having all these kids examined by physicians, many for the first time--might justify the program or at least they would substantially expand the basis for evaluation in a way which is difficult to combine with the other bases.

Given all these obstacles, evaluation has made some discoveries about Head Start, both favorable and unfavorable. There is no doubt that summer Head Start programs, taken as a whole, do increase the cognitive abilities of their enrollees, and do so significantly more than these abilities would have been increased for the same kids without the program. On the other hand, there is only marginally more doubt that over a period of the first school year following Head Start, poor kids who had not been in the program tend to catch up

with those who had been. The data on both these effects is insufficient to quantify them very well, particularly because of the control group problem, but the effects do seem to exist.

These evaluations have had two effects on Head Start programming. They have lead to the thrust toward a full-year Head Start program, which it is hoped will have more lasting effects than the rather meager summer program, although the evaluative data on full-year Head Start are not yet in to prove this belief; and although the summer program still has value at least as a net for catching a much larger number of poor kids at the same cost and providing some benefits such as health and family involvement. The second effect of the Head Start evaluation has led to the Follow-Through program designed to work with Head Start "graduates" in their first school year to try and preserve the benefits of Head Start. Since this program has not been really begun it has not been evaluated, although plans are underway for continuing evaluation as the program begins.

In addition to the difficulties of obtaining proximate evaluations for Head Start, substantial conceptual problems exist in trying to connect these proximate results to the evaluations of ultimate effects and in producing analyses of anti-poverty effectiveness. Thomas Ribich has pointed out in an unpublished Brookings manuscript that, on the basis of a small bit of data available to him early in the program, Head Start, taken alone, does not seem to have a very high benefit-cost ratio. Even with more and better data showing positive proximate program

results this might very likely be the case, for two reasons.

First, any earnings increase attributable to Head Start is not likely to begin until 10-15 years after the program for a five-year old child. Because benefit-cost ratios are computed

discounting earnings increases more heavily the further into the future they are, Head Start begins with 10-15 years against

it. Second, Head Start, to be truly successful, will have to be just the beginning of a changed educational system for poor kids.

The evaluations above showing catch-up of non-Head Start kids to Head Start kids in 1st grade might be slightly surprising but there could be no doubt that given the low quality of slum schools, urban and rural, the favorable effects of a one-year pre-school program would be bound to fade out in 12 years of unchanged poverty schooling.

Both of these statements lead to the same point. If Head Start is not the beginning of a changing and changed education for poor kids, then it will not be a successful educational program, although some of the other effects might still be valuable. The Follow-Through program is one attempt to adapt policy to the results of this kind of evaluation. The Title I program is another sort of attempt. Neither one of them is any more than a mere beginning, either in concept or scope. A true improvement in the educational system for the poor is likely to be very expensive, both financially and in terms of political bruises. Yet, just as pre-school education may be a necessary condition

for decent anti-poverty education, but is demonstrably not a sufficient condition, it is pretty clear that a decent educational system is a necessary condition for ending poverty in the United States, even though it is not sufficient.

The other major set of Health Services programs in the Individual Improvement category are health programs, in the case of OEO, primarily the comprehensive Neighborhood Medical Centers. This program originated from an evaluation of existing health programs for the poor. This led to the conclusion that what was needed was not more money so much as a better organized and less fractionated delivery of services in poor neighborhoods, essentially as a slum substitute for the family physician. No real evaluation has been done yet of the Neighborhood Medical Centers which are relatively new. We expect to be able to do such evaluation on the basis of before-and-after neighborhood health statistics, among other techniques, which should tell us something about the proximate effects of these programs. Analysis of ultimate effectiveness as anti-poverty programs is pretty much still down the pike.

The one completed evaluation effort on the health programs at least shows that these services are delivered to the poor at a cost less than that for which they could be purchased on the open market, and thus the program at least can be evaluated favorably for the efficient delivery of its product.

Community BettermentCAP

Probably the most complex category of programs is that of Community Betterment--programs for environmental change. Among OEO programs, these fall primarily into the Community Action category, although the VISTA program falls here too, and major non-OEO programs such as housing also come into this grouping.

Community Betterment programs are hard to understand and to evaluate because they have a double purpose: the delivery of certain services which it is hoped will change the environment of the target areas; and the inducement of social change in these areas and in larger areas of which they are part.

Some of the specific programs under Community Betterment are relatively easy to evaluate for their proximate effectiveness. For family planning programs for example, it was possible to compute benefit cost ratios ranging from 3.3 up to 18.8 depending on assumptions as to how many of the women reached make use of the program. The benefit computation is based simply on the idea that for every additional family member the poverty line increases by \$500 a year and thus the benefits of not having a unwanted child can be computed roughly at \$500 a year.

Another evaluation within this Community Betterment category, by Kirschner Associates<sup>3</sup> of Albuquerque, New Mexico, came to the conclusion that the Small Business Development Center program of OEO LOANS - Small Biz.

<sup>3</sup>Kirschner Associates, Management and Economic Consultants, "A Description of the Economic Opportunity Loan Program," February 1966.

was unable to reach the poor. In its initial purposes, first making business loans to poor people with entrepreneurial capability, and second, getting the poor into employment in small businesses, the program had not worked well. The first objective had not worked out because people below the poverty line simply did not have entrepreneurial capabilities in sufficient quantity to work with the program; the second because imposing on an already burdened small businessman an additional problem of having to employ poor people rather than choosing his employees did not add to the likelihood of business success. As a result of these difficulties, the employment-of-the-poor criterion was dropped, and the eligibility for loan assistance was raised to income levels well above the poverty line in order that small business loans could be made at all under the program. Kirschner reported all these difficulties and changes, and came to the program recommendation that the program be continued with loan recipients above the poverty line, primarily in order to aid minority businessmen in ghetto areas. OEO accepted Kirschner's evaluation results, but rejected the policy conclusion believing, rather, that aiding minority businessmen was a good thing but not part of a poverty program. OEO tried to drop the program, but at the current writing, the U.S. Congress may be indicating a preference for the aiding minority businessmen policy. All of which goes to show that the use of evaluation results is seldom straightforward.

Other evaluations of Community Betterment programs have been taking place or are underway. The Neighborhood Centers programs was also evaluated by Kirschner<sup>4</sup> who highlighted a possible problem in reconciling the service delivery and organizational functions of the Neighborhood Center. Legal Services The legal services program of OEO was examined, with the same result mentioned above for health centers--it is still too early and too difficult to evaluate the real effectiveness of the program but at least we can say that this new form of organization provides the poor with services at a lower cost than that for which they can be obtained on the open market.

Even in the case of these component evaluations, the logical connection of ultimate anti-poverty effectiveness is difficult to map out, although in the family planning case it was possible. Matters are much more difficult in evaluating the overall social change which Community Betterment programs are supposed to be bringing about.

We have some inkling of how to define social change. That is we know what kinds of things we would want to change--school systems and employment services for example--but we do not know well how to measure these changes nor do we really know what these changes have to do with getting people out of poverty. Given all this, we are starting out on several tracks to try to achieve evaluations, both generalized and systematic. Almost two years ago OEO funded universities

<sup>4</sup>Kirschner Associates, "A Description and Evaluation of Neighborhood Centers"-A Report for the Office of Economic Opportunity Contract No. OEO-1257, December 1966.

or other organizations in six cities and in two rural areas to evaluate the Community Action Programs in their areas. Rigid specifications for the evaluation were not set forth nor was an attempt made to have these evaluations made on a common basis. The objective was to find out how to evaluate from these efforts not to compare programs on any common basis.

At the same time, an internal OEO effort was begun to bring scattered knowledge of program results in a number of cities into a common pattern to see what could be found out about the effectiveness of the program in these cities and the reason for this effectiveness. The sources here ranged from reports on OEO pre-refunding visits, which typically take a several-man team a few days to accomplish, to newspaper reports, to special visits. Enough data, quantitative and non-quantitative, were gathered to make it possible to at least come to some general verbal conclusions about Community Action Programs. These were stated as follows in a report to the Director of OEO:

### CAP Evaluation

"Any evaluation of CAP must begin with the admission of the vagueness and intangibility of the criteria for determining success. Added to this fundamental problem is the paucity of usable data from the agencies. Despite this caveat, however, we do have evidence that the better urban programs are having substantial and demonstrable impact on the slum communities of poverty. They are providing services to the poor that were simply not available before, and we can quantify this claim.

We have hard data to show that they are giving people non-poverty jobs. They are changing the community structure which has kept the poor down, and we can demonstrate that, although it is not quantifiable. Even the best urban programs, however, are reaching only a fraction of the problem at current funding levels. If I were to sum up in a single sentence the major evaluative results of Community Action, it is that we have demonstrated what can be done for people where programs are run well, but we have also demonstrated that current funding levels are not going to change the world fundamentally for a long, long time. One additional problem of many programs is that they have not yet reached the really hard-core in any important way--in some sense, they are 'creaming.'

"The above statements concern the best urban Community Action programs. We can also demonstrate that we have some pretty bad ones. Rural Community Action has very seldom gotten off the ground." ~~(See Shriver letter to~~

~~B.O.B. on funding)~~

In addition to this general statement, we have tried to analyze our sample of cities for variations among Community Action programs and the reasons for these variations. In general, among urban Community Action programs, we can describe two polar

types of Community Action, with a continuum between. On one end are those Community Action programs which are tied tightly to the official structure of the cities in which they are located, which are controlled by the official structure, and in which the poor and minority groups have only a nominal effect on program decision. At the other end are those cities in which the Community Action program is in the state of open warfare with other city institutions, particularly the official ones. A variation on this last polar situation comes when the official Community Action program is not far distant from the official city government but the local program employees and participants are in revolt against both the Community Action officials and the city officials. The hostility model seems particularly endemic in California although not confined exclusively there.

In general, the optimum in terms of program effectiveness lies between the poles (of course). Those programs which seem to be working best are in cities where the public establishment participates heavily, but allows program flexibility and influence by program recipients. The idea here is that the abdication of some real power by local officialdom can in the long run or even in the short run add to program effectiveness for the purposes desired by both officialdom and the poor themselves. It is quite possible, in fact, that such partial abdication can lead to more rather than

Riots

less political strength for on-going public officials.

All this is highly speculative however. It may be that in the long run an extreme hostility model will be most effective, allowing the poor to build institutions and political power. It is notable that in California where hostility is sharpest, there were no major riots during the summer of 1967--in part, because those who might have rioted were too heavily engaged in small and large group political hostility against the "establishment" and against each other. In Detroit which should still be considered an example of the optimum, many minority members, poor and otherwise, were brought into active participation in Community Action and other programs but enough people were felt left out of programs and society to carry out a major riot. One possible conclusion (on riots, not on poverty) might be that the first essential for a city to avoid a civil disturbance is to have had one already.

In any case, we are now in the process of trying to systematize our highly impressionistic evaluations of Community Action and social change illustrated above. The first step in this process seems to be taxonomy--analysis into highly detailed classifications of what we know about differences among programs and differences in events in the areas where these programs are taking place. Once this is done, it may be possible to cluster characteristics thus categorized into

related groups and to chart paths of flow and causation among them.

For example, it may be that a Community Action program with the characteristics: a close tie to public authority; a large number of neighborhood centers; and a heavy investment in manpower has brought about more observed social change (e.g., city investment increases in the poverty area) than has a program: with a looser tie to the city; a relatively big Head Start effort; and fewer but larger neighborhood centers. All this may begin to give us a leg up on a theory of what works and how well it works which is the essence of evaluation in this area. The Cambridge firm of Barss and Reitzel is beginning in these directions under contract to OEO.

One final negative note is necessary on Community Betterment and Community Action. The obvious way to evaluate programs like this is to look at external indicators like crime rates, people on welfare, etc. It is obvious and we have tried it and it doesn't show anything except that data and program changes in fields like welfare dominate any effect on these indicators which the new poverty program might have. Considering the fact that the typical Community Action investment in a city is unlikely to be as high as 5 percent of the city's total budget, this does not seem surprising.

In other words, given current funding of Community Action  
we can use early indicators for evaluation, but it is unreasonable  
to expect fundamental change at this point in time.

#### Income Maintenance

The OEO funds no Income Maintenance programs yet Income Maintenance programs, particularly public assistance and that portion of Social Security going to the poor make up a larger portion of the total War on Poverty than any other group of programs-- more than half of the \$25 billion. Thus it is as necessary here for us to think about evaluation as it is anywhere else.

In one sense, the evaluation of Income Maintenance Programs is extremely easy. That is, the objective of such programs is to increase incomes, and they can be evaluated on the basis of the number of dollars which go to increasing these incomes--in other words total expenditures, minus administrative costs. Slightly more sophisticated is the evaluation by that portion of the dollars which goes to increase the income of those who are the primary target of the program. For example, if the objective is to increase the income of the poor, then an income-maintenance program of the Family Allowance type, which puts several dollars into the incomes of non-poor recipients for every dollar to poor recipients would be inefficient relative to one which is targeted better on the poor.

Such evaluations are straightforward and indeed, do not even require program experience to carry them out; national statistics are adequate to estimate the effects of these programs in advance. But things are never so simple and there are of course, a good many unknowns in programs of Income Maintenance, which can only be evaluated on the basis of experience. For example, the chief Income Maintenance program currently directed at the poor as such is Public Assistance. It is known beyond any doubt, on the basis of experience and evaluation, that Public Assistance as it runs now is arbitrary, degrading to the recipients, spotty geographically, and acts against people's incentives to get off welfare by going to work. This is true in spite of the fact that it is not terribly deficient in terms of dollars delivered to the poor relative to total dollars spent. But the other drawbacks of Public Assistance are substantial and if other programs are available to deliver dollars as effectively or nearly as effectively, then evaluation may lead to choice of an alternative.

The two major programs which have been discussed as general alternatives to Public Assistance are the Family Allowance Program and the Negative Income Tax. As suggested above, some of the evaluation of the Family Allowance Program can be carried out without experience,

based purely on quantitative logic. A major part of the evaluation of each of these two, however, must stem from experience. In addition to their effectiveness ratios in providing dollars to the poor, it must be discovered whether they can in fact avoid the difficulties of current Public Assistance systems. It must be discovered what effect they have on maintaining or increasing the stability of families receiving payments; it must be discovered what effect they have on the work incentives of recipients. On the latter two questions current Public Assistance has already been found badly wanting. It decreases family stability by giving preference to recipients in broken homes; it decreases work incentives by subtracting a dollar of assistance payments for every dollar earned.

Whether Family Allowances or Negative Income Taxes are preferable to Public Assistance still remains to be discovered but there is some presumption that they will be. Both of them remove the absolute incentive to break up the family and both of them return at least some fiscal incentive to work. But how much and how effectively is not known. What presumably will be needed for any large-scale adoption politically will be to discover the importance of such "side effects." OEO is currently beginning one such experiment through the University of Wisconsin Institute for the Research on Poverty, an experiment to discover the effects on

families headed by able-bodied males of a graduated work incentive plan similar to the Negative Income model. We expect that other agencies, public and private will be doing such additional experimentation.

#### Evaluation of Relative Program Effectiveness

The relationships and relative importance among the various programs that comprise the War on Poverty can be evaluated on three levels: Relations among programs within the four categories; the relationships of the categories to one another; and the relationships of major thrusts, such as service delivery versus social change.

As mentioned above in the discussion of manpower programs, we are already beginning to work on relative effectiveness on programs within categories. Although the difficulties of preparing evaluations of programs even as similar as Job Corps and Out-of-School NYC are substantial, such comparisons are being made. Indeed they must be made. The allocation of monies among similar programs is dependent in part upon estimates--still not quantitative--about relative effectiveness. As more knowledge is gained, much more qualitative evaluation of similar programs will be possible and conceptually it presents few difficulties.

At least the within-category comparison compares like to like. Comparison among categories to estimate the relative effectiveness of each and therefore the relative allocation of investment among them is conceptually far more difficult. We know some things to begin with. We know for example that these four categories are complementary rather than being alternative. It is nonsense, for example, to talk about a "Community Action" strategy or an "Income Maintenance" strategy as if they were either-or alternatives. They are useful in part for different people; in part they support one another rather than being exclusive. The real issue is, given highly limited budgets, how much should be invested in each.

Thus far except on the softest possible theory, we have not gotten very far along these lines. Some progress is beginning, however, Professor Lester Thurow of the Harvard Department of Economics has derived, for a forthcoming Brookings publication<sup>5</sup> a number of models which purport to show the relative contribution to getting people out of poverty which can be made by manpower programs, education programs and by several others. Thurow's models are by no means perfect. The way in which they are derived may not satisfy the requirements of rigorous statisticians because in fact the data they are derived from does not satisfy these requirements.

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<sup>5</sup>Thurow, Lester C. "The Economics of Poverty and Discrimination,"  
Prepared for the Brookings Institution, Washington, D. C., September 1967.  
(Draft I Mimeographed)

Further, important categories, particularly in the social change field are simply not amenable to these techniques. Nonetheless, Thurow provides a start and an important one on the long-run process of obtaining a unified theory which will enable us to evaluate the relative importance of different programs in getting rid of poverty.

#### Conclusion

To conclude this evaluation of evaluation, we can say that surely in terms of comprehensive evaluation of the poverty program at any level we are not nearly where we would like to be. I think it is also fair to say that we are far ahead of any similar program past or present. At least, I think we know what evaluation means and we are trying to evaluate our programs as honestly as we can in their complexity.

We are able to do this because a relatively simple unified objective like getting rid of poverty means that we at least are able to define what it is that we are evaluating for. Other programs which are cut functionally (e.g., manpower, housing) have more conceptual difficulty because the size of effects and distribution of effects among different groups of people are very difficult to compare against one another. In poverty, we assume away such distribution problems by defining a group of people--the poor--who

are the only ones for whom program gains will count.

We have done more evaluation than other programs for the fortuitous reason that the beginning of the poverty program pretty much coincided with the beginning of the Federal Programming, Planning and Budgeting System so that we were able to start anew, without encountering so many of the encrusted "we know that our program is good, don't bother us" interests which encumber other programs and agencies.

Finally, we are able to evaluate our program because we know we must. The War on Poverty and OEO are in political trouble--political trouble which is beginning to seem perpetual. And a program which is in trouble is the easiest to evaluate because we know that there are many good things about it which, if they could be demonstrated by rigorous methods, aid in the perpetuation and political salvage of parts of the program. A politically popular program resists evaluation because everyone knows it's good and it would be a shame if an evaluation showed that the Emperor had no clothes after all. This is true of our attempts to evaluate popular parts of the poverty program as well as our ability to evaluate the whole program.

All this is well and good. The proposition that OEO is doing a lot of evaluation and pointing it in many of the right directions is not a difficult one to defend. The final question, however, is what use is made of this evaluation in helping to make policy decisions?

Part of the answer is implicit throughout this paper. Decisions like the disposition of the Small Business Program, the phasing-down of the Work Experience Program, and the new directions for Head Start all have been demonstrably affected by evaluative results. Beyond this, it can be stated, although not proven, that evaluative results as they come in have a substantial effect on day-to-day planning and operational decisions. It would be difficult to show that the entire War on Poverty Program is directed by scientific use of evaluative methods or for that matter, by the program planning processes as a whole; it would be naive to think that it might be so directed. Policy decision in the United States is achieved through political processes, not scientific ones--fortunately. The role of evaluation and planning is to contribute to these processes not to overwhelm them. In the War on Poverty, this contribution is being made.

Statistical Comprehending

corrected thru 4-3-68

Poverty Indices - 1968

Attachment 2  
to Summary History

OFFICE OF ECONOMIC OPPORTUNITY

RPP+2

The national goal of the Office of Economic Opportunity is "to eliminate the paradox of poverty in the midst of plenty in this Nation". The extent of poverty in prior years and the reductions that have taken place are shown in tables below:

Total Persons in Poverty\*  
(Millions)

	1959	1962 <sup>-</sup>	1964	1966
All Poor	38.7		34.1	29.7
White	(27.7)		(23.5)	(20.3)
Non-white	(11.0)		(10.6)	( 9.4)

\* Based on Bureau of Census surveys and income criteria in the Social Security Administration Poverty Index

Percentage Reductions in Poverty Between Periods

	1959-1964	1964-1966
All Poor	12%	13%
White	15%	14%
Non-white	4%	11%

As indicated in the table above the number of poor have decreased by 9 million persons during the period from 1959 to 1966. These decreases are impressive,

but the implications of the changes are far more significant if this period is divided into two parts, 1959-1964 and 1964-1966, both of which are characterized by rapid economic growth but with no OEO programs in the earlier period. In the 1959-1964 five-year period the number of poor people decreased by 12%. Poverty was reduced slightly faster at 13% in the 1964-1966 two-year period but at over 2 1/2 times as fast a yearly rate.

Also of great significance, it was only in the 1964-1966 period that the number of poor Negroes started to go down materially. Between 1959-1964, the number of poor non-whites (primarily Negroes) dropped by 400,000 persons (an average of 80,000 persons a year). In 1964-1966 there was a 1.2 million person decline (an average of 600,000 a year).

The number of persons in poverty has been reduced by four and a half million since the deployment of OEO programs early in 1965. Much of this may be attributed to economic growth but OEO programs have also contributed

to the improvement. It is difficult to separate the impact of OEO programs from economic growth. Further, there are important differences between 1959-1964 and 1964-1966. The later period was one of much lower unemployment rates, and it is in this kind of situation that the non-white start to catch up. However, it is clear that the combination of OEO programs and economic growth has been more effective than simply economic growth alone. Poverty is declining much faster than in the earlier period of 1959-1964 and inroads have been made into non-white (Negro) poverty--something that was not accomplished to any degree in the five-year period before OEO. At the same time in the 1964-1966 period, greater gains have been made in reducing white poverty than in the earlier period.

In the main, OEO attempts to reach its national goal of eliminating poverty by providing the opportunity for people to help themselves through work, education, and training to reach a decent and rewarding life. The table below shows the relationships between these desired opportunities (sub-goals) and the OEO program categories.

RELATIONSHIPS BETWEEN SUB-GOALS AND PROGRAM CATEGORIES

Sub-Goals	Program Categories
Opportunity to work	Employment
Opportunity for education and training	Individual Improvement
Opportunity to live in decency and dignity	Community Support *Income Maintenance
	**Basic Poverty Research **General Support

\*While no income maintenance programs are conducted by OEO, the programs of other Federal agencies are included in the overall planning for the War on Poverty.

\*\*The program categories of Basic Poverty Research and General Support are supportive to all sub-goals and the national goal.

These five program categories are further broken down for planning purposes as shown in Table 1.

Table 1. OBLIGATIONS BY PROGRAM CATEGORY AND SUB-CATEGORY AND SELECTED PROGRAM ELEMENTS (In millions of dollars)

Category/Sub-Category/Element	1967 actual	1968 estimate	1969 estimate
1. Employment			
Job Training Assistance	571.4	616.3	841.7
Operation Mainstream	( 36.4)	( 44.3)	( 52.0)
New Careers	( 35.6)	( 27.7)	( 36.0)
NYC Out-of-School	(165.8)	(100.2)	(165.6)
Concentrated Employment Programs	( 17.8)	( 55.0)	( 82.0)
Job Opportunities in Business Sector	-	( 53.0)	(185.0)

Table 1. OBLIGATIONS BY PROGRAM CATEGORY AND SUB-CATEGORY AND  
SELECTED PROGRAM ELEMENTS (continued)

(In millions of dollars)

Category/Sub-Category/Element	1967 actual	1968 estimate	1969 estimate
Work Experience	( 99.8)	( 45.0)	( 20.0)
Job Corps	(209.2)	(285.0)	(295.0)
Opportunities Industrialization Centers	( 6.8)	( 6.1)	( 6.1)
Other Employment Assistance	<u>18.4</u>	<u>23.6</u>	<u>24.7</u>
Total, Employment .....	<u>589.8</u>	<u>639.9</u>	<u>866.4</u>
2. Individual Improvement			
Preschool Assistance	347.4	323.0	328.0
Head Start Full Year	(210.4)	(193.5)	(202.0)
Head Start Summer	(116.6)	(102.5)	( 99.0)
Head Start Training	( 16.4)	( 18.0)	( 18.0)
Parent&Child Centers	-	( 5.0)	( 5.0)
Migrant Day Care	( 4.0)	( 4.0)	( 4.0)
In-School Assistance	239.7	232.3	303.9
Head Start Follow-Through		( 15.0)	( 50.0)
CAP School Age Programs	( 4.9)	( 6.5)	( 6.5)
Upward Bound	( 28.2)	( 30.0)	( 38.0)
NYC In-School	( 69.8)	( 54.8)	( 73.4)
NYC Summer	(136.8)	(126.0)	(136.0)
Other Individual Improvement Assistance	<u>55.0</u>	<u>49.3</u>	<u>54.2</u>
Total, Individual Improvement	<u>642.1</u>	<u>604.6</u>	<u>686.1</u>

Table 1. OBLIGATIONS BY PROGRAM CATEGORY AND SUB-CATEGORY AND  
 SELECTED PROGRAM ELEMENTS (continued)  
 (In millions of dollars)

Category/Sub-Category/Element	1967 actual	1968 estimate	1969 estimate
<b>3. Community Support</b>			
Resource Mobilization Assistance	99.6	109.4	121.9
CAA Planning	( 3.0)	( 6.0)	( 14.0)
CAA Research and Evaluation	( 2.0)	( 2.7)	( 3.7)
Staff Training	( 12.3)	( 13.0)	( 13.0)
Technical Assistance-Communities	( 6.2)	( 5.5)	( 7.0)
Technical Assistance-States	( 6.3)	( 6.4)	( 7.0)
CAA Administration	( 51.5)	( 53.2)	( 54.2)
Program Direction	( 16.5)	( 22.6)	( 23.0)
Other	( 1.8)	( -- )	( -- )
Concerted Services Assistance	106.5	154.0	165.9
Neighborhood Service Systems	(106.5)	(154.0)	(165.9)
Health Assistance	73.4	50.5	114.5
Comprehensive Health Services	( 50.8)	( 33.0)	( 90.0)
Family Planning	( 4.1)	( 6.5)	( 13.0)
Other	( 18.5)	( 11.0)	( 11.5)
Nutritional Assistance	2.6	10.0	20.0
Housing Assistance	9.3	11.7	16.4
Legal Assistance	25.2	38.0	42.0
Loan Assistance	26.2	18.5	6.0
Volunteer Assistance	26.2	30.0	32.0
VISTA Regulars	( 23.5)	( 26.7)	( 28.0)
Other	( 2.7)	( 3.3)	( 4.0)
Economic Development Assistance	7.0	20.0	30.0
Special Impact Program	(7.0)	( 20.0)	( 30.0)

. OBLIGATIONS BY PROGRAM CATEGORY AND SUB-CATEGORY AND  
 SELECTED PROGRAM ELEMENTS (continued)  
 (In millions of dollars)

Category/Sub-Category/Element	1967 Actual	1968 estimate	1969 estimate
Other Community Support Assistance	<u>56.0</u>	<u>58.8</u>	<u>58.2</u>
Total, Community Support	<u>432.0</u>	<u>500.9</u>	<u>606.9</u>
4. Basic Poverty Research	<u>4.0</u>	<u>3.6</u>	<u>3.6</u>
Total, Basic Poverty Research	<u>4.0</u>	<u>3.6</u>	<u>3.6</u>
5. General Support	<u>14.0</u>	<u>14.0</u>	<u>17.0</u>
Total, General Support	<u>14.0</u>	<u>14.0</u>	<u>17.0</u>
6. Transfer to Vocational Educ.		<u>10.0</u>	
 Total obligations, Office of Economic Opportunity	 <u>1681.9</u>	 <u>1773.0</u>	 <u>2180.0</u>

It is emphasized that OEO programs are a part of and not the total war on poverty. This statement is supported by a comparison of the proposed FY 1969 OEO outlays and the estimated total outlays for all Federal agencies which aid persons below the poverty line: total outlays of \$27.7 billion, OEO outlays of \$2.18 billion.

The following sections discuss the major program categories in more detail.

Summary of Data on OEO Outputs and Obligations.

Table 2 displays output and obligation data for selected OEO program elements:

Table 2. OUTPUTS AND OBLIGATIONS FOR SELECTED PROGRAM ELEMENTS

(Note: Unit costs in this table are NOA averages for diverse program element outputs)

Program category and subcategory	1967 actual	1968 estimate	1969 actual
1. <u>Employment</u>			
Job Training Assistance			
Operation Mainstream			
Number of spaces	12400	12730	14700
Cost per space	\$2911	\$3354	\$3442
Total Cost (millions)	<u>\$36.4</u>	<u>\$44.3</u>	<u>\$52.0</u>
New Careers			
Number of spaces	9400	6600	8200
Cost per space	\$3745	\$3990	\$4180
Total Cost (millions)	<u>\$35.6</u>	<u>\$27.7</u>	<u>\$36.0</u>
NYC Out of School			
Number of spaces	76900	36000	56000
Cost per space	\$2095	\$2600	\$2800
Total Cost (millions)	<u>\$165.8</u>	<u>\$100.2</u>	<u>\$165.6</u>
Concentrated Employment			
Number of spaces	9900	21200	32500
Cost per space	\$2464	\$2420	\$2420
Total Cost (millions)	<u>\$24.8</u>	<u>\$55.0</u>	<u>\$82.0</u>

Program category and subcategory	1967 actual	1968 estimate	1969 actual
<b>Job Opportunities in the Business Sector</b>			
Number of spaces	--	14600	51700
Cost per space	--	\$3500	\$3500
Total Cost (millions)	--	<u>\$53.0</u>	<u>\$185.0</u>
<b>Work Experience</b>			
Number of spaces	45600	17900	10730
Cost per space	\$2162	\$2345	\$2130
Total Cost (millions)	<u>\$99.8</u>	<u>\$45.0</u>	<u>\$20.0</u>
<b>Job Corps</b>			
Number of man-years	30852	38110	36270
Cost per man-years <sup>1/</sup>	\$6780	\$7480	\$8130
Total Cost (millions)	<u>\$209.2</u>	<u>\$285.0</u>	<u>\$295.0</u>
<b>2. Individual Improvement</b>			
<b>Pre-school Assistance</b>			
<b>Head Start Full Year</b>			
No. of enrollees	215000	204400	202000
Cost per enrollee	\$979	\$947	\$1000
Total Cost (millions)	<u>\$210.4</u>	<u>\$193.5</u>	<u>\$202.0</u>
<b>Head Start Summer</b>			
No. of enrollees	465000	465000	450000
Cost per enrollee	\$220	\$220	\$220
Total Cost (millions)	<u>\$102.6*</u>	<u>\$102.5</u>	<u>\$99.0</u>

\*Excludes \$14 million used to fund FY 1966 summer programs.

<sup>1/</sup>Not basis in which Job Corps man-years cost are computed.

Program category and subcategory	1967 actual	1968 estimate	1969 actual
In School Assistance			
Upward Bound			
Number of enrollees	23000	24500	31000
Cost per enrollee	\$1226	\$1224	\$1226
Total Cost (millions)	<u>\$28.2</u>	<u>\$30.0</u>	<u>\$38.0</u>
NYC In-School			
Number of slots	133000	86000	115000
Cost per slot	\$566	\$624	\$624
Total Cost (millions)	<u>\$69.8</u>	<u>\$54.8</u>	<u>\$73.4</u>
NYC Summer			
Number of slots	294000	294000	303000
Cost per slot	\$455	\$418	\$439
Total Cost (millions)	<u>\$136.8</u>	<u>\$126.0</u>	<u>\$136.0</u>
Other Individual Improvement Assistance			
Migrant Education & Rehabilitation			
Number reached	73000 <sup>a/</sup>	28000 <sup>b/</sup>	275000 <sup>c/</sup>
Cost per number reached	\$356	\$607	\$76
Total Cost (millions)	<u>\$26.0</u>	<u>\$17.0</u>	<u>\$21.0</u>
3. <u>Community Support</u>			
Resource Mobilization Assistance			
CAA Administration			
Number of CAAs	1050	1020	980
Cost per CAA	\$49048	\$52157	\$55306
Total Cost (millions)	<u>\$51.5</u>	<u>\$53.2</u>	<u>\$54.2</u>

<sup>a/</sup> Adult and youth education

<sup>b/</sup> Adult education only

<sup>c/</sup> Includes information and referral services as well as Adult education

Program category and subcategory	1967 actual	1968 estimate	1969 actual
<b>Health Assistance</b>			
<b>Family Planning</b>			
No. of women served	108000	185000	400000
Cost per woman	\$38	\$35	\$33
Total Cost (millions)	<u>\$4.1</u>	<u>\$6.5</u>	<u>\$13.0</u>
<b>Legal Assistance</b>			
<b>CAP Legal Services</b>			
Number of cases	300000	500000	640000
Cost per case	\$84	\$76	\$66
Total Cost (millions)	<u>\$25.2</u>	<u>\$38.0</u>	<u>\$42.0</u>
<b>Loan Assistance</b>			
<b>Rural Loan Program</b>			
No. of initial loans	12957	9390	4200
Average initial individual loan	\$2000	\$2400	\$2500
Total Cost (millions) <sup>a/</sup>	<u>\$24.0</u>	<u>\$17.0</u>	<u>\$6.0</u>
<b>Volunteer Assistance</b>			
<b>VISTA Regulars</b>			
No. of man years	3287	4150	4400
Cost per man year	\$7149	\$6434	\$6364
Total Cost (millions)	<u>\$23.5</u>	<u>\$26.7</u>	<u>\$28.0</u>
<b>Economic Development Assistance</b>			
<b>Special Impact Projects</b>			
Number of projects	--	4	6
Cost per project (millions)	--	\$5.0	\$5.0
Total cost (millions)	--	<u>\$20.0</u>	<u>\$30.0</u>

<sup>a/</sup>NOA only (excludes amounts available in revolving loan fund)

*to be of - OEO  
J. W. R. S. P.*

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# OFFICE OF ECONOMIC OPPORTUNITY

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## CIVIL RIGHTS REPORT

Prepared by:  
Office of Civil Rights  
May 13, 1968

OEO PRESS SEMINAR  
March 4-6, 1968

OFFICE OF CIVIL RIGHTS REPORT  
by  
Dr. Maurice A. Dawkins

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All Job Corps Recruiters

A REPORT TO THE PRESS AT THE OEO PRESS SEMINAR

MARCH 4-6, 1968

FROM

THE OFFICE OF CIVIL RIGHTS

PREPARED BY

MAURICE A. DAWKINS

I. The overview and perspective on the issues which we confront

The general approach to civil rights in the Office of Economic Opportunity in the light of the legislative intent, the executive directives and the public pronouncements of the President, should not necessarily follow the precedents established in other government agencies. The role of the Office of Economic Opportunity as a catalyst designed to stimulate a creative, dynamic, and imaginative new approach to the solution of an old if not ancient problem, provides a new frame of reference for the development of a civil rights program.

- A. The economic frontier that the Nation's poor of both minority groups and majority groups must cross is the great challenge in current history. Negro-American, Mexican-American, Puerto Rican and other minority group leaders are coming to recognize the paramount importance of jobs and manpower development, housing and deghettoization, guaranteed income and economic security. The energies and efforts of civil rights groups and business and labor and religious groups that have historically promoted civil rights programs are being redirected toward the goals enunciated so clearly by the President to win the wars against ignorance, crime, disease and poverty.
1. It is increasingly becoming clear that the fulfillment of these rights, the implementation of the policies, the carrying out of the plans, requires a coordinated cooperative effort on the part of all citizens in both public and private sectors of the Nation.
  2. It is generally conceded that the Civil Rights Act of 1964 and the Economic Opportunities Act of 1964 provide the legal assurance that minorities have in fact secured the legal right to economic opportunities regardless of race, color or creed.
  3. It is generally being accepted that the Office of Economic Opportunity as a motivating, coordinating, evaluating, and funding agency has a unique function to perform in relation to other government agencies to the states, counties, cities and non-governmental organizations in the Nation.
  4. In fact, the role of catalytic agent -- the link between the needs of the poor and the governmental and non-governmental economic resources of the Nation -- has become a source of hope in the midst of hopelessness; a candle in the darkness.

- B. The racial picture in the light of this background is one where more and more responsible militants as well as traditionally conservative-conciliatory types of all races and economic levels are seeing the wisdom of "lighting a candle" as contrasted with "cursing the darkness."

A mammoth job-training and business development program generating a self-help principle to replace a hand-out psychology, funded by OEO and sponsored by civil rights-minded leadership, is an illustration of this trend in a growing number of cities. Those who would continue to curse the darkness and prophesy doom and destruction in the form of Watts-type race rioting and Cicero-type, back-lash race prejudice are becoming to see the success of OEO anti-poverty programming as an antidote to the poison; thus, some endeavor to undermine efforts of OEO while others become converts to the idea that economic democracy can work.

II. A new direction for achieving the goals of civil rights for all citizens through government agency operations.

- A. The complaint-oriented civil rights program in the frame of reference just described is not going to produce maximum efficiency at minimum cost. It is essentially negative and wasteful way of doing business.
1. A constantly growing number of complaints against alleged violators of civil rights laws and executive orders create a growing pile of unfinished cases, unhappy clients, and angry administrators.
  2. An efficient manager of a government program often comes to regard civil rights offices and staff as well-meaning interference with the carrying out of his primary mission.
  3. An increasing number of administrators and supervisors develop an expertise in "how to get around the civil rights guidelines and their enforcers."
- B. A management systems oriented civil rights program, if developed properly, should produce an entirely new dimension in public administration and the civil rights field as well.
1. The basic assumption in such an approach would be that the total Agency and each component therein will, in fact, recognize and fulfill its responsibility to assist the Director of the Agency in carrying out the letter and intent of the civil rights legislation and executive orders as they apply to the agency and its mission.

### III. Equal Employment Opportunity and Compliance Evaluation

An equal employment opportunity program today is by no means a new concept. Possibly the greatest weakness in previous executive orders and legislation dealing with non-discrimination in employment was that no matter how clear the policy statements were, they lacked enforcement power. Conciliation, negotiation, persuasion, and education may have been desirable routes to non-discrimination; however, the past twenty years strongly suggest that they were unsuccessful and inadequate.

Tracing the history of such legislation let us examine the following legislative laws and regulations.

#### 1933 National Industrial Recovery Act

Unemployment relief act. Forbade discrimination because of race, color, or religion.

#### 1941 President Roosevelt's Executive Order 8802

Prohibited employment discrimination in all defense contracts, Federal Government employment and training programs administered by Federal agencies, established 5-man FEPC responsible to President to investigate complaints, redress grievances, recommend corrective guidelines to Federal agencies and the President, lacked enforcement powers staff, only eight; suspended operations in 1943.

#### 1943 President Roosevelt's Executive Order 9346

Declared government policy to eliminate employment discrimination; jurisdiction extended to all government contractors, recruitment and training for war production, Federal Government employment and labor unions. Established new FEPC with staff of 120. Authority expired in 1946.

#### 1951 President Truman's Executive Order 10308

(a) Established committee on government contract compliance with representatives of industry, public, main government contracting agencies; (b) main function was to study effectiveness of non-discrimination program. Committee declared (1) that non-discriminatory employment could be eliminated by strict enforcement of non-discrimination clauses, and (2) there was no effective enforcement.

1953 President Eisenhower's Executive Order 10479

- (a) Established President's Committee on government contracts, with representatives of industry, labor, government, and the public.
- (b) Instructed to make recommendations to improve non-discrimination clauses in government contracts, to serve as clearing house for complaints, to encourage educational programs.
- (c) Lacked any direct enforcement power

1961 President Kennedy's Executive Order 10925

- (a) Restated policy of non-discrimination for government contractors and for Federal government employment, but also required affirmative action.
- (b) Created new President's Committee on Equal Employment Opportunity with enforcement powers:
  - (1) Required compliance reports by contractors
  - (2) Made public the names of non-compliance contractors and unions
  - (3) May recommend criminal action by Department of Justice for false information.
  - (4) May terminate contract and prohibit new contracts

1963 President Kennedy's Executive Order 11114

- (a) Extended non-discrimination policy to Federally-assisted construction programs.

The next attempt was included in Executive Order 11246; on September 24, 1965, President Johnson issued Executive Order 11247. This order provided for the coordination by the Attorney General of enforcement of Title VI of the Civil Rights Act of 1964. Section I of this order states, "The Attorney General shall assist Federal Departments and Agencies to coordinate their programs and activities and adopt consistent and uniform policies, practices and procedures with respect to the enforcement of Title VI of the Civil Rights Act of 1964. He may promulgate such rules and regulations as he shall deem necessary to carry out his functions under this order."

Section III of this order revokes Executive Order 11197 of February 5, 1965. "Such records of the President's Council on Equal Opportunity as may pertain to enforcement of Title VI of the Civil Rights Act of 1964 shall be transferred to the Attorney General. Executive Order 11247 also states, "Whereas the Departments and Agencies of the Federal Government adopted uniform and consistent regulations implementing Title VI of the Civil Rights Act of 1964, and in cooperation with the President's Council on Equal Opportunity, have embarked on a coordinated program of enforcement of the provisions of that title; whereas, the Attorney General is the chief law officer of the Federal Government and is charged with the duty of enforcing the laws of the United States."

The Office of Civil Rights in the OEO was established and presently functions in accordance with the requirements of the Civil Rights Act of 1964 and Executive Orders 11246, 11247 and 11375 which require all Federal Agencies to assure that there shall be no discrimination in its hiring practices in the expenditure of Federal funds because of race, religion, color, national origin or sex. In the case of the War on Poverty this means that Mr. Shriver, as the Director of the Office of Economic Opportunity, requires that the OEO Office of Civil Rights enforce compliance with the civil rights guidelines established by the Attorney General's office, the Civil Service Commission and the U. S. Commission on Civil Rights.

The functions of the OEO Office of Civil Rights are carried out by three branches -- Community Relations under the leadership of Mr. Grady Poulard; Compliance and Evaluation under the direction of Mr. Wilfred C. Leland; and the Technical Assistance Research and Training Branch, directed by Dr. George Franklin.

Our OEO compliance evaluation program of positive measures is "result-oriented." It calls for activity level "plans of action" to assure that qualified minority group members are actively recruited and that, when hired, they are given appropriate training and opportunities to advance in their line of work without regard to their race, religion or national origin.

We define the OEO Civil Rights Program in areas in which positive or special measures may be needed, as follows: (1) recruitment, (2) inservice placement and promotion, (3) training, and (4) job security. The need to apply any or all of these positive measures is based, in large part, on the identification of "out of balance" staffing patterns in which utilization of minority employees appears restricted and possibly discriminatory. "Out of balance" may be considered to exist when in a given unit, in spite of availability of manpower, minority group employees are not found at all, or they are concentrated in lower graded, non-supervisory, routine kind of work. It is hoped that our current positive action will go beyond our early areas of interest in avoidance of overt discrimination in personnel actions and equitable adjudication of discrimination appeals.

Therefore, OEO activities will continue to give attention to supervised performance and practices in the area of equal employment opportunity. We know that we are dealing with a very sensitive area of human relations; thus, there is no intention to force anyone into compromising positions, however, all problems must be discussed and examined thoroughly, injustice must be voluntarily corrected or compliance will be enforced by withdrawal of funds. Its like brick laying, how many bricks did you lay today?

With regard to OEO delegated programs and the pending city officials under the Green Amendment the enforcement of the Civil Rights Act with respect to delegated programs is the responsibility of the agencies administering the programs. Each of these agencies has published regulations under the Civil Rights Act and is presumably enforcing these regulations with respect to Economic Opportunity programs, as well as other programs it administers. Although there has been some coordination with the Department of Labor, HEW and the Department of Agriculture and, to a lesser extent, other agencies in the implementation of their regulations, it is necessary that the OEO Civil Rights Office establish regular means to insure general monitoring of the civil rights aspect of delegated programs by OEO whenever required by law. This includes Bureau of Work Training - Neighborhood Youth Corps - Work Experience Programs.

#### Affirmative Action in Community Relations

It has been our experience that the 1100 community action agencies in the 50 states provide opportunities for the development of affirmative action programs in civil rights which will serve as the means of guaranteed participation by minority group citizens on the paid staff and the volunteer board of directors. The 4 million citizens who have been involved in the community action program in Health Centers, Legal Services, Migrant, Indian Programs - Head Start, Upward Bound, Neighborhood Services, Rural - Elderly and Foster Grandparent Program, are all guaranteed equal opportunities to share in every level of the program. Professional employees who are not civil service but are protected by Title VI of the Civil Rights law and by conditions included in OEO grants. It is our job to foster full participation of all minority group citizens in anti-poverty activities whether they are Mexican-American, Indian-American, Oriental-American or Afro-American, etc. Any infringement on the rights of these citizens must be corrected or the entire program is in jeopardy.

Since 36% of CAP grants go to public agencies and 63% to private organizations the civil rights internal reporting apparatus must enlist the cooperation of businessmen in public and private sectors, and public officials in city, county and state human relations commissions to cooperate with our office, as well as traditional sources of cooperation from religious, labor and fraternal organizations.

An illustration of how OEO includes minorities in its operations' staff can be seen by our report on Mexican-American participating in Texas and New Mexico. There are 14 Mexican-American program directors out of

Community Action Agencies in Texas and New Mexico. This is more than 30% representation of the Mexican-Americans minority. In addition, there are 10 assistant CAP directors in the 55 community action agencies involved representing more than 40% of the total. There are 157 Mexican-American professionals and 276 Mexican-American non-professionals working in the delegate agencies for those two states and a total of 904 professionals and 5,874 non-professional Mexican-Americans working in OEO programs plus the delegate agencies. We are in the process of securing the statistics for the states of California, Colorado and Arizona to complete a survey of Mexican-American employment in the Southwest. We are also completing a survey to show the total number of Afro-Americans in the same states for purposes of comparison.

In the case of the Job Corps Centers the 124 installations involve not only the need for monitoring fair employment practices as far as personnel is concerned but also compliance review as to the contracts with major industries who operate Job Corps Programs. It is our job to make certain that these contractors are in compliance with the civil rights requirements as outlined by the Executive Order and by OEO regulations. To facilitate the efficient operation of such a program we are requiring each Job Corps Center to have a full-time Equal Opportunity Officer.

In connection with the VISTA program we have another type of civil rights responsibility. Here the major contracts involve Training Centers and the training of volunteers to serve in Poverty areas. The fact that VISTA volunteers must be assigned to sponsors in local communities involves making certain there is no discrimination in the selection of sponsors or in the sponsoring agency's personnel practices. Moreover, VISTA's credibility and effectiveness in minority communities very often depends on how effective VISTA is in recruiting, selecting, and placing minority volunteers of Afro-American, Mexican-American, Puerto Rican-American or Oriental American backgrounds.

The Office of Civil Rights coordinators are attached to each Regional Director's Office. The Office of Civil Rights has a working relationship with the Office of Inspection for conducting and coordinating investigations. We regularly report to the Attorney General on our administration of the provisions of Title VI of the Civil Rights Act. Our regulations provide for the conduct of hearings and the withdrawal of funds if compliance cannot be obtained by conference and persuasion. We also conduct compliance reviews to determine the quality of adherence to the civil rights guidelines in every aspect of the OEO program.

At the Headquarters level we are developing an internal reporting apparatus which will make possible continuous evaluation of how well we are doing in this field in each of the regions. The Compliance and Evaluation Office has found it necessary to order the freezing of hiring or discharges while investigations are made of charges of discrimination. In some instances it has been necessary to recommend the denial of funds for proposed programs which had failed to meet

the minimum civil rights requirements because a pattern of discrimination was being fostered by the site selected to carry out the program. There were 51 instances where grant denials were made in connection with Head Start proposals. In each of these instances the applicant was notified of his right to a hearing and the funds were denied only after the applicant had been given every opportunity to conform to the requirements. As a result of this action, most communities in the following year either persuaded the original applicant to comply or found other applicants who are anxious to serve the poor and at the same time comply with the civil rights requirements. These included the proper site location, a non-discriminatory pattern of hiring and participation of members of all ethnic groups on boards and advisory committees. OEO is very proud of the fact that, in states like Mississippi, Louisiana, Arkansas, Georgia, Alabama, etc., we have sponsored more bi-racial boards, more inter-racial staffs and more student enrollment of children of all races than any private or public agency in the history of the United States.

At the same time our compliance office has found that there are many shortcomings, in terms of personnel procedures. By far our most critical shortcoming are the jobs over GS-15 which are of the policy making and supervisory responsibility and provide opportunities for the highly trained and exceptionally skilled managerial types.

It is now standard procedure for the President and the Civil Service Commission's Chairman, Mr. Macy, to conduct an intensive executive talent search to discover such qualified personnel. In the case of OEO, Mr. Shriver has a Talent Search Director working full-time who has, in one instance, reviewed as many as 19 minority candidates out of a total of 23 for a Regional Director slot. Deputy Regional Directors, Director of Manpower, Executive Secretariat, Chief of Training and Technical Assistance, CAP are some of the executive positions, GS-15 and above, for which he has recruited minority candidates. Our compliance branch under the direction of Mr. Wilfred Leland has established a liaison officer with the Office of Administration where all contracts are approved. Our policy is to follow the Federal dollar to make sure there is no racial discrimination wherever a Federal dollar is spent. We are currently scheduling compliance reviews to make certain that the agreements, which have been signed by contractors and grantees, are being lived up to. We are instituting a policy of pre-grant review before new grants are given. As an illustration of some kinds of contracts that reflect the positive point of view of the agency, I would cite the funding of the National Council of Negro Women to sponsor a demonstration housing project in Gulfport, Mississippi and then expand similar projects in Louisiana and Alabama and Georgia. In this instance the National Council of Negro Women was granted \$45,000 which triggered the allocation of three million dollars by Housing and Urban Development to provide home ownership for the poor as a new form of low cost housing. OEO also funded the S.W. Alabama Farmer's Co-op Association by providing \$400,000 to make it possible

for 1400 farmers to pool their resources, plant, harvest and market their crops and share the profit derived to improve their economic states. Another illustration is the Harlem Development Corporation which would make possible an income-producing project designed to create and sustain Negro business and investment programs and move people out the cycle of poverty into the mainstream of the American economy. Still another Operation Mainstream - Services Employment and Redevelopment League of Latin American Citizens.

A basic point of view of the agency is that we must follow the principle of self-help and, in each instance, the minority community has responded in such a manner that the results have far exceeded our greatest expectations. For example, we have, as a result of OIC training placed thousands of people in jobs. The expansion of these pilot projects can move many minority group citizens of frustration, despair and hopelessness into economic conditions which would give them new hope and motivate them to help themselves, and to become tax payers instead of tax users. These positive programs are a part of the community action process but they are specifically related to the civil rights community relations branch. We firmly believe that such programs, involving the sponsorship of OEO projects by civil rights organizations represent an ounce of prevention approach to the programs of racial tension and racial conflict. For example, the Louisville, Kentucky and Milwaukee, Wisconsin open housing demonstration, picketing, boycotting, etc., involves civil rights groups making an effort to dramatize the injustice of discriminatory housing practices. The counterparts of such groups work cooperatively in Denver, Colorado, where we funded a fair housing demonstration project and enlisted the National Committee Against Discrimination in Housing to mobilize the entire community to solve the problem without the need for demonstrations and anti-establishment confrontations.

The third branch of our civil rights office, the Technical Assistance, Research and Training Branch, under the direction of its chief, Dr. George W. Franklin, utilizes Government and non-Government resources, including educational institutions, to improve methods and techniques of training professional and non-professional anti-poverty workers to deal effectively with civil rights issues and racial tensions inherent in their community activities.

This Research and Training Branch also provides in-service training for staff personnel within every aspect of the Agency's work to increase sensitivity and awareness of the civil rights implications inherent in their primary missions and functions; it develops manuals, guidelines and resource materials for use in Agency training programs in all organizational components and at all levels. In addition this branch originates, designs, and monitors research programs to clarify details and measure trends and effects of civil rights efforts.

OEO has possibly 2500 employees across the Nation, all of whom will be given special on-the-job training in civil rights sensitivity and knowhow. It is not expected that every OEO staff member will become an inter-group relations specialist. It is felt, however, that special training built into the in-service training programs already operational within each unit of the agency will be a civil rights component. The use of audio-visual aids, pamphlets, manuals and even the comic-book type of educational material will be utilized. It is important that there should be sensitive and relatively skilled handling of individuals and groups from minority communities. Many of these groups and individuals will bring hostility, prejudice and misunderstanding, as well as proposals for projects, to anti-poverty offices and field workers. It is important that a new kind of skill be developed by volunteers as well as by professional employees of OEO in dealing with these new dimensions in the field of civil rights. They require special training and expert knowledge in understanding and operating effectively in communities where these forces are at work. The added complications of Black Power advocacy; ultra-militant; Mexican-American and Afro-American insurrectionists; escalation of non-violent direct action; intra-minority conflicts, as between Puerto Rican-Americans and Afro-Americans, as well as Mexican-Americans and Afro-Americans, Cuban-Americans and Afro-Americans requires a brand new expertise.

Thus, the three branches of the Office of Civil Rights: Compliance and Evaluation; Education, Training and Research; and Community Relations, relating effectively to all of the segments of the Office of Economic Opportunity and its delegate agencies are designed to build into the total war on poverty agency a system of management whereby civil rights is a normal part of the everyday policy-making, decision-making and operations. We therefore, expect to find the employees and the volunteers in OEO looking at civil rights as though it were baking powder in the cake rather than a few raisins in the cake or a thin layer of icing on the surface only. I would like to think of this as a Management Systems Civil Rights Program. In such a system, although there is a primary mission for each manager which conceivably utilizes 9/10 of his thoughts, talents and energy. There is also a civil rights mission which utilizes 1/10 of his total involvement. It is clear in this system that managers will be held responsible for 10/10 of the job by Mr. Shriver, the Attorney General, the Congress, the Civil Service Commission and the White House. We feel confident that Federal agencies must convince American citizens that the government has the will and the commitment to see that equal opportunity and equal justice under the law are provided for all citizens, of all races, colors, creeds, and national origin.

This will and commitment must be made clear to both sides of the black-white confrontation or economic injustice against black citizens and poor white citizens. It also must be demonstrated to the Spanish-speaking population including Puerto-Rican-Americans; Mexican-American and Cuban-American citizens. It must be proven to the American-Indian, yes and Oriental-Americans as well.

Members of the 6½ million Mexican-American population are concentrated in Texas, New Mexico, Colorado, Arizona and California -- 80% urban, 20% rural -- the Western and Southwestern Regions of OEO. We include Spanish-speaking civil rights staff members in those regions to facilitate maximum effective dealing with language and cultural differences.

Members of the 22 million Afro-American population are scattered throughout the 50 states % urban and % rural. We include Afro-American civil rights staffs who are qualified, to bring special expert knowledge to the problems.

The civil rights of poor white citizens must also be the concern of this office ---

We have had two cases where white citizens filed CVR complaints and were given the same equal justice under the same laws.

#### SUMMARY

In summary we are not a complaint-oriented civil rights program. We are rather a Management Systems Civil Rights Program designed to enlist the total participation of the total bureaucracy in the fulfillment of the rights that the constitution of the United States says every American citizen is entitled to.

In this period of history in which the Civil Disorders Commission has identified the "Separate But Unequal" trend, -- when we are witnessing polarization of the races, isolation of suburbs from inter cities, alienation of haves and have nots -- OEO's new dimension in Civil Rights may help the War on Poverty and its Director provide some creative alternatives to racial conflict -- a light in the dark corners of the pockets of poverty in our communities.

Civil Rights

A NEW DIMENSION IN CIVIL RIGHTS: THE OEO CIVIL RIGHTS PROGRAM

PREPARED BY  
DR. MAURICE A. DAWKINS  
ASSISTANT DIRECTOR FOR CIVIL RIGHTS  
OFFICE OF ECONOMIC OPPORTUNITY

I. The overview and perspective on the issues which we confront.

The general approach to civil rights in the Office of Economic Opportunity in the light of the legislative intent, the executive directives and the public pronouncements of the President, should not necessarily follow the precedents established in other government agencies. The role of the Office of Economic Opportunity as a catalyst designed to stimulate a creative, dynamic, and imaginative new approach to the solution of an old if not ancient problem, provides a new frame of reference for the development of a civil rights program.

- A. The economic frontier that the Nation's poor of both minority groups and majority groups must cross is the great challenge in current history. Negro-American, Mexican-American, Puerto Rican and other minority group leaders are coming to recognize the paramount importance of jobs and manpower development, housing and deghettoization, guaranteed income and economic security. The energies and efforts of civil rights groups and business and labor and religious groups that have historically promoted civil rights programs are being redirected toward the goals enunciated so clearly by the President to win the wars against ignorance, crime, disease and poverty.
1. It is generally conceded that the Civil Rights Act of 1964 and the Economic Opportunities Act of 1964 provide the legal assurance that minorities have in fact secured the rights to economic opportunities regardless of race, color or creed.
  2. It is increasingly becoming clear that the fulfillment of these rights, the implementation of the policies, the carrying out of the plans, requires a coordinated cooperative effort on the part of all citizens in both public and private sectors of the Nation.
  3. It is generally being accepted that the Office of Economic Opportunity as a motivating, coordinating, evaluating, and funding agency has a unique function to perform in relation to other government agencies and to the states, counties, cities and non-governmental organizations in the Nation.
  4. In fact, the role of catalytic agent -- the link between the needs of the poor and the governmental and non-governmental economic resources of the Nation -- has become a source of hope in the midst of hopelessness; a candle in the darkness.

- B. The racial picture in the light of this background is one where more and more responsible militants as well as traditionally conservative-conciliatory types of all races and economic levels are seeing the wisdom of "lighting a candle" as contrasted with "cursing the darkness."

A mammoth job-training and business development program generating a self-help principle to replace a hand-out psychology, funded by OEO and sponsored by civil rights-minded leadership, is an illustration of this trend in a growing number of cities. Those who would continue to curse the darkness and prophesy doom and destruction in the form of Watts-type race rioting and Cicero-type, back-lash race prejudice are coming to see the success of OEO anti-poverty programming as an antidote to the poison; thus, some endeavor to undermine efforts of OEO while others become converts to the idea that economic democracy can work.

II. A new direction for achieving the goals of civil rights for all citizens through government agency operations.

- A. The complaint-oriented civil rights program in the frame of reference just described is not going to produce maximum efficiency. It certainly will not be successful at minimum cost. It is essentially a negative and wasteful way of doing business.
1. A constantly growing number of complaints against alleged violators of civil rights laws and executive orders create a growing pile of unfinished cases, unhappy clients, and angry administrators.
  2. An efficient manager of a government program often comes to regard civil rights offices and staff as well meaning interference with the carrying out of his primary mission.
  3. An increasing number of administrators and supervisors develop an expertise in "how to get around the civil rights guidelines and their enforcers."
- B. A management systems oriented civil rights program, if developed properly, should produce an entirely new dimension in public administration and the civil rights field as well.
1. The basic assumption in such an approach would be that the total Agency and each component therein will, in fact, recognize and fulfill its responsibility to assist the Director of the Agency in carrying out the letter and intent of the civil rights legislation and executive orders as they apply to the Agency and its mission.

- a. The policy-making and decision-making processes will include the civil rights input as a normal rather than a special concern at every level.
- b. The operational methods and techniques will involve the handling through normal, on-going, established administrative channels the civil rights issues and civil rights implications and/or problems that emerge as the primary mission is carried out in each program unit.
- c. The guidelines and procedures that are developed to insure the fulfillment of the civil rights objectives of the Agency and its Director will always be flexible enough and permissive enough so that staff can complete their primary mission. At the same time the guidelines should be firm enough so that the staff must honestly face and deal with the civil rights issues that develop.
- d. The decision-making process in such a system should itself help them to examine all of the alternative choices or options in any given situation and decide "pro" or "con" or "neutrally" but decide only after having dealt "honestly" with the civil rights problem involved.
- e. The staff will know that they are totally responsible for the success or failure of the total assignment which includes the civil rights mission as well as their primary mission.
  - The Director of an operational unit (VISTA, Job Corps, Community Action, etc.) will know that he is responsible to the Director of the Office of Economic Opportunity for the Civil Rights aspects of his mission.
  - The entire staff under his direction will recognize the implications of overall guidelines re civil rights for their particular function in the overall mission.
- f. An internal reporting apparatus would be established to assure adequate feedback up through regular administrative channels to permit a measurable:
  - Quantitative analysis of the results that the guidelines and the process are producing in terms of internal compliance within the Agency and external compliance on the part of contractors and community agencies funded by OEO.

--Qualitative analysis of how well the staff is adhering to the guidelines and how much the contractors and subcontractors are fulfilling the purposes and the intent of the OEO civil rights regulations.

--Complaints to serve as a "measuring rod" or indicator of how well the system is working or where it is breaking down.

--A "quality control" concept to be applied in this human relations field comparable to the concept in industry. ("Process" to control the quality of the "product.")

--Staff to be evaluated in terms of human relations competency and civil rights "sensitivity."

C. A continuing system of evaluation and reevaluation will be an essential element in the system permitting reviewing and reconstruction of guidelines and procedures in the light of new insights and discoveries resulting from experience in the field.

1. Pro forma compliance which results in complaints might result in recommendations for new procedures or spot check systems.
2. Affirmative action on the part of staff and/or contractors which reduces the number of complaints might result in pilot project efforts to be adopted in other places.
3. Record keeping and statistical data can be geared to flow through one liaison person in each program area and each department and region in the regular administrative channels. Analysts and evaluation specialists can interpret the data and appropriate audio visual aids can be developed to help enlighten and inform headquarters and regional personnel as to progress that is being made in such matters as:
  - a. What is the racial mix in personnel?
  - b. Are minorities using all of the facilities in programs?
  - c. Are contractors, subcontractors or C.A.A.s fostering programs which separate or isolate on basis of color?
  - d. Are sites being selected for locating physical facilities where maximum potential for integration exists?

4. A system of quality surveys can be established with Regional Directors and Program Area Directors picking sample communities and guidelines and materials urging affirmative action civil rights-wise, after which checks can be made on adherence to the guidelines feeding back information which will permit development of criteria.
5. Technical compliance at the operational level can be delegated to the operational units of the Agency at the regional level while policy control will be maintained at the headquarters level. There will be constant evaluation and reevaluation of operations and development of improved standards and criteria adaptable to a diversity of situations and circumstances while maintaining a unity and uniformity as a national program.
6. Provision can be made for handling of special problems at the discretion of directors of units through the mechanism of a direct channel to the Evaluations Section of the Office of Civil Rights.

III. The role of the Assistant Director for Civil Rights in fostering the new dimension in civil rights discussed above.

- A. The Director of OEO is responsible to the President of the United States for the administration, coordination and evaluation of Federal anti-poverty programs including the three major operational units -- Job Corps, VISTA, and Community Action -- plus authorized programs established by the Economic Opportunities Act delegated to other Federal departments and agencies.

It follows that any and all civil rights matters in connection with the operations of any or all of the program units involved in this coordinated attack on poverty affecting approximately one-fifth of the citizens of the United States is the concern and area of responsibility of the Office of Civil Rights. This Office, established as an integral part of the Office of Economic Opportunity, is specifically charged with the task of advising the Director on all civil rights policy formation and implementation.

- B. Since the Director of the Office of Economic Opportunity must coordinate his anti-poverty task with the Secretary of Defense; the Attorney General; the Secretaries of the Interior, Agriculture, Commerce, Labor, Health, Education and Welfare, Housing and Urban Development; as well as the Director of Selective Service; the Administrator of the Small Business Administration; the Council of Economic Advisors; and such other agency heads as the President may designate, it follows that the Office of Civil Rights is

- established to assist the Director in dealing with all civil rights aspects of interagency relations within the Federal Government and represent him in all dealings with civil rights units and handling of civil rights matters with other government agencies.
- C. Further, the implementation of the President's plans to deal effectively with civil rights problems in the Nation requires maximum coordination and involvement of the Office of Economic Opportunity in government-wide planning and action. It follows, therefore, that the Director must be represented by his Civil Rights Office in the President's Council on Equal Opportunity, the Task Force on Summer Problems, the Task Force on Education, the Task Force on Youth Employment, the Task Force on Proposed Civil Rights Legislation, and any other government-wide task forces established to deal with civil rights matters. Thus, the Office of Civil Rights has as one of its purposes the planning of government-wide civil rights policy jointly with representatives of other agencies.
- D. Since the Director is responsible to the President and advises the President on matters relative to the nature of poverty, the Office of Civil Rights is responsible for providing the Director and the Vice President, through the President's Council, weekly reports on civil rights matters in the Office of Economic Opportunity.
- E. Since the Director is responsible for establishing basic policies governing the conduct of operations and programs of the Office of Economic Opportunity, the Office of Civil Rights assumes the delegated responsibility for establishing overall policies, directives and procedures to insure maximum correlation and coordination of the civil rights program within the OEO Agency itself, and delegated agencies as well.
- F. This office also has as one of its purposes the coordination of all civil rights activities to assure implementation of the policies of the OEO Agency and delegated agencies with regard to Title VI of the Civil Rights Act of 1964, and executive orders relating to non-discrimination in employment and services provided under the Economic Opportunity Act of 1964. In addition, the office is established for the purpose of assuring non-discrimination and contract compliance by all contractors performing services for the Agency, under policy guidelines and regulations established by OEO.
- G. The Director of OEO must enlist the cooperation of and effectively mobilize and utilize community resources in a joint effort to win the War on Poverty at every level in the public and private sectors of the Nation. It follows that one of the purposes of the Office of Civil Rights is to assist the Director by assuring maximum feasible utilization of and cooperation with the civil rights and human relations units established by cities, counties and states, as well as with civil rights units established by non-governmental agencies.

IV. A plan to implement the philosophy, strategy, and functions outlined above will include a division of responsibility into three areas:

- A. A section devoted to evaluation and quality control-interagency coordination and recommendations for legislation in the field of civil rights compliance. Such a section will discover as a result of a continuing process of evaluation and reevaluation of the quality of adherence to guidelines and performance of affirmative action any faulty planning or operational breakdowns, or legislative gaps. Specialists in this section will be expected to gain new insights into needs for legislative changes or management operational changes. They will be responsible for cooperative planning with civil rights compliance specialists in other government agencies related to the War on Poverty, including Departments of Labor; Health, Education and Welfare; Agriculture; Interior; Justice; and Housing and Urban Development.
- B. A section devoted to community relations, information, and communications will develop maximum participation of public and private groups whose specific purpose is the securing and fulfilling of civil rights for all citizens. It will further develop methods and materials for communicating with maximum efficiency the information needed by anti-poverty program units at local regional and national levels to adequately face and solve human relations and civil rights problems that emerge as they carry out their missions. It will assume responsibility for developing positive relationships with different racial groups and civil rights groups that might normally find it difficult to relate to each other effectively. It will foster and promote maximum utilization of Agency community relations resources to assure the realization of the civil rights objectives of the Director of the Agency.
- C. A section devoted to technical assistance, research and training will bring special civil rights and human relations expertise to the personnel and staff of the Agency, its contractors and sub-contractors. On-the-job training and consultation will be designed to encourage maximum effective use of educational resources available. Voluntary and paid professional and non-professional manpower resources will be developed with special knowledge and know-how to deal expertly with racial turbulence and civil rights issues.
- D. A regional plan for the Office of Civil Rights will include provision for a Civil Rights Liaison Officer in the headquarters' departments to service the operational units where a Civil Rights Liaison Officer in the program areas will be designated by the directors of those areas. Possibly each regional program unit (e.g. VISTA, Job Corps, CAP) will have a staff person whose primary mission is civil rights although he performs other missions as well. A regional coordinator will assume responsibility for an affirmative action program in his region coordinating the efforts of OEO staff internally and community resources in public and private sector externally.

Mission

To establish and administer overall policies, directives and procedures for the civil rights program of OEO and delegated agencies, pursuant to Title VI of the Civil Rights Act of 1964 and executive orders relating to non-discrimination in employment and services provided under the Economic Opportunity Act of 1964. This program involves: (1) executive staff direction; (2) evaluation, quality control and compliance; (3) community relations correlation and coordination with appropriate public and private organizations; utilize effectively, the community resources available to assist OEO in the development of its civil rights program; and (4) technical assistance, research and training.

Functions

1. Executive Staff Direction

- a. Provides leadership, from the Office of the Director, to all OEO offices by assisting them to achieve maximum civil rights participation within their own program areas.
- b. Exercise functional supervision over all OEO regional employees whose duties are primarily concerned with implementing the Agency's civil rights program.
- c. Keep top management continuously informed on all significant developments in all phases of the OEO's civil rights program.

2. Evaluation and Quality Control

- a. Develop criteria, standards and procedures for measuring the effectiveness of the civil rights program.

- b. Develop or modify internal reporting systems to assure that complete, accurate and current information is available for decision making, program control and related purposes.
- c. Perform quantitative and qualitative analyses of data to assure compliance with legal requirements pertaining to every segment of the Agency's operations impinging on civil rights, including contractors performance of services for the Agency.

### 3. Community Relations

- a. Plan a program of community relations for the civil rights field which makes optimum use of the community relations resources within the Agency and the anti-poverty program.
- b. Provide a continuous flow of significant information concerning civil rights issues, trends, legal requirements and organizational developments. Assists all segments of the OEO in creating a more effective and responsive program in this field.
- c. Coordinate with all major public and private agencies which are specifically and explicitly involved in civil rights activities and whose activities impinge directly on the anti-poverty program.

### 4. Technical Assistance, Research and Training

- a. Utilize government and non-government resources, including educational institutions, to improve methods and techniques of training non-professional and professional anti-poverty workers to deal effectively with civil rights issues and racial tensions inherent in their community activities.

- b. Provide in-service training for staff personnel within every aspect of the Agency's work to increase sensitivity and awareness of the civil rights implications inherent in their primary missions and functions.
- c. Develop manuals, guidelines and resource materials for use in Agency training programs in all organizational components and at all levels.
- d. Originates, designs and monitors research programs to clarify detail and measure trends and effects of civil rights efforts. This may be accomplished within the Agency or by special research efforts by contractors where necessary skills or resources are not available within the Office of Economic Opportunity.

THE CIVIL RIGHTS FUNCTION  
in the  
OFFICE OF ECONOMIC OPPORTUNITY

February 1, 1967

THE POTOMAC INSTITUTE, INC.  
1501 Eighteenth Street, N.W.  
Washington, D.C.

## INTRODUCTION

At the request of Samuel F. Yette, Special Assistant (for Civil Rights) to the Director of the Office of Economic Opportunity, and with the approval of the OEO Director, the Potomac Institute agreed "to undertake a study of the civil rights functions, organizations, and procedures of the Office of Economic Opportunity, with the objective of making recommendations to strengthen the OEO civil rights program in accordance with the requirements of the Economic Opportunity Act of 1964, the Civil Rights Act of 1964, and Executive Order 11246."

The scope of the study and the agreements conditioning it are described in detail in copies of the originating memoranda appended to this report.

Procedurally, Potomac Institute personnel consulted in depth with OEO headquarters staff,\* examined pertinent files and records as necessary to obtain a thorough understanding of and information about present OEO structure, organization, policies and procedures, visited the San Francisco regional office,\* and examined local programs in several urban and rural areas, including: Omaha, Nebraska; Washington, D.C.; Providence, Rhode Island; Nash and Edgecombe counties, North Carolina; Coahoma County, Mississippi; and Beaufort and Jasper counties, South Carolina. Community and civil rights leaders in these and other communities also were interviewed.

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See appended list of interviewees.

As defined by the Office of Civil Rights, the OEO civil rights function comprised procedures and administrative controls relating to employment, volunteer and enrollee recruitment and training, selection and composition of local boards and committees, delegated interagency civil rights enforcement, contract compliance, complaint procedures, and Title VI compliance:

As the study progressed, however, there began to be serious question as to whether the usual governmental agency concept of civil rights as "controls," "enforcement," "complaints," and "compliance" was too narrowly construed to be meaningful within the OEO context. The first part of the report addresses itself to this question.

Secondarily, the report discusses the ability of the Office of Civil Rights, as presently organized, to cope with the traditional civil rights controls. Recommendations for strengthening the civil rights function within OEO are interspersed in appropriate places in each section.

The Potomac Institute team that participated in the study and drafted this report consisted of James O. Gibson, Arthur J. Levin, and Harold C. Fleming. The contents and views expressed in this report are solely their responsibility.

SUMMARY OF RECOMMENDATIONS

1. Place the Office of Civil Rights on an organizational par with the Office of Inspection, Office of General Counsel, Office of Research, Plans, Programs and Evaluation, etc., and assign it planning and review functions, without operational responsibilities. / Hk.

2. All CAA applications and projects should be reviewed to determine that board, staff, location of facilities, and programs do not foster the separation of any minority group from other minority groups, or from the majority community. / OK.  
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CP

3. a) The Office of Civil Rights in OEO should initiate regular coordination relationships with the civil rights staffs attached to Secretaries of Departments having programs of relevance to OEO. / OK.

b) OEO regional Civil Rights Coordinators should initiate similar regular coordination relationships with other federal agency regional civil rights staffs, and with state, county, municipal, and private agencies having programs in the field of equal opportunity. / OK.

4. Provide direct OEO program development and technical assistance in the form of staff and funds to rural areas to launch programs where none now exist and the need is evident. / Hk.

5. Operational program units should be given civil rights compliance responsibility for their respective programs, adequately staffed with specialists. / OK.  
Hk.

Part I. WHAT IS CIVIL RIGHTS IN OEO?

Louis Wirth\* once defined a minority "as a group of people who, because of their physical or cultural characteristics, are singled out from the others in the society in which they live for differential and unequal treatment, and who therefore regard themselves as objects of collective discrimination. The existence of a minority in a society implies the existence of a corresponding dominant group with higher social status and greater privileges. Minority status carries with it the exclusion from full participation in the life of the society."

Two decades later, the Congress of the United States acknowledged the validity of such a definition of minority status by enacting Public Law 88-452, the "Economic Opportunity Act of 1964." In its Declaration of Purpose, this Act recognizes that ". . . poverty continues to be the lot of a substantial number of our people" and states that "the United States can achieve its full economic and social potential as a nation only if every individual has the opportunity to contribute to the full extent of his capabilities and to participate in the working of our society."

This same Congress recognized the additional disabilities suffered by minority racial and ethnic groups and provided for their special protection by enacting Title VI of the

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\* "The Science of Man in the World Crisis," Ralph Linton (ed.), Columbia University Press, 1945, p. 347.

Civil Rights Act of 1964, which states that "No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits, of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

While it should be understood that the poor of whatever color or ethnic origin constitute a minority group in our society within Louis Wirth's definition, because this is a study of the civil rights function in OEO this report confines itself to problems traditionally associated with "race, color, or national origin." However, many of the observations and recommendations made herein apply with equal validity to the white poor.

President Lyndon B. Johnson, in his now historic speech at Howard University on June 4, 1965, posed "the next and the more profound stage of the battle for civil rights" in terms of freedom and opportunity. "Freedom is the right to share, share fully and equally in American society -- . . . . But freedom is not enough . . . . We seek not just freedom but opportunity. We seek not just legal equity but human ability -- not just equality as a right and a theory, but equality as a fact and equality as a result . . . . For the task is to give twenty million Negroes the same chance as every other American to learn and grow, to work and share in society, to develop their abilities -- physical, mental and spiritual, and to pursue their individual happiness."

Thus, for OEO purposes, as well as to meet the requirements of the Economic Opportunity Act of 1964 and the Civil Rights Act of 1964, civil rights must include the right of full participation in the working of our society, without exclusion, without denial, without discrimination. This does not mean legal equity or equality in the OEO program alone; it means the right to share fully and equally in American society. The civil rights mission of the economic opportunity program therefore has the same affirmative objective as the programmatic mission -- to help poor people, including minority group poor, achieve full participation in the working of our American society. It is only within this broader context that the next and the more profound stage of the battle for civil rights can be waged.

*As this one*

This report, then, is concerned not only with civil rights assurances, reports, reviews, complaint procedures, and non-discrimination compliance, but also considers the implications of an all-Negro Community Action Agency (CAA) in Omaha; questions whether San Francisco's discrete Negro, Chinese, Spanish-American, Indian, and white neighborhood programs are any different in effect from traditional southern patterns of segregation; probes the validity of state technical assistance programs in southern communities, where officials are hostile to minority group needs, which result in the absence of legal services and community organization components in southern CAAs while they proliferate in the Northeast and Northwest.

To sum up, full participation in the workings of our society involves not only sharing in all the societal benefits -- health, welfare, education, training, employment, housing, etc. -- but also commensurate participation in the decision-making processes of the total community that affect the chances of the minority group poor "to learn and grow, to work and share in society, to develop their abilities -- physical, mental and spiritual, and to pursue their individual happiness." Anything less, including walling off the minority group poor in discrete OEO programs separate and segregated from the normal functioning of the total community, is exclusion, denial, and discrimination under federal law. It is in this broader sense that the civil rights function should relate to and shape the programmatic functions in OEO, and it is in this regard that the OEO civil rights program can be strengthened most effectively.

#### A. PROGRAM PLANNING AND CIVIL RIGHTS

The program accomplishments of the Office of Economic Opportunity in its first two years have been substantial and dramatic. Hundreds of Community Action Agencies and component programs have involved millions of people in significant efforts for local community development. Precedents have been set in the participation of the poor, including minorities, in policy-making and in the administration of important programs; in the utilization of indigenous community service aides; and in several broad programs of educational,

social and vocational remediation among the disadvantaged. The impact of these activities on public and private serving institutions and, generally, on social, political, and economic trends in the nation is indelible.

It is not lack of recognition or denigration of OEO accomplishments which causes this report to focus on the problem areas treated in this section. Rather, it is to lend constructive assistance to the complex undertaking which the anti-poverty program represents by pointing to certain persisting areas of need relating to minority group status and discrimination.

1. Interaction of the Minority and Majority Populations in Local Community Action Agencies

Since Community Action Agencies now exist in hundreds of American communities, and the poor, including minority groups, are participating in all levels of CAA programs, it is possible to review several problems related to their participation.

a. Intra-minority Group Tensions

OEO programs have brought long-needed governmental resources into the hands of minority group poor people for the first time. Considering the multi-class structure of most minority group communities, it should be no great surprise to discover that some civil rights organizations are not necessarily organizations of the poor. This fact has resulted in intra-minority group tensions surrounding representation and influence in CAA programs, and has caused some

of the most delicate and complex problems confronting OEO. In Nash and Edgecombe counties, North Carolina, for instance, OEO Conduct and Administration funds still had not been released by early fall 1966, even though the CAA for that area was one of the first organized in the nation and had had minority group members in substantial proportions on its board from its inception. The issue causing the delay revolved in large measure around whether those minority group members in fact represented the minority poor of the community.

b. Inter-minority Group Tensions

In communities where the poor comprise a variety of racial and ethnic groups, intergroup tensions have arisen around "sharing the CAA pie." Mexican-Americans seem to feel their interests are not represented or their needs served if the local board of the CAA has only whites and Negroes representing the poor or if the staffs of component programs are directed by other than Mexican-Americans. The same attitude seems to prevail among Negroes, Puerto Ricans, Chinese, Indians, and poor whites, when they feel their ethnic group is not properly represented.

The response to these tensions tends to follow one of two patterns illustrated by the following examples:

In Omaha, Nebraska, the CAA is virtually all-Negro. Participation by the city administration and other whites is negligible, and no programs operated by the CAA exist outside the Negro community despite a large population of white poor, who tend to view OEO as a "Negro program."

In San Francisco, there are discrete programs, serving Indians, those of Chinese extraction, Spanish-speaking Americans, Negroes, and --- lately --- whites. Although the city has one central CAA executive council, each ethnic enclave has separate board, staff, and program structures, and the central council is virtually non-functioning.

c. Withdrawal of Majority Community Representation

Initial mobilization to war against poverty began in most communities with mayors and other officials appointing prominent citizens to the early CAA boards. Later, after OEO had insisted on representation of the poor minorities on the boards, many community officials and prominent citizens withdrew their active support. Some resigned; others simply no longer attended meetings or accepted responsibilities.

Much of the controversy surrounding CAA activity centered on community organization efforts in the minority group poor neighborhoods. Regardless of the merits of arguments on both sides of the controversy, its implications for the current situation were recently highlighted in a memorandum by the Civil Rights Coordinator in Region VII:

"[There is a] . . . paucity of programs related to manpower development in the Component Directory, January through June, 1966. From the civil rights view, economic opportunity through jobs is the paramount thrust of civil rights efforts. The relationship between funded program and primary needs appears to be minimal. While low income and minority representation is the focus of civil rights review, the absence of effective repre-

sentation from major decision makers (e.g. Chamber of Commerce, labor unions, service organizations such as Rotary Club, etc.) is notable and may be a probable cause of bypassing CAAs or their ineffective role at times of community crisis, such as in San Francisco recently."

d. Lack of Coordination with Other Public and Private Programs

The concept of the local Community Action Agency, and its legislative definition, revolve around its function as a catalytic agent to stimulate and focus all public and private resources on anti-poverty efforts. It was never intended to act as, and is not politically or fiscally capable of being, the exclusive agent for eradicating poverty from the local community. Unless it facilitates concerted and more effective use of existing local and federal resources, it is nothing more than another single program in the inadequate spectrum which predated it. Thus far, the coordination of CAAs with other community resources has not been sufficiently extensive to accomplish its catalytic objective.

Federal agency programs in employment, health, welfare, education, and economic development are not formally related to community action programs in most communities, nor on state and regional levels. Few CAAs are aware of the existence of Federal Executive Boards in their communities, and few agencies serving the identical poverty population have begun formal review of conflicts and duplications in their various services, eligibility requirements, data

collection processes, program evaluation, and needs projections. Overall Economic Development Program committees, Welfare Advisory Committees, Manpower Training Committees, etc., frequently have no contact with, and almost never participate in planning with, Community Action Agency boards. Nor are the staffs of the federal agencies in working relationships with CAA staffs.

A striking illustration of this lack of coordination occurred in Providence, Rhode Island. While the CAA was having little success in launching manpower programs for an estimated 10,000 to 15,000 unemployed minority persons, the field coordinator for the Economic Development Administration and the Director of the State Economic Development Council were concerned that Rhode Island "had probably reached a point where efforts to attract new industry into the state would have to be curtailed" because they feared there was "an inadequate labor supply." The CAA staff had never met with the state's economic development staff, which can obtain loans for new and expanding businesses to provide new jobs; nor were they acquainted with the EDA coordinator, who can help merge technical assistance, business loans, public works, and manpower training resources of the Department of Commerce for building new employment sources.

In many communities, local chambers of commerce, community chest groups, and state, county and municipal programs compete with CAAs in their program efforts, or proceed independently in their activities. Such situations may

reflect local political controversies, but meanwhile the CAAs in such communities continue as small isolated programs which are incapable of providing "services, assistance, and other activities of sufficient scope and size to give promise of progress toward elimination of poverty."

Recent riots in San Francisco, Los Angeles, Omaha, Chicago, and other communities have only highlighted the persistence of high unemployment and spiraling dependency among our urban minority poor. Even though recently enacted civil rights legislation and anti-poverty programs are now helping many to move into places of greater security and dignity in our society, there is ample evidence that a hard core is still unreachable by current efforts. OEO-sponsored mobilization has made contact with and is giving hope to many, but this must be balanced against a continuing inability to deliver payoff programs in the basic need areas of employment, housing, education, and health.

If community organization efforts of CAAs among the minority group poor result in, or are accompanied by, significant withdrawal of substantive participation by the larger serving agencies of the community, a dangerous program vacuum is created at a time of heightened hope, expectation, and new-found aggressiveness. The mixture is an explosive one.

## 2. Where the Programs Aren't

It stands to reason that some poverty conditions are more difficult to attack than others, and there is evidence that the less difficult conditions more quickly

attracted OEO program resources. One would expect growing experience and skill to put increasing know-how and resources to work on the harder problems. Evidence exists that this, too, has been occurring to some extent in several phases of OEO program.

However, current funding has fallen under anticipated and needed levels, imposing severe limitations on new program starts and expansion of existing programs. The Office of Program Management and Review in CAP has forecast that current geographic grant ratios probably will have to be held static.

Thus, several specific gaps in OEO programming which have civil rights implications are brought into sharp relief.

a. Ratio of Poverty and Minority Population Density to OEO Funding

Data furnished by the Office of Civil Rights indicates that OEO grants through early 1966 had the following ratios to poverty and minority population levels in the cited regions:

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Families with Incomes Under \$3000

<u>Region</u>	<u>% of Total U.S. Poor</u>	<u>Non-white % of All Poor in the Region</u>	<u>% of Total OEO Funds</u>
I (Northeast)	11.51	13.3	19.2
III (Southeast)	19.46	37.2	11.8
V (Southwest)	14.78	31.9	10.4
VII (Far West)	8.75	14.8	15.5

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A painful correlation emerges from the picture presented by these figures: in regions where the need is greatest, the funds are lowest.

The Southeast which has approximately 20% of the Nation's poverty, and of which 37% is non-white, received only about 12% of OEO anti-poverty funds; the Southwest, with almost 15% of U.S. poverty, of which not quite 32% was non-white, received only slightly over 10% of OEO funds. In these areas of official antagonism to non-whites, dramatically less was spent per capita on the poor than need would indicate, while a ratio almost double this was spent on the poor per capita in the northeastern and far western regions which have significantly lower poverty and minority densities.

b. Rural Poverty

Among major problems in mobilizing rural communities to launch anti-poverty programs are the need to find new non-farm economic bases, the lack of resident technical skills in designing programs and preparing proposals, and difficulties in organizing the dispersed poor. These difficulties are aggravated in the rural Southeast and Southwest by official state and local opposition to mobilizing the minorities,

1) Economic Development

Procedures have not been developed to guarantee that rural Community Action Agencies are formally related to the planning and activities of the Economic

Development Administration. The designing of comprehensive development projects utilizing EDA, Department of Labor, OEO and other existing program resources is an absolute necessity for significant community development to take place in these areas.

2) State Technical Assistance

The OEO-funded State Technical Assistance programs in the Washington state and California areas impressed the study team with their program development efforts, as did other significant state programs in New Jersey and elsewhere. However, there are also indications that some governors, especially in the South, have used the funds to benefit other than the poor in their states. The concept of OEO-state coordination in bringing state resources to assist in developing local community programs is an important one for depressed rural communities. However, current policies and procedures apparently fall short of assuring such use of state technical assistance funds. OEO?

c. Legal Services and Community Organization

Components

In the rural South, where landowner and official hostility to the developmental needs of minorities is the pattern, there has been a marked reluctance of CAAs to sponsor community organization and legal services programs. Even though the great majority of legal services programs with OEO funding are in urban areas, there has been some success in starting such activities in rural areas outside the South.

In the western regions, "Grassroots" programs have been packaged by OEO to foster organization of dispersed rural poor. But in the South local official antipathies have been permitted to discourage similar efforts. Without effective programs utilizing organizational and legal resources, poor southern minorities cannot be expected to help themselves.

B. Recommendations

As previously noted, the program mission of OEO is to help the poor achieve full participation in the working of our American society; its civil rights mission is to insure that the minority group poor also receive this help.

The most important civil rights function both in OEO headquarters and in the regions is that of advising on affirmative policies and program planning to achieve this objective. The primary role of the Office of Civil Rights, therefore, is that of intimate and continuing involvement in policy and program formulation and review, rather than conducting a separate, purely compliance-oriented operation. To perform in this manner, the Office of Civil Rights must be upgraded structurally and functionally.

*Agree  
6/10/68*

Recommendation 1. Place the Office of Civil Rights on organizational par with the Office of Inspection, Office General Counsel, Office of Research, Plans, Programs and Evaluation, etc., and assign it planning and review functions, without operational responsibilities.

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It is ...  
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well!*

Major functions of this Office would include:

1. Advising the Director and program officials on civil rights needs, problems, and progress in all OEO program areas, and consulting on policy and program formulation. OK.

2. Interpreting to the Director and program officials application to OEO programs of all civil rights statutes, decisions, executive orders, administrative rulings, directives, reports and legislative records. OK.

3. Providing civil rights assistance and guidance to appropriate officials in the planning and drafting of legislation, executive orders, directives, and administrative rules and regulations. OK.

4. Developing civil rights guidelines for program implementation and evaluation. OK.

5. Establishing and maintaining a system of reporting and evaluation of all civil rights activities of OEO, and transmitting summaries periodically to the Director and other appropriate officials. No. 2/16/68  
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6. Developing, with appropriate training officials at headquarters and in the field, civil rights training programs for headquarters staff, for CAP, CAA, and state technical assistant staffs, and for cooperating non-OEO private and public program personnel where applicable. ?

7. Providing liaison with civil rights and equal opportunity officials of all federal agencies having program concerns of relevance to OEO. OK.

8. Representing OEO on all matters involving civil rights, as directed.

OK

Recommendation 2. All CAA applications and projects should be reviewed to determine that board, staff, location of facilities, and programs do not foster the separation of any minority group from other minority groups, or from the majority community.

By whom?

Meeting this requirement might entail, for example, ordering the CAA in San Francisco to close down a facility that provides services identical to those offered a few blocks away to a different ethnic or racial clientele, and requiring the merging of staffs and boards. The CAA in Omaha or Washington, D.C., might be prohibited from hiring only Negroes as community organizers in Negro neighborhoods, and be required to conduct a massive program of education to persuade the white poor to participate in integrated OEO programs. A municipal or county administration that does not actively participate in and cooperate with the program of a CAA might be denied Neighborhood Youth Corps placements. To encourage majority group support, a local CAA might be required to recruit community private agencies as sponsors of delegated programs. Properly oriented operational personnel undoubtedly could add many other such suggestions.

Recommendation 3. a) The Office of Civil Rights in OEO should initiate regular coordination relationships with the civil rights staffs attached to Secretaries of Departments having programs of relevance to OEO.

OK

b) OEO regional Civil Rights Coordinators should initiate similar regular coordination relationships with other federal agency regional civil rights staffs, and with state, county, municipal, and private agencies having programs in the field of equal opportunity.

Periodic meetings of these civil rights staffs should identify programs with mutual objectives, areas of duplication, and potentials for cooperation. Appropriate recommendations for coordination should result from these meetings, including the exploration of joint funding of programs to develop and further efforts to achieve equal opportunity in housing, employment, education, health, welfare, etc.

Recommendation 4. Provide direct OEO program development and technical assistance in the form of staff and funds to rural areas to launch programs where none now exist and the need is evident.

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Such "program development teams" might be assigned to OEO regional offices, or to state technical assistance offices where feasible. These teams could institute community organization programs among the minority poor in the Southeast

and Southwest similar to the packaged "Grassroots" programs in the western region, or develop legal service programs in those southern states where none now exist. On a larger scale, a model Comprehensive Area Development Project might be established in at least one rural area in each region, in conjunction with the Departments of Labor, Agriculture, Housing and Urban Development, and Health, Education and Welfare, the Economic Development Administration, and other federal as well as private agencies. These projects could serve as training laboratories for the development of techniques of interagency coordination in attacking the complex causes of poverty.

## Part II. CIVIL RIGHTS COMPLIANCE

This section of the report is concerned with the ability of the Office of Civil Rights, as presently organized, to cope with traditional civil rights controls, enforcement, complaints, and compliance currently included in its mission. The Office of Civil Rights provided the following information regarding its staffing and major duties:

### "Mission

"The Office of Civil Rights is headed by a Special Assistant to the Director, and provides the Director with advice concerning overall civil rights policy formation and implementation. The Special Assistant is assisted by a Deputy, a Contract Compliance Officer, and Regional Civil Rights Coordinators located in the seven regional offices.

### "Major Functions

1. Reviews applications for funds and assures compliance with requirements of civil rights legislation and relevant sections of the Economic Opportunity Act.
2. Receives and processes civil rights complaints.
3. Conducts compliance reviews required by Title VI of the Civil Rights Act of 1964.
4. Develops and administers a program of equal employment opportunity.
5. Assures compliance with Executive Order 11246 prohibiting employment discrimination by government contractors and subcontractors.
6. Formulates and recommends policy in the area of civil rights.
7. Maintains liaison with other government departments concerned with civil rights, including, Commission on Civil Rights, Community Relations Service, the Department of Justice and the Civil Rights Coordinators assigned in each government agency.

8. Maintains liaison with national and local civil rights organizations.

9. Represents the agency on inter-governmental task force studying problems in the field of civil rights.

10. Performs other special functions assigned by the Director."

A. Evaluation of Present Civil Rights Implementation

Almost any one of the duties cited above seems in itself a full-time responsibility for a staff of two, in addition to the Special Assistant, who together comprise the present headquarters civil rights staff. Not unexpectedly, this study did not discover, in any area of major responsibility, adequate procedures or staffing for implementation. While each of the staff seemed to deploy time during the long working day as judiciously as possible among the plethora of complaints, problems, and crises constantly confronting the Office, there simply was no time available to design and perfect procedures or to evaluate results, let alone to give adequate time and attention to those matters being dealt with before moving on to the next crisis or problem. Under such circumstances, regularized assignment of duties cannot be made and realistic civil rights implementation seems impossible.

1. Project Compliance -- Such time as the civil rights staff has available is allocated largely to CAP applications. About ten per cent of these applications require "sign off" at the national level because of the size of the grant or because the programs are administered directly from the

national office. The remaining applications are reviewed and signed off at the regional level, unless particularly difficult problems arise. Too often, either in connection with national "sign-off" or problems that are referred to the national office from the regions, the applications reach the headquarters civil rights staff under pressure of the need for immediate approval. Sufficient time and staff resources simply do not exist for the kinds of community soundings and other analysis necessary to prevent problems from occurring in the first instance, or to reach agreements that may resolve the problems that do arise.

Frequently, civil rights "sign off" at both the national and regional levels entails the addition of certain conditions to be met for full civil rights compliance. Periodic field reviews of civil rights implementation, both for conditional grants as well as routine grants, as called for in agency regulations pertaining to Title VI of the Civil Rights Act of 1964, does not take place at all because of limitations on staff time and resources. Thus, problems are compounded in a seeming never-ending sequence. Largely as a result of pre-occupation with CAP applications and problems, the routine processing of Job Corps and VISTA applications for civil rights compliance is dropped in priority to the point of virtual non-existence.

2. Contractor Compliance and Complaint Processing --

No program or review of contractor compliance with the provisions of Executive Order 11246 exists at this time.

Complaint processing is a haphazard affair, both as to the method of handling and the channels through which handled. Depending on the nature of the complaint and its origin, it may be "taken care of" by the Office of Inspection, by a CAP analyst, or by a regional director or his staff assistant, often without consultation with either the headquarters or regional civil rights staff. If referred by other staff to the civil rights staff, or if, as infrequently happens, the complaint originally is directed to the civil rights staff, they reply to it. Occasionally, complaint processing may involve a field investigation; more usually the complaint is handled by telephone or letter reply. Complaints that arouse enough attention to be reported in the press get top priority treatment, often involving a number of program staff in the resolution, again with only sporadic consultation with the civil rights staff.

3. Liaison with Civil Rights Organizations -- At the headquarters level, there seems to be a great deal of continuing confusion within OEO as to whether the Office of Civil Rights or the Office of National Councils and Organizations should maintain liaison with national civil rights groups. Both offices attempt to do so, without consulting each other. On the local level, a broad and diverse spectrum of organizations exists, and the shadings of difference between them frequently is quite relevant to their relationship to the minority poor. Liaison with local civil rights organizations is the responsibility of regional civil rights

coordinators. However, because regional coordinators are preoccupied with processing CAP applications, they rarely have the time to maintain affirmative relationships with any local groups. In sum, under present staffing, there is very little liaison with civil rights groups by OEO civil rights staff nationally or locally.

4. Regional Civil Rights Staff --- One full-time civil rights coordinator to each region is wholly unrealistic staffing, considering the gamut of responsibilities assigned. Not only must this individual review and "sign off" on all CAP project applications, but he is also charged with "in-house" employment, all discrimination complaints, follow-through on grantee compliance with special civil rights conditions, civil rights relating to Job Corps conservation centers, as well as the aforementioned liaison with local civil rights groups.

#### B. Recommendations

From the foregoing brief evaluation of the implementation of the civil rights function, it is evident that additional staffing is an absolute necessity. The question is how many people to add, and where?

An obvious inclination would be simply to add a certain number of specialists to the existing Office of Civil Rights at headquarters, and in the regional offices. This possibility was explored by the study team and finally rejected on grounds

of improper conceptualization of the OEO civil rights function and inefficient organizational structuring, as discussed below.

Part I of this report developed the thesis that the civil rights function has the same affirmative objective as the program mission in OEO -- to help poor people, including minority group poor, achieve full participation in the working of our American society. For this purpose, civil rights should be related operationally as closely as possible to ongoing programming, both at headquarters and in the field. Further, the various program units themselves should have civil rights compliance responsibility built into them structurally, so that civil rights will be a continuing program concern, rather than one item on an analyst's large checklist.

As presently structured, civil rights compliance responsibility is separated into an "office," apart from operational programming. Program staff tend to view "civil rights" as an obstruction, to be removed or bypassed with the least disruption to program. This attitude accounts in good part for the lack of consultation and liaison between program staff and civil rights staff, since civil rights staff are considered potentially obstructive and disruptive to program.

That program staff presently have no real responsibility for civil rights implementation is evident from the procedure requiring civil rights staff "sign off" on each application.

But, since the Office of Civil Rights has no line authority over program units, and regional civil rights coordinators are responsible to regional directors, and the entire emphasis of OEO is to get as many program components as possible into operation, the pressure is for program approval regardless of the civil rights implications. Simply adding more staff to the existing Office of Civil Rights and in the regions will contribute only to more of the same inter-agency tension and conflict, where indeed the civil rights staff and function is taken seriously at all.

On the basis of these observations and conclusions about the present structure, as well as to achieve the broader perspective of the civil rights mission, the following is recommended:

Recommendation 5. Operational program units should be given civil rights compliance responsibility for their respective programs, adequately staffed with specialists.

OK.

The following structure and staffing details carry out this concept:

1) Office of Civil Rights

The planning and review functions of this headquarters office, to be accorded peer status with the other staff offices such as the Office of Inspection, Office of General Counsel, Office of Research, Plans, Programs and Evaluation, etc., has been discussed fully in Part I.

The Office should be headed by an Assistant Director for Civil Rights, and staffed with three specialists, a total of four.

2) Headquarters Operational Units

Of the four operational units at headquarters, three relate to program and the other to management.

a. Management --- Two civil rights responsibilities should be vested in this office: contract compliance and "in-house" equal employment opportunity. Both these duties probably can be handled by one specialist, attached to the office of the Director or Deputy Director for Management. This specialist would have an affirmative staff relationship with the contracts division and the personnel division, but with line responsibility to the Director/Deputy Director. If field visits to review contractor compliance and regional "in-house" employment, as well as complaint handling for these functions, overload this one staff specialist, it may be necessary to add a field compliance specialist. Experience over a year will determine the need. This specialist would render statistical and narrative reports on the status of "in-house" and contractor employment compliance through channels to the OEO Assistant Director for Civil Rights in the Office of Civil Rights.

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b. Job Corps --- The Potomac Institute has completed a separate study for the Job Corps, entitled "A Report on Recommendations to Improve Community Relations at Job Corps Conservation Centers." This report was delivered to the

Director of Community Relations of the Job Corps on September 10, 1965. Of especial relevance here is the recommended staffing: one field specialist to each 10 conservation centers, or approximately 10 field specialists, in addition to two Job Corps headquarters staff, for a total of 12 staff. All Job Corps civil rights functions should be handled by their community relations staff, with status reports transmitted through channels to the OEO Assistant Director for Civil Rights in the Office of Civil Rights. Since Urban Centers are handled through contract, civil rights should be the contractors' responsibility, reviewed by the Job Corps Director of Community Relations.

c. VISTA --- A civil rights staff should be attached to the VISTA Director or Deputy Director, consisting of two specialists. Since VISTA is a national program operating out of OEO headquarters, these two staff specialists would review all VISTA applications, conduct field reviews for compliance, and handle complaints related to VISTA. Preferably, one of the staff would be senior, with the additional responsibility of transmitting status reports through channels to the OEO Assistant Director for Civil Rights in the Office of Civil Rights. This senior staff member would also relate to the Training Division to insure that both VISTA program staff as well as VISTA volunteers receive adequate civil rights training. [Although the organization chart for VISTA shows an Office of Volunteer Recruitment and Community Relations, the study team could find no evidence of a civil rights program, except for

occasional complaint handling which usually was conducted by program staff.]

d. Community Action Programs -- The CAP headquarters office would be concerned with three classes of programs: (1) large CAP grants; (2) programs centrally operated, such as Upward-Bound; Legal Services; Indians, Migrants and Territories; Demonstrations, Training and Technical Assistance; and Special Projects; and (3) delegated programs such as Neighborhood Youth Corps, Rural Loans, Small Business Loans, Work-Experience, etc. Three specialists, attached to the CAP Director or Deputy Director, would comprise the civil rights staff. The senior staff member would be responsible for liaison with the Departments of Labor, Agriculture, and HEW, and the Small Business Administration for delegated programs. He would also supervise the other two specialists, and transmit status reports on CAP programs through channels to the OEO Assistant Director for Civil Rights in the Office of Civil Rights. The other two specialists would be responsible for reviewing all CAP applications received at headquarters, as well as field reviews for compliance, and complaint handling.

3) Regional Civil Rights Staff

a. Civil Rights Coordinators -- each regional office should have two specialists serving in staff advisory and liaison capacities to the Regional Director on civil rights matters. The senior Civil Rights Coordinator in each regional office would advise the Regional Director

and Regional CAP Manager on civil rights aspects relating to program; initiate regular coordination relationships with other federal agency regional civil rights staffs; supervise civil rights training in the region, including CAP, CAA, and state technical assistance staffs; and maintain staff liaison directly with, and transmit reports on civil rights status through channels to, the Assistant Director for Civil Rights at headquarters. The assistant Civil Rights Coordinator, among other assigned duties, would serve in a field liaison capacity by initiating coordination relationships with state, county, municipal, and private agencies having equal opportunity programs; consult with Job Corps and VISTA civil rights staffs in the region; and work closely with regional and local civil rights and community groups having community relations concerns.

b. Job Corps -- as discussed under 2)b. above, the ten field community relations specialists are directly responsible to the Job Corps Director for Community Relations.

c. CAP -- the Community Action Division in each regional office should have a Civil Rights Branch staffed with two specialists, responsible to the Regional CAP Manager. These specialists would be responsible for reviewing CAP applications, conducting field compliance reviews, handling complaint investigations, assisting CAAs with community relations problems, and transmitting status reports through channels to the regional Civil Rights Coordinator.

4) Staffing Summary

A. Headquarters

Office of Civil Rights	- 4
Management	- 1
Job Corps	- 2*
VISTA	- 2
CAP	- 3

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12\*

B. Regions

Civil Rights Coordinators	- 14
Job Corps	- 10*
CAP	- 14

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38\*

5) Reporting and Field Reviews

Adequate models exist in several federal agencies, such as the Department of Defense, for procedures and report forms relating to contractor compliance with Executive Order 11246, "in-house" equal employment opportunity, and complaint handling. Information and procedures relating to Title VI compliance reviews are available from the Department of Justice, the Commission on Civil Rights, and the Department of Health, Education

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\* The Job Corps already has the two headquarters positions allocated, as well as three of the ten recommended field positions. In addition, three more field positions allocated to community relations currently are being filled by staff assigned to public information duties.

and Welfare, among other agencies. In adapting these models to OEO needs, the measure of affirmative civil rights compliance should be how effectively every local OEO program helps poor people, including minority group poor, achieve full participation in the decision-making processes and societal benefits customarily available to the general community.

OEO PERSONNEL INTERVIEWED

Headquarters

Boasberg, Emanuel, Special Projects, CAP

Burrows, Ruby N., Office of Civil Rights

Corbett, Alfred H., Office of Operations, CAP

Dribin, Lee, Office of Civil Rights (summer intern)

Frost, Dr. Richard, Upward Bound, CAP

Goldten, Robert, Office of General Counsel (Job Corps)

Gonzales, Jack, Office of Inspection

Grossman, David, Program Management and Review, CAP

Hagen, Joseph, Special Assistant to the CAP Director

Harkless, James, Executive Secretary

Hess, Donald K., Program Planning, CAP

Johnson, Earl, Neighborhood Legal Services, CAP

Johnson, John, Information Center

Karter, Thomas, Title III B, CAP

Klores, Noel, Title III B, CAP

Kopit, William, Office of General Counsel (VISSEA)

Lowenstein, Steven A., Office of Civil Rights

Odum, L. Sylvester, Special Assistant to the CAP Director

Perrin, Robert C., Office of Interagency Relations

Vallis, Kenneth, Title III B, CAP

Wenner, Richard, Rural Task Force, CAP

Yette, Samuel F., Office of Civil Rights

(OEO Personnel Interviewed, continued)

OEO Region VII

Luevano, Daniel M., Director

Cabrera, Richard

Eitrein, Irven M.

King, Henry R.

Lewis, Charlotte R.

Martin, John

Mogulof, Melvin

Smart, Richard J.

Walsh, John J.

State Technical Assistance

Brady, Byron, Washington State Technical Assistance Program

Finley, John, " " " " "

Van Horn, Robert, " " " " "

Date: June 9, 1966

To: Samuel F. Yette, Special Assistant to the Director  
From: Harold C. Fleming, Executive Vice President  
Subject: Potomac Institute Study of OEO Civil Rights Program

Based on our several discussions to date, the Potomac Institute will agree to undertake a study of the civil rights functions, organization, and procedures of the Office of Economic Opportunity, with the objective of making recommendations to strengthen the OEO civil rights program in accordance with the requirements of the Economic Opportunity Act of 1964, the Civil Rights Act of 1964, and Executive Order 11246.

Covered in such a study will be procedures and administrative controls relating to employment (federal, contract, and local hiring); volunteer and enrollee recruitment and training; selection and composition of local boards and committees; delegated interagency civil rights enforcement; contract compliance; complaint procedures, and Title VI compliance. The study will encompass the several OEO programs (Job Corps, Rural Poverty, NYC, VISTA, CAP, etc.) and their components (Head Start, Legal Services, Upward Bound, Neighborhood Centers, etc.), particularly as policies and procedures at the headquarters level affect community implementation.

Procedurally, Potomac Institute personnel will consult in depth with OEO headquarters staff and examine pertinent files and records as necessary to obtain a thorough understanding of and information about present OEO structure, organization, policies and procedures. Should it be desirable to obtain further information from communities, Potomac personnel may visit programs in the field selected in consultation with your office. It should be emphasized that the study will not attempt to evaluate OEO programs or in any way to investigate the operational conduct of OEO personnel. After accumulating sufficient information, the Potomac Institute will report its findings and recommendations to you for OEO implementation.

The following agreements are to condition the study:

1. The Potomac Institute does not wish to be, and will not be, reimbursed in any way for this study or expenses incurred in connection with it, including staff time.

THE POTOMAC INSTITUTE, INC.

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2. The Office of Economic Opportunity will assign staff, or employ outside persons as consultants, as jointly agreed upon by Potomac and OEO in carrying out the study.
3. Study plans and procedures will be developed and carried out by Potomac in close consultation with you and your staff. However, the report will be the sole responsibility of the Potomac Institute, and for the exclusive use of appropriate OEO officials.
4. Your office will make arrangements for the cooperation of OEO staff in connection with Potomac interviews and access to records and files. If required, your office also will make initial contacts for Potomac with field personnel as mutually agreed upon.

We understand that this proposal will be submitted to the Director of OEO for his approval.

HCF:EMA

OFFICE OF ECONOMIC  
OPPORTUNITY

EXECUTIVE OFFICE OF THE PRESIDENT  
WASHINGTON, D.C. 20506

11 APR 1966

MEMORANDUM TO MR. HAROLD FLEMING, EXECUTIVE VICE PRESIDENT  
POTOMAC INSTITUTE

THRU: Samuel F. Yette, Special Assistant to the Director

FROM: Steven Lowenstein, Deputy Special Assistant to the Director

SUBJECT: Tentative Plans for Potomac Institute's Study of OEO Civil Rights Program

This memorandum attempts to crystalize our discussion of March 8.

After thinking through the type of study that would be most desirable for our purposes, we have concluded that its primary thrust and unifying thread should be the setting out of an affirmative program of civil rights implementation for OEO. Such a study could very well cross formal program lines and should not be limited to our authority under the Civil Rights Act of 1964, but should also include authority under our own Act (i.e. "maximum feasible participation" etc.), Executive Order 11246, and general policy-making powers. Our desire is to arrive at a uniform and carefully thought-out civil rights program for OEO.

The study would, of course, have to be limited to manageable size. Here are a few suggested areas of our concern, some of which may be omitted, contracted or expanded to fit the Institute's research priorities:

1. Employment of Minority Personnel (including problems of recruitment, testing, interviewing, placement, upgrading, etc.)
  - a. Federal employment - OEO headquarters and regional offices (should coordinate with work being undertaken by the Civil Service Commission pursuant to Executive Order 11246)
  - b. Job Corps Center staffs (contract)

- c. Community Action Program staffs (local hiring)
  - d. Employment of poor minority members in local Community Action Programs such as Head Start, Upward Bound, Legal Services, etc.
2. Program of Civil Rights Implementation
- a. Job Corps
    - (1) Enrollee selection, housing, intergroup relations, etc.
    - (2) Discrimination in public accommodations in the community in which a Job Corps Center is located.
    - (3) Union and employer discrimination against Job Corps graduates.
  - b. VISTA
    - (1) Volunteer recruitment, selection, training, assignment, etc.
    - (2) Supervisor attitudes and civil rights policies.
    - (3) Discrimination in facilities and communities where VISTA Volunteers are employed.
  - c. Community Action Program (these problems are extremely diverse and have received somewhat more thought than in other program areas).
3. Interagency Civil Rights Enforcement where OEO has delegated the administration of a program to another government agency. (i.e. Neighborhood Youth Corps to the Department of Labor, Rural Loans to the Department of Agriculture, etc.)
4. Contract Compliance
- a. Job Corps contracts
  - b. VISTA training contracts
5. Research and Information Undertaken by OEO concerning minority poverty problems
6. Review of civil rights organizational structure
- a. OEO civil rights personnel including regional Civil Rights Coordinators.

b. Procedures for the resolution of civil rights complaints

c. Title VI investigative capability.

These are sketchy and merely tentative suggestions for a study outlining a civil rights program for OEO. I would hope that our next step would be to relate these suggestions to your research interests.

We here in our office have discussed the format of such a study, but I've not had a chance to discuss it with Mr. Shriver. (That of course, keeps it quite tentative.) Probably the internal study format would be the type selected. It would, we feel, have considerable chance, once initially approved, for successful implementation.

We would like to thank you very much for your gracious hospitality at our last discussion. We look forward to a working lunch as soon as possible.

## TEXT OF PRESIDENT JOHNSON'S MARCH 16 MESSAGE ON POVERTY

Following is the complete text of President Johnson's Message on Poverty, transmitted to Congress March 16:

We are citizens of the richest and most fortunate nation in the history of the world.

One hundred and eighty years ago we were a small country struggling for survival on the margin of a hostile land.

Today we have established a civilization of free men which spans an entire continent.

With the growth of our country has come opportunity for our people -- opportunity to educate our children; to use our energies in productive work; to increase our leisure -- opportunity for almost every American to hope that through work and talent he could create a better life for himself and his family.

The path forward has not been an easy one.

But we have never lost sight of our goal: an America in which every citizen shares all the opportunities of his society, in which every man has a chance to advance his welfare to the limit of his capacities.

We have come a long way toward this goal.

We still have a long way to go.

The distance which remains is the measure of the great unfinished work of our society.

To finish that work I have called for a national war on poverty. Our objective: total victory.

There are millions of Americans -- one fifth of our people -- who have not shared in the abundance which has been granted to most of us, and on whom the gates of opportunity have been closed.

What does this poverty mean to those who endure it?

It means a daily struggle to secure the necessities for even a meager existence. It means that the abundance, the comforts, the opportunities they see all around them are beyond their grasp.

Worst of all, it means hopelessness for the young.

The young man or woman who grows up without a decent education, in a broken home, in a hostile and squalid environment, ill health or in the face of racial injustice -- that young man or woman is often trapped in a life of poverty.

He does not have the skills demanded by a complex society. He does not know how to acquire those skills. He faces a mounting sense of despair which drains initiative and ambition and energy.

Our tax cut will create millions of new jobs -- new exits from poverty.

But we must also strike down all the barriers which keep many from using those exits.

The war on poverty is not a struggle simply to support people, to make them dependent on the generosity of others.

It is a struggle to give people a chance.

It is an effort to allow them to develop and use their capacities, as we have been allowed to develop and use ours, so that they can share, as others share, in the promise of this nation.

We do this, first of all, because it is right that we should.

From the establishment of public education and land grant colleges through agricultural extension and encouragement to industry, we have pursued the goal of a nation with full and increasing opportunities for all its citizens.

The war on poverty is a further step in that pursuit.

We do it also because helping some will increase the prosperity of all.

Our fight against poverty will be an investment in the most valuable of our resources -- the skills and strength of our people.

And in the future, as in the past, this investment will return its cost many fold to our entire economy.

If we can raise the annual earnings of 10 million among the poor by only \$1,000 we will have added 14 billion dollars a year to our national output. In addition we can make important reductions in public assistance payments which now cost us 4 billion dollars a year, and in the large costs of fighting crime and delinquency, disease and hunger.

This is only part of the story.

Our history has proved that each time we broaden the base of abundance, giving more people the chance to produce and consume, we create new industry, higher production, increased earnings and better income for all.

Giving new opportunity to those who have little will enrich the lives of all the rest.

## RECOMMENDED LEGISLATION

Because it is right, because it is wise, and because, for the first time in our history, it is possible to conquer poverty, I submit, for the consideration of the Congress and the country, the Economic Opportunity Act of 1964.

The Act does not merely expand old programs or improve what is already being done.

It charts a new course.

It strikes at the causes, not just the consequences of poverty.

It can be a milestone in our 180-year search for a better life for our people.

This Act provides five basic opportunities.

It will give almost half a million underprivileged young Americans the opportunity to develop skills, continue education, and find useful work.

It will give every American community the opportunity to develop a comprehensive plan to fight its own poverty -- and help them to carry out their plans.

It will give dedicated Americans the opportunity to enlist as volunteers in the war against poverty.

It will give many workers and farmers the opportunity to break through particular barriers which bar their escape from poverty.

It will give the entire nation the opportunity for a concerted attack on poverty through the establishment, under my direction, of the Office of Economic Opportunity, a national headquarters for the war against poverty.

This is how we propose to create these opportunities.

First we will give high priority to helping young Americans who lack skills, who have not completed their education or who cannot complete it because they are too poor.

The years of high school and college age are the most critical stage of a young person's life. If they are not helped then, many will be condemned to a life of poverty which they, in turn, will pass on to their children.

I therefore recommend the creation of a Job Corps, a Work-Training Program, and a Work-Study Program.

A new national Job Corps will build toward an enlistment of 100,000 young men. They will be drawn from those whose background, health and education make them least fit for useful work.

Those who volunteer will enter more than 100 Camps and Centers around the country.

Half of these young men will work, in the first year, on special conservation projects to give them education, useful work experience and to enrich the natural resources of the country.

Half of these young men will receive, in the first year, a blend of training, basic education and work experience in Job Training Centers.

These are not simply camps for the underprivileged. They are new educational institutions, comparable in innovation to the land grant colleges. Those who enter them will emerge better qualified to play a productive role in American society.

A new national Work-Training Program operated by the Department of Labor will provide work and training for 200,000 American men and women between the ages of 16 and 21. This will be developed through state and local governments and non-profit agencies.

Hundreds of thousands of young Americans badly need the experience, the income and the sense of purpose which useful full or part-time work can bring. For them such work may mean the difference between finishing school or dropping out. Vital community activities from hospitals and playgrounds to libraries and settlement houses are suffering because there are not enough people to staff them.

We are simply bringing these needs together.

A new national Work-Study Program operated by the Department of Health, Education, and Welfare will provide federal funds for part-time jobs for 140,000 young Americans who do not go to college because they cannot afford it.

There is no more senseless waste than the waste of the brain-power and skill of those who are kept from college by economic circumstance. Under this program they will, in a great American tradition, be able to work their way through school.

They and the country will be richer for it.

(Continued on next page)

Second, through a new Community Action program we intend to strike at poverty at its source -- in the streets of our cities and on the farms of our countryside among the very young and the impoverished old.

This program asks men and women throughout the country to prepare long-range plans for the attack on poverty in their own local communities.

These are not plans prepared in Washington and imposed upon hundreds of different situations.

They are based on the fact that local citizens best understand their own problems, and know best how to deal with those problems.

These plans will be local plans striking at the many unfilled needs which underlie poverty in each community, not just one or two. Their components and emphasis will differ as needs differ.

These plans will be local plans calling upon all the resources available to the community -- federal and state, local and private, human and material.

And when these plans are approved by the Office of Economic Opportunity, the Federal Government will finance up to 90 percent of the additional cost for the first two years.

The most enduring strength of our nation is the huge reservoir of talent, initiative and leadership which exists at every level of our society.

Through the Community Action Program we call upon this, our greatest strength, to overcome our greatest weakness.

Third, I ask for the authority to recruit and train skilled volunteers for the war against poverty.

Thousands of Americans have volunteered to serve the needs of other lands.

Thousands more want the chance to serve the needs of their own land.

They should have that chance.

Among older people who have retired, as well as among the young, among women as well as men, there are many Americans who are ready to enlist in our war against poverty.

They have skills and dedication. They are badly needed.

If the state requests them, if the community needs and will use them, we will recruit and train them and give them the chance to serve.

Fourth, we intend to create new opportunities for certain hard-hit groups to break out of the pattern of poverty.

Through a new program of loans and guarantees we can provide incentives to those who will employ the unemployed.

Through programs of work and retraining for unemployed fathers and mothers we can help them support their families in dignity while preparing themselves for new work.

Through funds to purchase needed land, organize cooperatives and create new and adequate family farms we can help those whose life on the land has been a struggle without hope.

Fifth, I do not intend that the war against poverty become a series of uncoordinated and unrelated efforts -- that it perish for lack of leadership and direction.

Therefore this bill creates, in the Executive Office of the President, a new Office of Economic Opportunity. Its director will be my personal chief of staff for the war against poverty. I intend to appoint Sargent Shriver to this post.

He will be directly responsible for these new programs. He will work with and through existing agencies of the Government.

This program -- the Economic Opportunity Act -- is the foundation of our war against poverty. But it does not stand alone.

For the past three years this Government has advanced a number of new proposals which strike at important areas of need and distress.

#### EXISTING PROGRAMS

I ask the Congress to extend those which are already in action, and to establish those which have already been proposed.

There are programs to help badly distressed areas such as the Area Redevelopment Act, and the legislation now being prepared to help Appalachia.

There are programs to help those without training find a place in today's complex society -- such as the Manpower Development Training Act and the Vocational Education Act for youth.

There are programs to protect those who are specially vulnerable to the ravages of poverty -- hospital insurance for the

elderly, protection for migrant farm workers, a food stamp program for the needy, coverage for millions not now protected by a minimum wage, new and expanded unemployment benefits for men out of work, a Housing and Community Development bill for those seeking decent homes.

Finally there are programs which help the entire country, such as aid to education which, by raising the quality of schooling available to every American child, will give a new chance for knowledge to the children of the poor.

I ask immediate action on all these programs.

What you are being asked to consider is not a simple or an easy program. But poverty is not a simple or an easy enemy.

It cannot be driven from the land by a single attack on a single front. Were this so we would have conquered poverty long ago.

Nor can it be conquered by Government alone.

For decades American labor and American business, private institutions and private individuals have been engaged in strengthening our economy and offering new opportunity to those in need.

We need their help, their support and their full participation.

Through this program we offer new incentives and new opportunities for cooperation, so that all the energy of our nation, not merely the efforts of Government, can be brought to bear on our common enemy.

Today, for the first time in our history, we have the power to strike away the barriers to full participation in our society. Having the power, we have the duty.

The Congress is charged by the Constitution to "provide...for the general welfare of the United States." Our present abundance is a measure of its success in fulfilling that duty. Now Congress is being asked to extend that welfare to all our people.

The President of the United States is President of all the people in every section of the country. But this office also holds a special responsibility to the distressed and disinherited, the hungry and the hopeless of this abundant nation.

It is in pursuit of that special responsibility that I submit this message to you today.

#### COST OF PROGRAM

The new program I propose is within our means. Its cost of \$970 million is 1 percent of our national budget -- and every dollar I am requesting for this program is already included in the budget I sent to Congress in January.

But we cannot measure its importance by its cost.

For it charts an entirely new course of hope for our people.

We are fully aware that this program will not eliminate all the poverty in America in a few months or a few years. Poverty is deeply rooted and its causes are many.

But this program will show the way to new opportunities for millions of our fellow citizens.

It will provide a lever with which we can begin to open the door to our prosperity for those who have been kept outside.

It will also give us the chance to test our weapons, to try our energy and ideas and imagination for the many battles yet to come. As conditions change, and as experience illuminates our difficulties, we will be prepared to modify our strategy.

And this program is much more than a beginning.

Rather it is a commitment. It is a total commitment by this President, and this Congress, and this nation, to pursue victory over the most ancient of mankind's enemies.

On many historic occasions the President has requested from Congress the authority to move against forces which were endangering the well-being of our country.

This is such an occasion.

On similar occasions in the past we have often been called upon to wage war against foreign enemies which threatened our freedom. Today we are asked to declare war on a domestic enemy which threatens the strength of our nation and the welfare of our people.

If we now move forward against this enemy -- if we can bring to the challenges of peace the same determination and strength which has brought us victory in war -- then this day and this Congress will have won a secure and honorable place in the history of the nation, and the enduring gratitude of generations of Americans yet to come.

LYNDON B. JOHNSON

7 copies

# The Problem of Poverty in America

Reprinted from "*Economic Report of the President*"  
January 1964

## Chapter 2

### The Problem of Poverty in America

**I**N HIS MESSAGE on the State of the Union, President Johnson declared all-out war on poverty in America. This chapter is designed to provide some understanding of the enemy and to outline the main features of a strategy of attack.

#### ELIMINATING POVERTY—A NATIONAL GOAL

There will always be some Americans who are better off than others. But it need not follow that "the poor are always with us." In the United States today we can see on the horizon a society of abundance, free of much of the misery and degradation that have been the age-old fate of man. Steadily rising productivity, together with an improving network of private and social insurance and assistance, has been eroding mass poverty in America. But the process is far too slow. It is high time to redouble and to concentrate our efforts to eliminate poverty.

Poverty is costly not only to the poor but to the whole society. Its ugly by-products include ignorance, disease, delinquency, crime, irresponsibility, immorality, indifference. None of these social evils and hazards will, of course, wholly disappear with the elimination of poverty. But their severity will be markedly reduced. Poverty is no purely private or local concern. It is a social and national problem.

But the overriding objective is to improve the quality of life of individual human beings. For poverty deprives the individual not only of material comforts but of human dignity and fulfillment. Poverty is rarely a builder of character.

The poor inhabit a world scarcely recognizable, and rarely recognized, by the majority of their fellow Americans. It is a world apart, whose inhabitants are isolated from the mainstream of American life and alienated from its values. It is a world where Americans are literally concerned with day-to-day survival—a roof over their heads, where the next meal is coming from. It is a world where a minor illness is a major tragedy, where pride and privacy must be sacrificed to get help, where honesty can become a luxury and ambition a myth. Worst of all, the poverty of the fathers is visited upon the children.

Equality of opportunity is the American dream, and universal education our noblest pledge to realize it. But, for the children of the poor, education is a handicap race; many are too ill prepared and ill motivated at home to learn at school. And many communities lengthen the handicap by providing the worst schooling for those who need the best.

Although poverty remains a bitter reality for too many Americans, its incidence has been steadily shrinking. The fruits of general economic growth have been widely shared; individuals and families have responded to incentives and opportunities for improvement; government and private programs have raised the educational attainments, housing standards, health, and productivity of the population; private and social insurance has increasingly protected families against loss of earnings due to death, disability, illness, old age, and unemployment. Future headway against poverty will likewise require attacks on many fronts: the active promotion of a full-employment, rapid-growth economy; a continuing assault on discrimination; and a wide range of other measures to strike at specific roots of low income. As in the past, progress will require the combined efforts of all levels of government and of private individuals and groups.

All Americans will benefit from this progress. Our Nation's most precious resource is its people. We pay twice for poverty: once in the production lost in wasted human potential, again in the resources diverted to coping with poverty's social by-products. Humanity compels our action, but it is sound economics as well.

This chapter considers, first, the changing numbers and composition of America's poor. Second, it presents a brief report on the factors that contribute to the continuation of poverty amidst plenty. Although the analysis is statistical, the major concern is with the human problems that the numbers reflect. The concluding part concerns strategy against poverty in the 1960's and beyond. Supplementary tables at the end of the chapter provide further data on the dimensions of poverty in America.

The sections below will chart the topography of poverty. A few significant features of this bleak landscape deserve emphasis in advance. Poverty occurs in many places and is endured by people in many situations; but its occurrence is nonetheless highly concentrated among those with certain characteristics. The scars of discrimination, lack of education, and broken families show up clearly from almost any viewpoint. Here are some landmarks:

- One-fifth of our families and nearly one-fifth of our total population are poor.
- Of the poor, 22 percent are nonwhite; and nearly one-half of all nonwhites live in poverty.
- The heads of over 60 percent of all poor families have only grade school educations.
- Even for those denied opportunity by discrimination, education significantly raises the chance to escape from poverty. Of all non-

- white families headed by a person with 8 years or less of schooling, 57 percent are poor. This percentage falls to 30 for high school graduates and to 18 percent for those with some college education.
- But education does not remove the effects of discrimination: when nonwhites are compared with whites at the same level of education, the nonwhites are poor about twice as often.
  - One-third of all poor families are headed by a person over 65, and almost one-half of families headed by such a person are poor.
  - Of the poor, 54 percent live in cities, 16 percent on farms, 30 percent as rural nonfarm residents.
  - Over 40 percent of all farm families are poor. More than 80 percent of nonwhite farmers live in poverty.
  - Less than half of the poor are in the South; yet a southerner's chance of being poor is roughly twice that of a person living in the rest of the country.
  - One-quarter of poor families are headed by a woman; but nearly one-half of all families headed by a woman are poor.
  - When a family and its head have several characteristics frequently associated with poverty, the chances of being poor are particularly high: a family headed by a young woman who is nonwhite and has less than an eighth grade education is poor in 94 out of 100 cases. Even if she is white, the chances are 85 out of 100 that she and her children will be poor.

#### THE NATURE AND EXTENT OF POVERTY

Measurement of poverty is not simple, either conceptually or in practice. By the poor we mean those who are not now maintaining a decent standard of living—those whose basic needs exceed their means to satisfy them. A family's needs depend on many factors, including the size of the family, the ages of its members, the condition of their health, and their place of residence. The ability to fulfill these needs depends on current income from whatever source, past savings, ownership of a home or other assets, and ability to borrow.

#### NEEDS AND RESOURCES

There is no precise way to measure the number of families who do not have the resources to provide minimum satisfaction of their *own* particular needs. Since needs differ from family to family, an attempt to quantify the problem must begin with some concept of average need for an average or representative family. Even for such a family, society does not have a clear and unvarying concept of an acceptable minimum. By the standards of contemporary American society most of the population of the world is poor; and most Americans were poor a century ago. But for our society today a consensus on an approximate standard can be found. One such standard is suggested by a recent study, described in a publication of the

Social Security Administration, which defines a "low-cost" budget for a nonfarm family of four and finds its cost in 1962 to have been \$3,955. The cost of what the study defined as an "economy-plan" budget was \$3,165. Other studies have used different market baskets, many of them costing more. On balance, they provide support for using as a boundary, a family whose annual money income from all sources was \$3,000 (before taxes and expressed in 1962 prices). This is a weekly income of less than \$60.

These budgets contemplate expenditures of one-third of the total on food, i.e., for a \$3,000 annual budget for a 4-person family about \$5 per person per week. Of the remaining \$2,000, a conservative estimate for housing (rent or mortgage payments, utilities, and heat) would be another \$800. This would leave only \$1,200—less than \$25 a week—for clothing, transportation, school supplies and books, home furnishings and supplies, medical care, personal care, recreation, insurance, and everything else. Obviously it does not exaggerate the problem of poverty to regard \$3,000 as the boundary.

A family's ability to meet its needs depends not only on its money income but also on its income in kind, its savings, its property, and its ability to borrow. But the detailed data (of the Bureau of the Census) available for pinpointing the origins of current poverty in the United States refer to money income. Refined analysis would vary the income cut-off by family size, age, location, and other indicators of needs and costs. This has not been possible. However, a variable income cut-off was used in the sample study of poverty in 1959 conducted at the University of Michigan Survey Research Center. This study also estimates the over-all incidence of poverty at 20 percent; and its findings concerning the sources of poverty correspond closely with the results based on an analysis of Census data.

A case could be made, of course, for setting the over-all income limit either higher or lower than \$3,000, thereby changing the statistical measure of the size of the problem. But the analysis of the sources of poverty, and of the programs needed to cope with it, would remain substantially unchanged.

No measure of poverty as simple as the one used here, would be suitable for determining eligibility for particular benefits or participation in particular programs. Nevertheless, it provides a valid benchmark for assessing the dimensions of the task of eliminating poverty, setting the broad goals of policy, and measuring our past and future progress toward their achievement.

If it were possible to obtain estimates of total incomes—including non-money elements—for various types of families, those data would be preferable for the analysis which follows. The Department of Commerce does estimate total nonmoney incomes in the entire economy in such forms as the rental value of owner-occupied dwellings and food raised and consumed on farms, and allocates them to families with incomes of different size.

Because of statistical difficulties, these allocations are necessarily somewhat arbitrary, and are particularly subject to error for the lower income groups. No attempt is made to allocate them by other characteristics that are meaningful for an analysis of poverty. Of course, the total of money plus nonmoney income that would correspond to the limit used here would be somewhat higher than \$3,000.

#### THE CHANGING EXTENT OF POVERTY

There were 47 million families in the United States in 1962. Fully 9.3 million, or one-fifth of these families—comprising more than 30 million persons—had total money incomes below \$3,000. Over 11 million of these family members were children, one-sixth of our youth. More than 1.1 million families are now raising 4 or more children on such an income. Moreover, 5.4 million families, containing more than 17 million persons, had total incomes below \$2,000. More than a million children were being raised in very large families (6 or more children) with incomes of less than \$2,000.

Serious poverty also exists among persons living alone or living in non-family units such as boarding houses. In 1962, 45 percent of such "unrelated individuals"—5 million persons—had incomes below \$1,500, and 29 percent—or more than 3 million persons—had incomes below \$1,000 (Supplementary Table 9). Thus, by the measures used here, 33 to 35 million Americans were living at or below the boundaries of poverty in 1962—nearly one-fifth of our Nation.

The substantial progress made since World War II in eliminating poverty is shown in Chart 7 and Table 3. In the decade 1947-56, when incomes

TABLE 3.—*Money income of families, 1947 and 1950-62*

Year	Median money income of all families (1962 prices)		Percent of families with money income	
	Dollars	Index, 1947=100	Less than \$3,000 (1962 prices)	Less than \$2,000 (1962 prices)
1947.....	4,117	100	32	18
1950.....	4,188	102	22	19
1951.....	4,328	105	29	17
1952.....	4,442	108	28	17
1953.....	4,809	117	26	16
1954.....	4,705	114	28	17
1955.....	5,001	122	25	18
1956.....	5,337	130	23	14
1957.....	5,353	130	23	14
1958.....	5,329	129	23	14
1959.....	5,631	137	22	13
1960.....	5,752	140	21	13
1961.....	5,820	141	21	13
1962.....	5,956	145	20	12

Sources: Department of Commerce and Council of Economic Advisors.

were growing relatively rapidly, and unemployment was generally low, the number of poor families (with incomes below \$3,000 in terms of 1962 prices) declined from 11.9 million to 9.9 million, or from 32 percent to

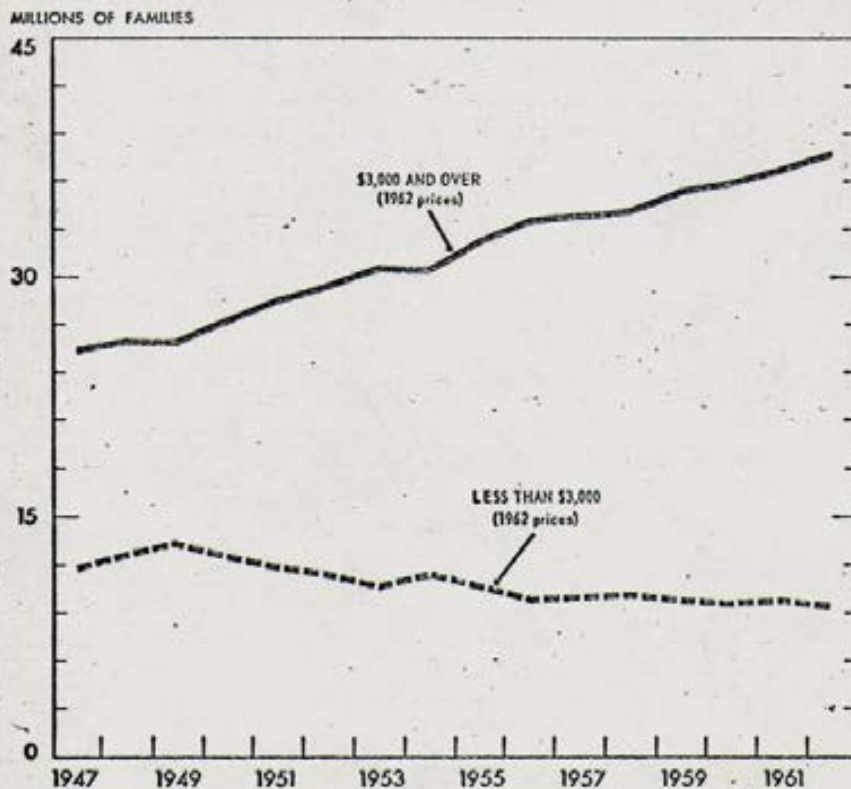
23 percent of all families. But in the period from 1957 through 1962, when total growth was slower and unemployment substantially higher, the number of families living in poverty fell less rapidly, to 9.3 million, or 20 percent of all families.

The progress made since World War II has not involved any major change in the distribution of incomes. The one-fifth of families with the highest incomes received an estimated 43 percent of total income in 1947 and 42 percent in 1962. The one-fifth of families with the lowest incomes received 5 percent of the total in 1947 and 5 percent in 1963.

Even if poverty should hereafter decline at the relatively more rapid rate of the 1947-56 period, there would still be 10 percent of the Nation's families in poverty in 1980. And, if the decline in poverty proceeded at the slower rate achieved from 1957 on, 13 percent of our families would still have incomes under \$3,000 in 1980. We cannot leave the further wearing away of poverty solely to the general progress of the economy. A faster

Chart 7

### Number of Families by Family Income



SOURCE: DEPARTMENT OF COMMERCE.

reduction of poverty will require that the lowest fifth of our families be able to earn a larger share of national output.

#### THE COMPOSITION OF TODAY'S POOR

To mount an attack on poverty we must know how to select our targets. Are the poor concentrated in any single geographical area? Are they confined to a few easily identifiable groups in society? Conclusions drawn from personal observation are likely to be misleading. Some believe that most of the poor are found in the slums of the central city, while

TABLE 4.—Selected characteristics of all families and of poor families, 1962

Selected characteristic	Number of families (millions)		Percent of total	
	All families	Poor families	All families	Poor families
Total.....	47.0	9.3	100	100
Age of head:				
14-24 years.....	2.5	.8	5	8
25-54 years.....	30.4	3.9	65	42
55-64 years.....	7.3	1.4	16	15
65 years and over.....	6.8	3.2	14	34
Education of head: <sup>1</sup>				
8 years or less.....	16.3	6.0	35	61
9-11 years.....	8.6	1.7	19	17
12 years.....	12.2	1.5	26	15
More than 12 years.....	6.3	.7	20	7
Sex of head:				
Male.....	42.3	7.0	90	75
Female.....	4.7	2.3	10	25
Labor force status of head: <sup>2</sup>				
Not in civilian labor force.....	8.4	4.1	18	44
Employed.....	36.9	4.6	78	49
Unemployed.....	1.7	.6	4	6
Color of family:				
White.....	42.4	7.3	90	78
Nonwhite.....	4.6	2.0	10	22
Children under 18 years of age in family:				
None.....	18.8	4.9	40	52
One to three.....	22.7	3.3	48	36
Four or more.....	6.5	1.1	12	11
Earners in family:				
None.....	3.8	2.8	8	30
One.....	21.1	4.3	45	46
Two or more.....	22.1	2.2	47	23
Regional location of family: <sup>3,4</sup>				
Northeast.....	11.5	1.6	25	17
North Central.....	13.1	2.3	29	25
South.....	13.5	4.3	30	47
West.....	7.0	1.0	16	11
Residence of family: <sup>4,5</sup>				
Rural farm.....	3.3	1.5	7	16
Rural nonfarm.....	9.9	2.7	22	30
Urban.....	31.9	5.0	71	54

<sup>1</sup> Based on 1961 income (1962 prices).

<sup>2</sup> Labor force status relates to survey week of March 1963.

<sup>3</sup> Based on 1960 residence and 1959 income (1962 prices).

<sup>4</sup> Data are from 1960 Census and are therefore not strictly comparable with the other data shown in this table, which are derived from *Current Population Reports*.

<sup>5</sup> Based on 1959 residence and 1959 income (1959 prices).

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000.

Sources: Department of Commerce and Council of Economic Advisers.

others believe that they are concentrated in areas of rural blight. Some have been impressed by poverty among the elderly, while others are convinced that it is primarily a problem of minority racial and ethnic groups. But objective evidence indicates that poverty is pervasive. To be sure, the inadequately educated, the aged, and the nonwhite make up substantial portions of the poor population. But as Table 4 shows, the poor are found among all major groups in the population and in all parts of the country. Further data on the composition of the poor population are found in Supplementary Tables 10 and 11.

Using the income measure of poverty described above, we find that 78 percent of poor families are white. Although one-third of the poor families are headed by a person 65 years old and over, two-fifths are headed by persons in the 25 to 54 year range. Although it is true that a great deal of poverty is associated with lack of education, almost 4 million poor families (39 percent) are headed by a person with at least some education beyond grade school. The data show that less than half the poor live in the South. And the urban poor are somewhat more numerous than the rural poor. In Chart 8 the poor and the non-poor are compared in terms of these and other characteristics.

Yet there are substantial concentrations of poverty among certain groups. For example, families headed by persons 65 years of age and older represent 34 percent of poor families. Moreover, they appear among the poor  $2\frac{1}{2}$  times as frequently as they appear among all families. The last 2 columns of Table 4 show 5 additional major categories of families that appear more than twice as often among the poor as among the total population: non-white families, families headed by women, families headed by individuals not in the civilian labor force, families with no wage earners, and rural farm families. Of course, some of these groups overlap considerably; but the data help to identify prospective targets for an antipoverty attack. The next section pinpoints these targets further.

#### THE ROOTS OF POVERTY

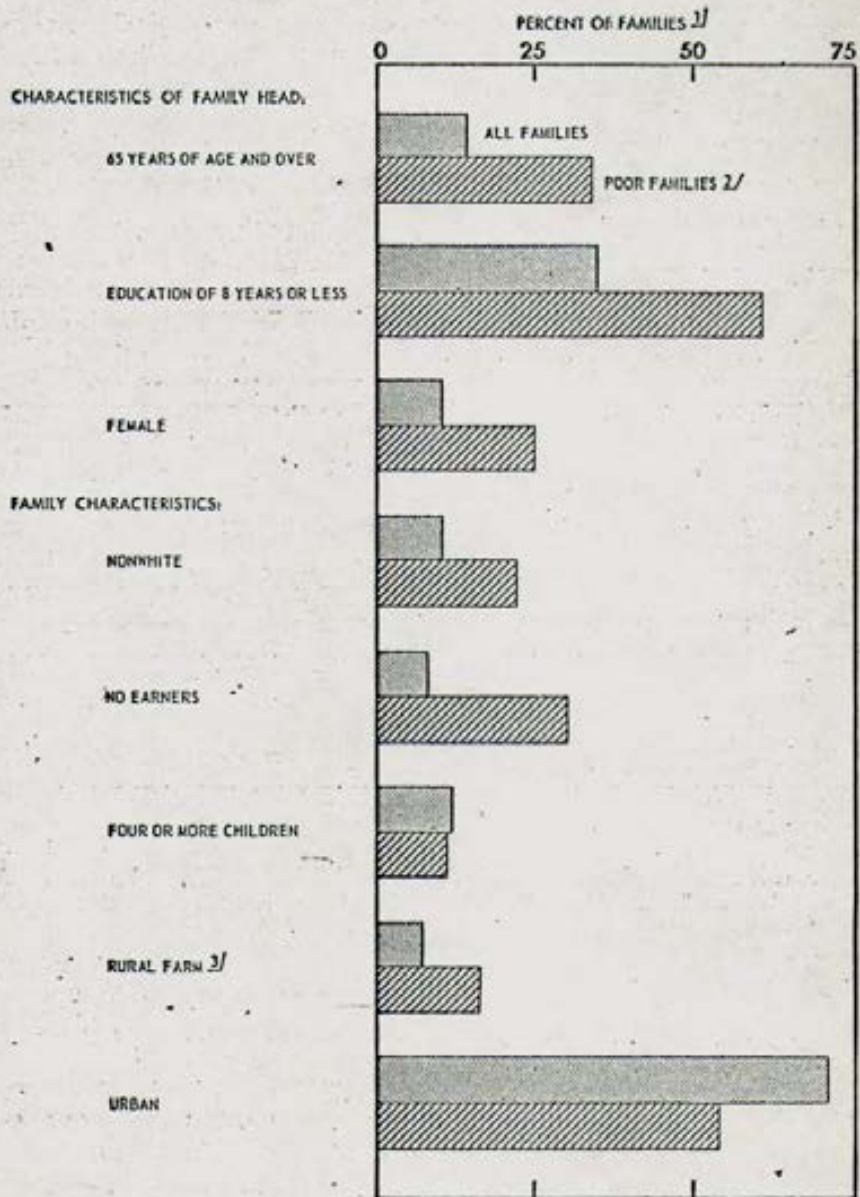
Poverty is the inability to satisfy minimum needs. The poor are those whose resources—their income from all sources, together with their asset holdings—are inadequate. This section considers why those in poverty lack the earned income, property income and savings, and transfer payments to meet their minimum needs.

##### EARNED INCOME

Why do some families have low earned incomes? Some are unemployed or partially unemployed. High over-all employment is a remedy of first importance. It would provide earned income for those unemployed who are able to accept jobs and greater earnings for many presently working part-time. Yet it is clear that this is only a partial answer. Even for those able and willing to work, earnings are all too frequently inadequate, and a

Chart 8

## Characteristics of Poor Families COMPARED WITH ALL FAMILIES



<sup>1/</sup> BASED ON 1962 DATA (EXCEPT AS NOTED).

<sup>2/</sup> FAMILIES WITH INCOME OF \$3,000 OR LESS.

<sup>3/</sup> BASED ON 1959 DATA.

SOURCE: DEPARTMENT OF COMMERCE.

large number of the poor are unable to work. An analysis of the incidence of poverty helps one understand the reasons for low earnings.

The incidence of poverty for any specified group of families is the percentage of that group with incomes below \$3,000. For all families, the incidence in 1962 was 20 percent. An incidence for a particular group higher than 20 percent, or higher than the rates for other similar groups, suggests that some characteristics of that group are causally related to poverty. The basic cause may not be the particular characteristic used to classify the group. But an examination of groups with high incidence should throw light on the roots of poverty. Incidence of poverty in 1947 and 1962 is shown for several major types of families in Chart 9.

Table 5 shows that the incidence of poverty is 76 percent for families with no earners. From other data, it appears that the incidence rate is 49 percent for families headed by persons who work part-time. A family may be in either of these situations as a result of age, disability, premature death

TABLE 5.—Incidence of poverty, by characteristics relating to labor force participation, 1962

Selected characteristic	Incidence of poverty (percent)
All families.....	20
Earners in family:	
None.....	76
One.....	20
Two.....	10
Three or more.....	8
Labor force status of head: <sup>1</sup>	
Not in civilian labor force.....	50
Employed.....	12
Unemployed.....	34
Age of head:	
14-24 years.....	31
25-54 years.....	13
55-64 years.....	19
65 years and over.....	47
Sex of head:	
Male.....	17
Wife in labor force.....	9
Female.....	45

<sup>1</sup> Status relates to survey week of March 1963.

NOTE.—Data relate to families and exclude unrelated individuals. Poverty is defined to include all families with total money income of less than \$3,000; these are also referred to as poor families. Incidence of poverty is measured by the percent that poor families with a given characteristic are of all families having the same characteristic.

Sources: Department of Commerce and Council of Economic Advisers.

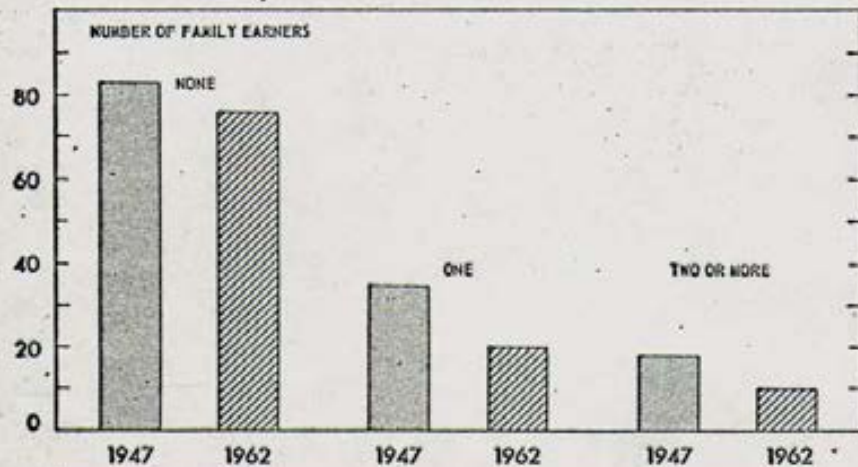
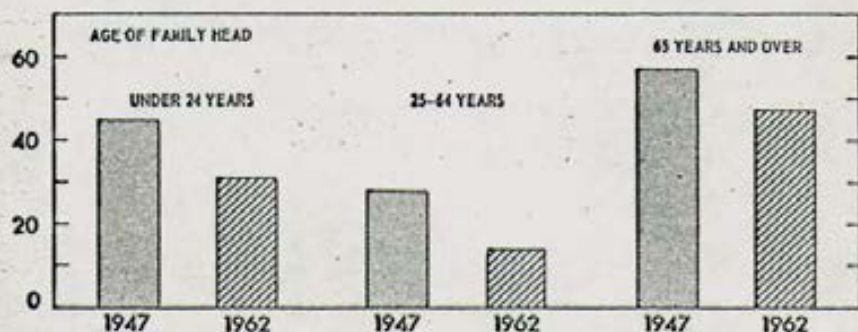
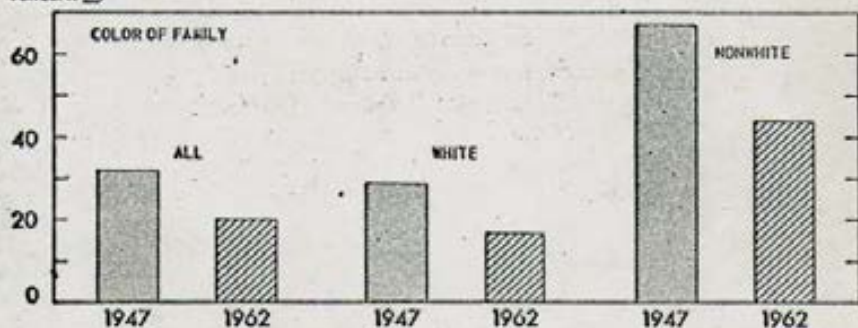
of the principal earner, need to care for children or disabled family members, lack of any saleable skill, lack of motivation, or simply heavy unemployment in the area.

The problem of another group of families is the low rates of pay found most commonly in certain occupations. For example, the incidence of poverty among families headed by employed persons is 45 percent for farmers, and 74 percent for domestic service workers (Supplementary Table 12).

Chart 9

# Incidence of Poverty

PERCENT <sup>1/</sup>



<sup>1/</sup>PERCENT OF FAMILIES WITH GIVEN CHARACTERISTIC THAT ARE POOR. POOR FAMILIES ARE DEFINED AS ALL FAMILIES WITH TOTAL MONEY INCOME OF LESS THAN \$3,000 (1962 PRICES)

SOURCES: DEPARTMENT OF COMMERCE AND COUNCIL OF ECONOMIC ADVISERS

The chief reason for low rates of pay is low productivity, which in turn can reflect lack of education or training, physical or mental disability, or poor motivation. Other reasons include discrimination, low bargaining power, exclusion from minimum wage coverage, or lack of mobility resulting from inadequate knowledge of other opportunities, or unwillingness or inability to move away from familiar surroundings.

The importance of education, as a factor in poverty is suggested by the fact that families headed by persons with no more than 8 years of education have an incidence rate of 37 percent (Table 6). Nonwhite and rural families show an even higher incidence of poverty (Table 6 and Supplementary Table 13). The heads of these families are typically less well educated than average. For example, nonwhite family heads have completed a median of

TABLE 6.—Incidence of poverty by education, color, and residence, 1962

Selected characteristic	Incidence of poverty (percent)
All families.....	20
Education of head: <sup>1</sup>	
8 years or less.....	37
9-11 years.....	20
12 years.....	12
More than 12 years.....	8
Color of family:	
White.....	17
Nonwhite.....	44
Residence of family:	
Farm.....	43
Nonwhite.....	84
Nonfarm.....	18

<sup>1</sup> Data relate to 1961, and money income in 1962 prices.

NOTE.—Data relate to families and exclude unrelated individuals. Poverty is defined to include all families with total money income of less than \$3,000; these are also referred to as poor families. The incidence of poverty is measured by the percent that poor families with a given characteristic are of all families having the same characteristic.

Sources: Department of Commerce and Council of Economic Advisers.

8.7 years of school, compared to 11.8 for whites. In 1959 the median education of all males over 25 with incomes below \$1,000 and living on a farm was slightly above 7 years in school; those with incomes above \$5,000 had completed over 10 years in school.

Supplementary Table 14 presents additional detail from the 1960 census on the incidence of poverty among families classified by educational attainment, color, age, and family type. The severely handicapping influence of lack of education is clear. The incidence of poverty drops as educational attainments rise for nonwhite as well as white families at all ages. The high frequency of poverty for nonwhites is not, however, fully explained by their educational deficit. As Supplementary Table 14 shows, the incidence of poverty among nonwhites is almost invariably higher than among whites regardless of age, family type, or level of educational attainment. Supplementary Table 15 shows that nonwhites earn less than whites with the same education even when they practice the same occupation.

Some families are forced into poverty by society's own standards. Their potential earners, otherwise able to hold a job, cannot free themselves from the family responsibilities which they must fulfill. Such is the case, for example, with families headed by women with small children.

Customary or mandatory retirement at a specified age also limits earnings by some healthy, able-bodied persons. However, retirement is often associated with deteriorating health, and poverty among the aged is greatest at ages over 70 or 75 and for aged widows—persons for whom employment is not a realistic alternative.

#### PROPERTY INCOME AND USE OF SAVINGS

Some families with inadequate current earnings from work can avoid poverty thanks to past savings—which provide an income and, if necessary, can be used to support consumption. Savings are particularly important for the elderly. More than half of those over 65 have money incomes above \$3,000, and many also own homes. Others, although their money incomes are below \$3,000, have adequate savings that can be drawn upon to support a decent standard of consumption.

But most families with low earnings are not so fortunate. If avoiding poverty required an income supplement of \$1,500 a year for a retired man and his wife, they would need a capital sum at age 65 of about \$19,000 to provide such an annuity. Few families have that sum. The median net worth for all spending units (roughly equivalent to the total of families and unrelated individuals) was only \$4,700 in 1962. For all spending units whose head was 65 years or more, the median net worth was \$8,000. Meeting contingencies caused by illnesses is often a crucial problem for older people. About half of the aged, and about three-fourths of the aged poor, have no hospital insurance, although their medical-care costs are 2½ times as high as those of younger persons. Their resources are typically inadequate to cover the costs of a serious illness.

The median net worth of the fifth of all spending units having the lowest incomes was only \$1,000. Much of what property they have is in the form of dwellings. (About 40 percent of all poor families have some equity in a house.) Although this means that their housing costs are reduced, property in this form does not provide money income that can be used for other current expenses.

Most families—including the aged—whose incomes are low in any one year lack significant savings or property because their incomes have always been at poverty levels. This is clear in the results of the Michigan study already cited. Among the reporting families classified in that study as poor in 1959, 60 percent had never earned disposable income as high as \$3,000, and nearly 40 percent had never reached \$2,000. The comparable figures for all families were 17 percent and 10 percent, respectively. Among the aged poor reporting, 79 percent had never reached \$3,000, and fully one-half had never earned \$2,000. While nearly 60 percent of *all* families have

enjoyed peak incomes above \$5,000, among all poor families only 14 percent had ever reached that level; and a mere 5 percent of the aged poor had ever exceeded \$5,000.

The persistence of poverty is reflected in the large number who have been unable to accumulate savings. The Survey Research Center study found that more than one-half of the aged poor in 1959 had less than \$500 in liquid savings (bank deposits and readily marketable securities), and they had not had savings above that figure during the previous 5 years. Less than one-fifth of all poor families reported accumulated savings in excess of \$500. The mean amount of savings used by poor families in 1959 was \$120; and only 23 percent of the poor drew on savings at all.

It is clear that for most families property income and savings do not provide a buffer against poverty. Some 1962 data on liquid savings are contained in Supplementary Table 16.

#### TRANSFER PAYMENTS AND PRIVATE PENSIONS

Poverty would be more prevalent and more serious if many families and individuals did not receive transfer payments. In 1960, these payments (those which are not received in exchange for current services) constituted only 7 percent of total family income, but they comprised 43 percent of the total income of low-income spending units. At the same time, however, only about half of the present poor receive any transfer payments at all. And, of course, many persons who receive transfers through social insurance programs are not poor—often as a result of these benefits.

Transfer programs may be either public or private in nature and may or may not have involved past contributions by the recipient. Public transfer programs include social insurance—such as Unemployment Compensation, Workmen's Compensation, and Old-Age, Survivors', and Disability Insurance (OASDI); veterans' benefits; and public assistance programs, such as Old Age Assistance (OAA) and Aid to Families with Dependent Children (AFDC).

Private transfer programs include organized systems such as private pension plans and supplementary unemployment benefits, organized private charities, and private transfers within and among families.

It is important to distinguish between insurance-type programs and assistance programs, whether public or private. Assistance programs are ordinarily aimed specifically at the poor or the handicapped. Eligibility for their benefits may or may not be based upon current income; but neither eligibility nor the size of benefits typically bears any direct relationship to past income. Eligibility for insurance-type programs, on the other hand, is based on past employment, and benefits on past earnings.

The Federal-State unemployment insurance system covers only about 77 percent of all paid employment and is intended to protect workers with a regular attachment to the labor force against temporary loss of income. Benefits, of course, are related to previous earnings.

While the largest transfer-payment program, OASDI, now covers approximately 90 percent of all paid employment, there are still several million aged persons who retired or whose husbands retired or died before acquiring coverage. Benefits are related to previous earnings, and the average benefit for a retired worker under this program at the end of 1963 was only \$77 a month, or \$924 a year. The average benefit for a retired worker and his wife if she is eligible for a wife's benefit is \$1,565 a year.

Public insurance-type transfer programs have made notable contributions to sustaining the incomes of those whose past earnings have been adequate, and to avoiding their slipping into poverty as their earnings are interrupted or terminated. These programs are of least help to those whose earnings have never been adequate.

Public assistance programs are also an important support to low-income and handicapped persons. Money payments under OAA average about \$62 a month for the country as a whole, with State averages ranging from \$37 to about \$95 a month. In the AFDC program the national average payment per family (typically of 4 persons) is about \$129 a month, including services rendered directly. State averages range from \$38 a month to about \$197 a month.

Private transfers within and between families are included in the total money income figures used in this chapter only to the extent that they are regular in nature, e.g., alimony or family support payments, and are excluded when they take the form of casual or irregular gifts or bequests. While data are lacking on the value of such gifts, they are clearly not a major source of income for the poor.

Private pensions, providing an annuity, are additional resources for some persons and families. In 1961 the beneficiaries of such plans numbered about 2 million (as against about 12 million receiving OASDI benefits), and total benefits paid were about \$2 billion. While the combination of OASDI and private pensions serves to protect some from poverty, most persons receiving OASDI receive no private pension supplement. In any case, benefits under private pension plans range widely, and since they are typically related to the individual's previous earnings, they are low when earnings have been low.

Thus, although many families do indeed receive supplements to earnings in the form of pensions, social insurance benefits, and incomes from past saving, those families with a history of low earnings are also likely to have little of such supplementary income. And since most poor families have small amounts of property, they cannot long meet even minimum needs by depleting their assets.

#### THE VICIOUS CIRCLE

Poverty breeds poverty. A poor individual or family has a high probability of staying poor. Low incomes carry with them high risks of illness; limitations on mobility; limited access to education, information, and train-

ing. Poor parents cannot give their children the opportunities for better health and education needed to improve their lot. Lack of motivation, hope, and incentive is a more subtle but no less powerful barrier than lack of financial means. Thus the cruel legacy of poverty is passed from parents to children.

Escape from poverty is not easy for American children raised in families accustomed to living on relief. A recent sample study of AFDC recipients found that more than 40 percent of the parents were themselves raised in homes where public assistance had been received. It is difficult for children to find and follow avenues leading out of poverty in environments where education is deprecated and hope is smothered. This is particularly true when discrimination appears as an insurmountable barrier. Education may be seen as a waste of time if even the well-trained are forced to accept menial labor because of their color or nationality.

The Michigan study shows how inadequate education is perpetuated from generation to generation. Of the families identified as poor in that study, 64 percent were headed by a person who had had less than an eighth grade education. Of these, in turn, 67 percent had fathers who had also gone no further than eighth grade in school. Among the children of these poor families who had finished school, 34 percent had not gone beyond the eighth grade; this figure compares with 14 percent for all families. Fewer than 1 in 2 children of poor families had graduated from high school, compared to almost 2 out of 3 for all families.

Of 2 million high school seniors in October 1959 covered by a Census study, 12 percent did not graduate in 1960. Of these drop-outs 54 percent had IQ's above 90, and 6 percent were above 110. Most of them had the intellectual capabilities necessary to graduate. The drop-out rate for non-white male students, and likewise for children from households with a nonworking head, was *twice* the over-all rate. And it was twice as high for children of families with incomes below \$4,000 as for children of families with incomes above \$6,000. Moreover, many of the children of the poor had dropped out before reaching the senior year.

A study of drop-outs in New Haven, Connecticut, showed that 48 percent of children from lower-class neighborhoods do not complete high school. The comparable figure for better neighborhoods was 22 percent.

Other studies indicate that unemployment rates are almost twice as high for drop-outs as for high school graduates aged 16-24. Moreover, average incomes of male high school graduates are 25 percent higher than those of high school drop-outs, and nearly 150 percent higher than those of men who completed less than 8 years of schooling.

There is a well-established association between school status and juvenile delinquency. For example, in the New Haven study cited above, 48 percent of the drop-outs, but only 18 percent of the high school graduates, had one or more arrests or referrals to juvenile court.

Low-income families lose more time from work, school, and other activities than their more fortunate fellow citizens. Persons in families with incomes under \$2,000 lost an average of 8 days of work in the year 1960-61, compared to 5.4 for all employed persons. They were restricted in activity for an average of 30 days (compared to 16.5 for the whole population) and badly disabled for 10.4 days (compared to 5.8 for the whole population).

TABLE 7.—Number of families and incidence of poverty, by selected family characteristics, 1947 and 1962

Selected characteristic	Number of families			Incidence of poverty (percent) <sup>1</sup>		Percentage change in number of poor families, 1947 to 1962
	1947	1962	Percentage change, 1947 to 1962	1947	1962	
	Millions					
All families.....	37.3	47.0	26	32	20	-22
Earners in family:						
None.....	2.2	3.8	68	83	76	54
One.....	21.9	21.1	-4	35	20	-45
Two.....	9.9	17.0	73	20	10	-13
Three or more.....	3.3	5.1	55	10	8	29
Labor force status of head: <sup>2</sup>						
Not in civilian labor force.....	5.5	8.4	52	61	50	23
Unemployed.....	1.2	1.7	49	49	34	2
Employed.....	31.9	35.9	16	28	12	-43
Age of head:						
14-24 years.....	1.8	2.5	39	45	31	-6
25-34 years.....	25.0	30.4	22	27	13	-41
35-64 years.....	6.1	7.3	19	32	19	-28
65 years and over.....	4.4	6.8	54	57	47	27
Sex of head:						
Male.....	33.5	42.3	26	39	17	-30
Female.....	3.8	4.7	26	51	48	19
Color of family:						
White.....	34.2	42.4	24	29	17	-27
Nonwhite.....	3.1	4.6	46	67	44	-3
Children under 18 years of age in family:						
None.....	16.2	18.8	16	36	26	-16
One.....	8.9	8.7	-2	30	17	-45
Two.....	6.4	8.5	33	27	13	-33
Three or more.....	5.7	10.9	92	32	17	2
Regional location of family: <sup>3</sup>						
Northeast.....	10.1	11.5	14	25	14	-42
North Central.....	11.5	13.1	14	30	18	-31
South.....	11.5	13.5	17	49	32	-24
West.....	5.1	7.0	37	28	15	-25
Residence of family:						
Farm <sup>4</sup> .....	6.5	3.2	-51	55	43	-62
Nonfarm <sup>5</sup> .....	30.8	43.8	42	27	18	-5

<sup>1</sup> The incidence of poverty is measured by the percent that poor families with a given characteristic are of all families having the same characteristic.

<sup>2</sup> Labor force status is for April survey week of 1949 and March survey week of 1963. Income data (1962 prices) are for 1948 and 1962.

<sup>3</sup> Income data for 1949 and 1959. Since regional location data are from 1950 and 1960 Censuses, they are not strictly comparable with other data shown in this table, which are derived from *Current Population Reports*.

<sup>4</sup> The 1960 Census change in definition of a farm resulted in a decline of slightly over 1 million in the total number of farm families. Therefore, the incidence figures for 1947 and 1962 may not be strictly comparable.

<sup>5</sup> Since 1959, nonfarm data are not available separately for rural nonfarm and urban.

NOTE.—Data relate to families and exclude unrelated individuals. Poverty is defined to include all families with total money income of less than \$3,000 (1962 prices); these are also referred to as poor families.

Sources: Department of Commerce and Council of Economic Advisors.

RECENT CHANGES IN THE PATTERN OF POVERTY

In spite of tendencies for poverty to breed poverty, a smaller proportion of our adult population has been poor—and a smaller fraction of American children exposed to poverty—in each succeeding generation. But, at least since World War II, the speed of progress has not been equal for all types of families, as is shown in Table 7.

The incidence of poverty has declined substantially for most categories shown in the table. But there are some notable exceptions—families (1) with no earner, (2) with head not in the civilian labor force, (3) with head 65 years of age or older, (4) headed by a woman, and (5) on farms. It is also striking that in these classes poverty is high as well as stubborn. Poverty continues high also among nonwhites, although there has been a large and welcome decline in this incidence.

With the sole exception of the farm group, the total number of *all* families in each of these categories has remained roughly the same or has increased. Hence the high-incidence groups, including the nonwhites, have come to constitute a larger *proportion* of the poor (Table 8).

TABLE 8.—Selected characteristics of poor families, 1947 and 1962

Selected characteristic	Percent of poor families with characteristic	
	1947	1962
Family head:		
65 years of age and over.....	20	34
Female.....	16	25
Nonwhite families.....	18	22
Rural farm families.....	30	120
No earners in family.....	16	30

<sup>1</sup> Data are from *Current Population Reports* and are for 1960, based on income in 1962 prices. See Table 7, footnote 4, for comparability problem.

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 (1962 prices).

Sources: Department of Commerce and Council of Economic Advisors.

This tabulation shows that certain handicapping characteristics, notably old age, or absence of an earner or of a male family head, have become increasingly prominent in the poor population. This is both a measure of past success in reducing poverty and of the tenacity of the poverty still existing. Rising productivity and earnings, improved education, and the structure of social security have permitted many families or their children to escape; but they have left behind many families who have one or more special handicaps. These facts suggest that in the future economic growth alone will provide relatively fewer escapes from poverty. Policy will have to be more sharply focused on the handicaps that deny the poor fair access to the expanding incomes of a growing economy.

But the significance of these shifts in composition should not be exaggerated. About half of the poor families are still headed neither by an aged person nor by a woman, and 70 percent include at least one earner. High employment and vigorous economic growth are still of major importance for this group. And it is essential to remember that one-third of the present poor are children. For them, improvements in the availability and quality of education offer the greatest single hope of escaping poverty as adults.

#### STRATEGY AGAINST POVERTY

Public concern for the poor is not new. Measures to prevent, and particularly to relieve, poverty have an ancient origin in every civilization. Each generation in America has forged new weapons in the public and private fight against this perennial enemy. Until recent decades the focus was primarily on the alleviation of distress, rather than on prevention or rehabilitation. Yet all the while, the sources of poverty have been eroded as a by-product of a general advance in economic well-being and of measures designed to achieve other social goals. Universal education has been perhaps the greatest single force, contributing both to social mobility and to general economic growth.

The social legislation of the New Deal, strengthened and expanded in every subsequent national administration, marked a turning point by recognizing a *national* interest in the economic well-being and security of individuals and families. The social insurance programs established in the 1930's were designed principally to alleviate poverty in old age and to shield families from the loss of all income during periods of unemployment. The tasks for our generation are to focus and coordinate our older programs and some new ones into a comprehensive long-range attack on the poverty that remains. A new federally led effort is needed, with special emphasis on prevention and rehabilitation.

A forthcoming special Presidential message will describe the new attack and propose specific programs. The purpose of this section is not to present those measures, but rather to outline some leading elements of an over-all attack on poverty, recognizing the wide array of existing antipoverty programs, pointing to ways in which they might be reinforced and focused in the years ahead, and taking account of programs proposed in the past three years and awaiting consideration.

#### MAINTAINING HIGH EMPLOYMENT

The maintenance of high employment—a labor market in which the demand for workers is strong relative to the supply—is a powerful force for the reduction of poverty. In a strong labor market there are new and better opportunities for the unemployed, the partially employed, and the low paid. Employers have greater incentive to seek and to train workers when their own markets are large and growing. For these reasons, tax reduction is the first requisite in 1964 of a concerted attack on poverty. To

fight poverty in a slack economy with excess unemployment is to tie one hand behind our backs. We need not do so.

*Accelerating economic growth.* In the longer run the advance of standards of living depends on the rate of growth of productivity per capita, and this in turn depends on science and technology, capital accumulation, and investments in human resources, as Chapter 3 has indicated. Growth also expands the resources available to governments and private organizations to finance specific programs against poverty.

*Fighting discrimination.* A program to end racial discrimination in America will open additional exits from poverty, and for a group with an incidence of poverty at least twice that for the Nation as a whole. Discrimination against Negroes, Indians, Spanish-Americans, Puerto Ricans and other minorities reduces their employment opportunities, wastes their talents, inhibits their motivation, limits their educational achievement and restricts their choice of residence and neighborhood. Almost half of nonwhite Americans are poor. For nonwhites infant mortality is twice as high as for whites; maternal deaths are four times as frequent; expectation of life for males at age 20 is almost five years less.

Discriminatory barriers have been erected and maintained by many groups. Business and labor, other private organizations and individuals, and all levels of government must share in their removal.

The economic costs of discrimination to the total society are also large. By discrimination in employment, the Nation denies itself the output of which the talents and training of the nonwhite population are already capable. By discrimination in education and environment, the Nation denies itself the potential talents of one-ninth of its citizens. But the basic case against discrimination is not economic. It is that discrimination affronts human dignity.

The Executive Branch is vigorously pursuing nondiscriminatory policies and practices. It has proposed comprehensive Civil Rights legislation that would help make it possible for all Americans to develop and use their capabilities. But it will have its full effect only when all Americans join in dedicating themselves to the justice of this cause.

*Improving regional economies.* In a dynamic economy, whole regions lose their economic base when their natural resources are depleted or changes in taste and technology pass them by. Appalachia and the cutover areas of the Northern Lakes States are contemporary examples. State and regional programs, assisted by the Federal Government through the Area Redevelopment Administration, seek to restore in such regions a viable economic base suitable to their physical and human resources.

*Rehabilitating urban and rural communities.* Overcrowded, unsanitary, and unsafe neighborhoods are a drag on the economic progress of a whole city. Eradication of slums can provide improved opportunities for their residents and enable them to contribute more to the community. Improved relocation programs are essential to avoid pushing the poor from an old

slum to a new one. Improved community facilities and services, including day care centers for children of working mothers, are needed in low-income urban areas. (Nine million children under 12 have mothers who work outside the home. Of these fully 400,000 are now expected to care for themselves while their mothers work full time.) Among facilities that are critically needed for slum families are adequate housing, hospitals, parks, libraries, schools, and community centers. Improvement of the physical environment, however, is not enough. Especially when newcomers to urban areas are involved, there need to be programs to facilitate adaptation to the new environments. The Administration's proposed National Service Corps could aid and supplement local efforts to provide these and other urgently needed services.

Parallel programs for rehabilitation are needed in depressed rural areas. In some rural communities, even in whole counties, almost every family is at the poverty level. In such situations local resources cannot possibly provide adequate schools, libraries, and health and community centers. A healthy farm economy is basic to the strength of farm communities; and the Rural Area Development program and the ARA are also of assistance in improving income and employment opportunities on and off the farm. Particular attention must be paid to the special problems of depressed nonfarm rural areas—such as the Ozarks or the larger part of rural Appalachia; of Indians on reservations; and of migrant workers.

*Improving labor markets.* Improved employment information can help potential workers learn about and take advantage of new job opportunities, sometimes in different industries, occupations, and locations. A strengthened Federal-State Employment Service, better guidance and counseling services, development of a system for early warning of labor displacement resulting from technological change, assistance in worker relocation (as provided by the Trade Expansion Act and in the recent amendments to the Manpower Development and Training Act), increased amounts and duration of unemployment insurance benefits and extension of its coverage—all these will enable more persons to maintain or increase their earnings.

*Expanding educational opportunities.* If children of poor families can be given skills and motivation, they will not become poor adults. Too many young people are today condemned to grossly inadequate schools and instruction. Many communities lack resources for developing adequate schools or attracting teachers of high quality. Other communities concentrate their resources in the higher income areas, providing inadequate educational opportunities to those at the bottom of the economic ladder. Effective education for children of poor families must be tailored to their special needs; and such education is more costly and surely more difficult than for children from homes that are economically and socially more secure. The school must play a larger role in the development of poor youngsters if they are to have, in fact, "equal opportunity." This often means that

schooling must start on a pre-school basis and include a broad range of more intensive services. The President's program against poverty will propose project grants to strengthen educational services to children of the poor.

Where such special efforts have been made, it has become clear that few children are unable to benefit from good education. Only a small percentage of those born each year are incapable of acquiring the skills, motivation, and attitudes necessary for productive lives. The idea that the bulk of the poor are condemned to that condition because of innate deficiencies of character or intelligence has not withstood intensive analysis.

*Enlarging job opportunities for youth.* Recent legislation for Vocational Education will help to improve the preparation of teen-agers for productive employment. Improved counseling and employment services are needed for those leaving school. The Administration's proposed Youth Employment Act will strengthen on-the-job training and public service employment programs, and will establish a Youth Conservation Corps.

*Improving the Nation's health.* The poor receive inadequate medical care, from before birth to old age. And poverty is perpetuated by poor health, malnutrition, and chronic disabilities. New and expanded school health and school lunch programs will improve both health and education. The recent Report of the President's Task Force on Manpower Conservation, based on a survey of Selective Service rejectees, lends particular emphasis to the importance of improving our health programs, especially those aimed at children and young people. That Report also underlines the need to cope with educational deficiencies by expanded vocational and literacy training and improved counseling.

Legislation has recently been enacted to increase the supply of physicians and dentists, and to expand mental health services. The poor have a special stake in our ongoing programs of medical research. Many aged persons are confronted by medical needs beyond their financial means. Passage of the program to provide hospital insurance for the aged under the social security system is an urgent immediate step.

*Promoting adult education and training.* In an economy characterized by continual technological advance, many adults will not be able to earn incomes above the poverty line without new skills and training. The Manpower Training and Development Act and the training programs under the Area Redevelopment Act represent public recognition of this need. These and other programs to train and retrain workers must be expanded and strengthened, placing more emphasis on those with the greatest educational deficiencies. In particular, our relatively modest efforts to provide basic literacy have proved the value of such training. Many who have been regarded (and have often regarded themselves) as uneducable can and do learn the basic skills, and these in turn equip them for training programs supplying the specific skills sought by employers. Such basic education is now being made available to many more adults.

*Assisting the aged and disabled.* Continued long-run improvement of social insurance benefits, along with expanded programs to cover hospital-

related costs for the aged, and augmented construction of housing to meet the particular needs of the aged, are necessary steps in a continuing campaign against poverty.

#### ORGANIZING THE ATTACK ON POVERTY

In this latest phase of the Nation's effort to conquer poverty, we must marshal already developed resources, focus already expressed concerns, and back them with the full strength of an aroused public conscience.

Poverty, as has been shown, has many faces. It is found in the North and in the South; in the East and in the West; on the farm and in the city. It is found among the young and among the old, among the employed and the unemployed. Its roots are many and its causes complex. To defeat it requires a coordinated and comprehensive attack. No single program can embrace all who are poor, and no single program can strike at all the sources of today's and tomorrow's poverty.

Diverse attacks are needed, but we must not lose sight of their common target—poverty. Many programs are directed against social problems which the poor share with the non-poor—insecurity of income, depressed regional economies, inefficient and unattractive rural and urban environments, disabilities of health and age, inadequate educational opportunities, racial discrimination. These are all to the good. But we must not let poor individuals and families get lost between these programs. Programs must be sufficiently coordinated that, whatever else they individually accomplish, they act together to lift the economic and social status of America's poor. And soon. For war has now been declared on poverty as such.

This coordinated attack must be adapted to local circumstances. The needs of the poor are not the same in East Kentucky and in West Harlem. Coordinated programs of community action will play a critical role in the assault on poverty. Communities will be encouraged and helped to develop individual programs aimed at the special problems of their own poor families. Individual communities thus can participate in a nationwide action, research, and demonstration program, backed by the interest and resources of State and local governments and private organizations, and the coordinated efforts of Federal agencies working in such fields as education, health, housing, welfare, and agriculture.

Conquest of poverty is well within our power. About \$11 billion a year would bring all poor families up to the \$3,000 income level we have taken to be the minimum for a decent life. The majority of the Nation could simply tax themselves enough to provide the necessary income supplements to their less fortunate citizens. The burden—one-fifth of the annual defense budget, less than 2 percent of GNP—would certainly not be intolerable. But this "solution" would leave untouched most of the roots of poverty. Americans want to *earn* the American standard of living by their own efforts and contributions. It will be far better, even if more difficult, to equip and to permit the poor of the Nation to produce and to earn the additional \$11 billion, and more. We can surely afford greater generosity in relief of distress. But the major thrust of our campaign must

be against causes rather than symptoms. We can afford the cost of that campaign too.

The Nation's attack on poverty must be based on a change in national attitude. We must open our eyes and minds to the poverty in our midst. Poverty is not the inevitable fate of any man. The condition can be eradicated; and since it can be, it must be. It is time to renew our faith in the worth and capacity of all human beings; to recognize that, whatever their past history or present condition, all kinds of Americans can contribute to their country; and to allow Government to assume its responsibility for action and leadership in promoting the general welfare.

## Supplementary Tables Relating to Poverty

**TABLE 9.—Number and money income of unrelated individuals, by selected characteristics, 1962**

Selected characteristic	Number (millions)	Percent with income	
		Less than \$1,500 (1962 prices)	Less than \$1,000 (1962 prices)
All individuals.....	11.0	45	29
Age:			
14-24 years.....	1.1	81	40
25-64 years.....	3.5	27	19
65-64 years.....	2.3	37	25
65 years and over.....	4.2	64	37
Sex:			
Male.....	4.3	35	21
Female.....	6.8	51	34
Color:			
White.....	9.5	43	27
Nonwhite.....	1.5	89	41
Residence:			
Farm.....	.4	67	50
Nonfarm.....	10.6	44	28
Nonearners.....	4.3	75	49

**NOTE.**—Unrelated individuals are persons (other than inmates of institutions) who are not living with any relatives.

**Sources:** Department of Commerce and Council of Economic Advisors.

TABLE 10.—Number and distribution of poor families, by education and other selected characteristics, 1959

Selected characteristic	Number of poor families (thousands)	Percent of poor families with characteristic				
		Total	Years of school completed			
			8 years or less	9 to 11 years	12 years	More than 12 years
All families <sup>1</sup> .....	9,651	100	64	16	13	6
White families.....	7,615	79	49	13	11	6
Head under 25 years of age.....	597	6	1	2	2	1
Husband-wife families.....	496	5	1	1	2	1
Female head.....	85	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Head 25 to 64 years of age.....	4,419	46	27	8	7	4
Husband-wife families.....	3,288	34	21	6	6	3
Female head.....	981	10	5	2	2	1
Head 65 years old or older.....	2,593	27	21	3	2	1
Husband-wife families.....	2,120	22	17	2	1	1
Female head.....	359	4	3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Nonwhite families.....	2,036	21	15	3	2	1
Head under 25 years of age.....	154	2	1	1	( <sup>2</sup> )	( <sup>2</sup> )
Husband-wife families.....	101	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Female head.....	49	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Head 25 to 64 years of age.....	1,533	16	11	3	1	( <sup>2</sup> )
Husband-wife families.....	962	10	8	1	1	( <sup>2</sup> )
Female head.....	511	5	3	1	1	( <sup>2</sup> )
Head 65 years old or older.....	349	4	3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Husband-wife families.....	235	2	2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Female head.....	94	1	1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup> Include "husband-wife" families, "female head" families, and "other male head" families. Husband-wife families are those in which both spouses are present. Female head families are those with no male spouse present. Other male head families are those with no female spouse present; this family type is excluded from the detail of table but is included in the totals for color and age.

<sup>2</sup> Less than 0.5 percent.

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 in 1959. Since the data in this table relate to income in 1959 prices, they are not strictly comparable with data in other poverty tables in this Report, which are based on income in 1962 prices.

Sources: Department of Commerce and Council of Economic Advisors.

TABLE 11.—Number of families and distribution of poor families, by residence and other selected characteristics, 1959

Selected characteristic	Total families	Urban families	Rural nonfarm families	Rural farm families
Millions				
Number of families:				
All.....	45.1	31.9	9.9	3.3
Poor.....	9.2	5.0	2.7	1.5
Percent				
Percent of poor families with selected characteristic:				
Head:				
65 years of age and over.....	31	17	10	4
Female.....	22	16	8	1
Nonwhite.....	21	13	6	2
No earners.....	31	19	9	3

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 (1962 prices).

Data are from 1960 Census and relate to residence in 1959, the latest year for which rural families can be identified as farm or nonfarm.

Since percentage distributions are computed from 1960 Census data, they are not strictly comparable with distributions of poor families shown in Tables 4 and 8, which are derived from *Current Population Reports*.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 12.—Incidence of poverty, by occupation of family head, 1962

Occupation of head <sup>1</sup>	Incidence of poverty (percent)
Total civilian workers.....	12
Professional and technical workers.....	3
Farmers or farm managers.....	45
Clerical workers.....	7
Sales workers.....	9
Craftsmen.....	5
Operative workers.....	11
Domestic workers.....	74
Service workers other than domestic.....	22
Farm laborers or foremen.....	86
Laborers, except farm and mine.....	23

<sup>1</sup> Occupation in March 1963.

NOTE.—Data relate to families and exclude unrelated individuals. Poverty is defined to include all families with total money income of less than \$3,000; these are also referred to as poor families. Incidence of poverty is measured by the percent that poor families with a given characteristic are of all families having the same characteristic.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 13.—Number of families and incidence of poverty, by residence and other selected characteristics, 1959

Selected characteristic	Total families	Urban families	Rural nonfarm families	Rural farm families
Millions				
<b>Number of families:</b>				
All.....	45.1	31.9	9.0	3.3
Poor.....	9.2	5.0	2.7	1.5
Percent				
<b>Incidence of poverty by selected family characteristic:</b>				
Head:				
65 years of age and over.....	47	30	62	61
Female.....	48	44	63	63
Nonwhite.....	46	38	68	82
No earners.....	81	77	87	91

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 (1962 prices). Incidence of poverty is measured by the percent that poor families with a given combination of characteristics are of all families with the same combination of characteristics.

Data are from 1960 Census and relate to residence in 1959, the latest year for which rural families can be identified as farm or nonfarm.

Since incidence figures are computed from 1960 Census data, they are not strictly comparable with incidence figures in Tables 5, 6, and 7, which are derived from *Current Population Reports*.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 14.—Number of families and incidence of poverty, by education and other selected characteristics, 1959

Selected characteristic	Number of families (thousands)	Incidence of poverty (percent)				
		Total	Years of school completed			
			8 years or less	9 to 11 years	12 years	More than 12 years
All families <sup>1</sup> .....	45,150	21	35	18	12	8
White families.....	40,887	19	31	15	11	7
Head under 25 years of age.....	2,114	28	45	33	22	22
Husband-wife families.....	1,954	25	42	28	20	20
Female head.....	112	77	85	86	65	60
Head 25 to 64 years of age.....	33,164	13	23	12	8	5
Husband-wife families.....	30,667	11	21	9	6	4
Female head.....	2,344	42	51	46	36	23
Head 65 years old or older.....	5,609	46	53	39	33	24
Husband-wife families.....	4,454	45	55	39	34	23
Female head.....	849	42	46	40	33	28
Nonwhite families.....	4,263	48	87	42	30	18
Head under 25 years of age.....	242	64	76	66	51	40
Husband-wife families.....	178	57	71	56	45	42
Female head.....	55	89	94	92	83	50
Head 25 to 64 years of age.....	3,527	43	53	38	27	15
Husband-wife families.....	2,680	36	47	26	18	11
Female head.....	713	72	77	73	62	39
Head 65 years old or older.....	404	71	74	52	50	41
Husband-wife families.....	335	70	73	53	45	42
Female head.....	123	76	79	63	75	50

<sup>1</sup> Include "husband-wife" families, "female head" families, and "other male head" families. Husband-wife families are those in which both spouses are present. Female head families are those with no male spouse present. Other male head families are those with no female spouse present; this family type is excluded from the detail of table but is included in the totals for color and age.

NOTE.—Data relate to families and exclude unrelated individuals. Poor families are defined as all families with total money income of less than \$3,000 in 1959. Since the data in this table relate to income in 1959 prices, they are not strictly comparable with data in other poverty tables in this Report, which are based on income in 1962 prices. Incidence of poverty is measured by the percent that poor families with a given combination of characteristics are of all families with the same combination of characteristics.

Sources: Department of Commerce and Council of Economic Adviser

TABLE 15.—Earnings of elementary school graduates, by color and occupation, 1959

Occupation	Average earnings of elementary school graduates		Earnings of nonwhites as percent of earnings of whites
	White	Nonwhite	
Craftsmen, foremen, and kindred workers <sup>1</sup> .....	\$5,300	\$3,500	72
Machinists.....	5,500	4,200	79
Painters and construction and maintenance workers.....	4,200	3,100	73
Plumbers and pipefitters.....	5,600	4,000	71
Operatives and kindred workers <sup>1</sup> .....	4,800	3,600	75
Truck and tractor drivers.....	4,500	3,300	68
Other operatives and kindred workers.....	4,800	3,800	80
Service workers (including private household workers) <sup>1</sup> .....	3,900	2,900	75
Farm laborers and foremen.....	2,400	1,800	62

<sup>1</sup> Over-all average for group includes some occupations not shown separately.

NOTE.—Elementary school graduates are persons who completed 8 grades of school but not more.

Sources: Department of Commerce and Council of Economic Advisers.

TABLE 16.—Distribution of spending units with income under \$3,000, by age of head and amount of liquid assets, 1962

Amount of liquid assets	Percent of spending units with income of less than \$3,000, by age of head			
	Under 35 years	35 to 44 years	45 to 64 years	65 years and over
Total.....	100.0	100.0	100.0	100.0
None.....	68.5	70.6	57.5	39.7
\$1-\$499.....	25.8	19.6	22.3	9.6
\$500-\$999.....	2.8	1.7	5.7	7.5
\$1,000-\$1,999.....	2.9	7.0	9.2	25.5
\$2,000-\$9,999.....	(1)	1.1	3.1	10.6
\$10,000 and over.....	(1)	(1)	2.2	7.1
Percent of total units in age group with income under \$3,000.....	21.3	12.9	23.0	68.7

<sup>1</sup> Less than 0.05 percent.

Source: 1962 Survey of Consumer Finances, Survey Research Center, University of Michigan.

THE WAR AGAINST POVERTY

by

Michael Harrington

The War against Poverty is an historic moment in the life of the nation and of the world. For it is the first time that a people have dedicated themselves to the abolition of economic misery - and possessed the means to redeem the pledge.

In one sense, the current effort is an attempt to fulfill all of the social promise of the New Deal. But if it is to succeed, America cannot content itself with simply investing more money into the ideas and programs of the New Deal. For there are qualitatively new problems which confront the poor as well as the familiar quantitative impoverishment from the past.

Indeed, I would suggest that poverty in the United States can only be abolished in the process of constructing a Great Society.

I The New Poor

There is now general agreement on the rough, statistical dimensions of poverty in this land. Between 35 and 50 million people are either poor or hovering on the brink of poverty. Sometimes, they cry out their anguish in acts of violence and destruction, as in the Los Angeles riots of this year. More often, they suffer silently (the poor tend to be pessimistic, unorganized and, since they are still isolated physically from the suburban middle class, invisible).

Let me stress that the most serious definition of poverty includes those who "hover on its brink" (it was by using this concept that a Social Security Administration study estimated the number of the poor at 50 million). In the

summer of 1965, there were already some tendencies toward over-optimism because a considerable number of people had crossed the \$3,000 a year line. But are they far enough on the other side of that line to be able to survive a recession without once more becoming poor? The point is that we want to liberate people from the culture of poverty permanently.

There are other ways of describing the poor besides speaking of their income. They are the people who, in 1965, have not really been reached by the New Deal type of programs; they are the millions who somehow proved immune to twenty years of relative post-war prosperity.

But, perhaps, most importantly, the poor today are a "new" poor.

They are not hungry pioneers on the frontier or hopeful immigrants who live in a slum and in an industrializing society in which it is profitable to employ illiterates, non-English speakers and grade school drop-outs at blue collar jobs. The new poor are uneducated and unskilled in the midst of the most sophisticated, skill demanding economy the world has ever known; and they are often further trapped by racial discrimination or the accident of birth in a decaying region. Left to themselves, the new poor will not have half the chance the old immigrant groups had.

How do the present Government programs, and particularly the Office of Economic Opportunity, affect the new poor? And, looking beyond, how can we escalate the present war on poverty? I propose to answer these questions in two ways: first, by a brief historical and social analysis of how the New Deal omitted: some tens of millions of people in the post-war years and the

Economic Opportunity programs were thus required as a new departure; and second, by making a series of specific proposals for going beyond - and well beyond - our current commitments.

## II The New Deal Left-Outs

With the New Deal, the United States finally made a basic welfare commitment. Some of the programs had long been European commonplaces (Bismarck's social insurance schemes will soon be a hundred years old). Some - and here one thinks of applied Keynesianism - were very significant innovations. In any case, Franklin D. Roosevelt made the Federal Government into an active participant in the nation's social and economic life. The most basic types of interventions were:

Social insurance programs (OASDI; the uneven Federal-state system of unemployment compensation; etc.)

Direct welfare programs for those unable to compete in the labor market (ADC; general welfare; etc.)

Economic policies to stimulate full employment (increasing aggregate demand in the private economy through fiscal and monetary measures; public works spending)

Support to collective bargaining as a national policy;

Federal subsidy of farmers and some consequent controls over agricultural supply and demand.

Tens of millions - and particularly the middle third - in American society benefited from these programs enormously. By far and large the new poor did not. Among them were;

Elderly people not covered by social security and, more importantly in terms of numbers, the millions of aging whose public and private benefits did not support a decent life;

The chronically unemployed of the Fifties and early Sixties; the underemployed; the working poor sweating away at poverty jobs (some of them covered by minimum wage which legalizes a poverty income of \$2,600 a year);

the working poor and unemployed in industries or geographic areas hit by technology (they are often without unions);

the significant minority of the American farm population which, lacking market crops, does not benefit from most of the Federal programs.

But there were two special cases among the poor which were even more terrible than these preceding categories of suffering. I speak of the Negroes and the young.

By moving from the rural South to the urban South and North between 1900 and World War II, Negroes bettered their conditions somewhat, but they remained at the bottom of the economic heap. Then with the New Deal, the emergence of industrial unionism in the CIO and the full employment of World War II, Negroes actually bettered their position vis-a-vis whites until, by the early Fifties, they had progressed "all the way" up to approximately 55% of the white wage. But in the last ten years, the Negroes have made no relative progress and may even have been pushed back. This is one of the

basic causes of the racial explosions of 1964 and 1965. (In general, poverty is extremely expensive, both in social and dollar terms. According to Mayor Wagner, the special police, fire, health and welfare problems of the poor take up one quarter of the operating budget of the city of New York).

But poverty is not simply racial: the majority of the poor are white. And it has recently been realized that the left-outs are people with big families. For 20% of the people, but 25% of the young people, are defined as poor. The evidence is overwhelming that the environment of poverty could become hereditary - and that it could grow in the 1960's at the expense of the young.

### III The New Awakening

In the Sixties, there was a new awakening of the American social conscience. It began under President John F. Kennedy; it was brought to a legislative fruition by President Lyndon B. Johnson in the 89th Congress.

In part, the new programs involved a deepening, or extension, of existing approaches; increasing the coverage and benefits under social security and minimum wage, etc.

In part, there were innovations like Medicare and Federal Aid to Education (the latter being considerably oriented toward poor children).

In part, there was a new consensus, including major elements of the business community, around the principles of the Employment Act of 1946, but only so long as the Government intervention took the form of a tax cut.

And there were also new departures in education outside the vocational and public school systems which were related to unemployed workers and unskilled youth (DIA).

Finally, in January, 1964, President Johnson focused these various efforts by his explicit declaration of War on Poverty. It was this call to action which led to the creation of the Office of Economic Opportunity (OEO).

The emergence of the OEO was not just a technical change in the Federal administrative structure. It was based on the recognition of a new social reality and held out the hope of a new social approach.

In developing the OEO, the Administration realized that the poverty of the 1960's did not follow the traditional departmental lines of the Government. In the 1930s, for instance, there was a relatively simple, if truly massive, problem: get people back to work. If that one problem could be solved, almost everyone could take a giant step forward. And there are some unemployed workers today who fit in the old category. They are "merely" out of work or deficient in a skill and they can be helped by the stimulation of jobs and by an MDTA kind of program. But the new poor are different.

Being poor today is having many problems all at once. It is not just that a man is unemployed temporarily. He is, let us say, the child of a broken home in a slum, a functional illiterate, and a despairing personality. If the Government improves his housing, but leaves his literacy, unemployment and pessimism where they were, then perhaps the housing project will become dangerous, even slum-like; or it will be found that a manpower training program can't reach him because he can't read, and that even if you teach him to read, the values of the slum are constantly motivating him to drop out of the very program which is trying to help him.

Because it is a minority poverty in the midst of a quasi-affluent society, because it is the poverty of the uneducated and unskilled new poor in the age of cybernation, poverty today forms a peculiarly interdependent, self-reinforcing system. Thus, it is particularly crucial to have an over-view of this culture of misery and a coordinated plan of attack.

One of the most basic functions of the OEO is precisely that of the over-view. Ideally, the OEO should be the general staff of the war against poverty, the agency which analyzes, evaluates and focuses every single Federal activity relevant to the poor.

In addition, the OEO has its action programs.

Some are up-dated versions of New Deal measures: the Job Corps with its link to the CCC, the work-study and Neighborhood Youth programs with their ancestry in the National Youth Administration.

Some of the OEO programs are new. The most important of these is the Community Action program with its emphasis on the right of the poor to participate in the activities designed to help them. This effort has already produced protest on the part of mayors and other local officials who feel that the Federal Government is subsidizing social unrest. The opposite is true. Unless the anti-poverty program can break through the pessimism and despair of the culture of poverty by giving the poor a sense of real participation (and it is hard to rally them, so isolated have they been for so long), there will indeed be social unrest; a nihilistic, individualistic violence.

Another particularly important OEO departure has been the hiring of "indigenous neighborhood workers" - or poor people - in programs like Operation Head Start.

In short, the OEO, and the other Federal programs aimed at poverty, have made a beginning, a good start. They have demonstrated that the American social conscience and imagination are once more at work. But much more is needed, and not just quantitatively.

#### IV Towards a Total War on Poverty

1. The greatest single deficiency of the present anti-poverty effort is the absence of a commitment to tear down every slum in the United States.

The most important next step in the War against Poverty would be a declaration that, within a specified period of years, every American shall have decent housing.

As far back as 1949, even some conservatives, like Senator Robert Taft, recognized that the private housing market had failed the poor. But, we have yet to create the number of low cost units that Senator Taft targeted for the mid 1950s!

A real commitment to eliminate slums (the promise to do so is made every year by leaders of both parties; I am talking about a tangible program) would have two very important anti-poverty effects: it would provide jobs and useful jobs for the youth; it would destroy the physical environment and segregated character of poverty.

(We should thus hire the poor to tear poverty down.)

However, we cannot simply repeat the public housing programs of the past. Land speculation and suburban zoning laws have forced public housing into the central city. This has made the segregated, high rise design an efficient one - and one which perpetuates the isolation and alienation of the poor. There should be an immediate task force with the goal of solving this problem: by rehabilitation programs (but this involves moving three quarters of the population of the typically over-dense slum neighborhood in order to make it livable for one quarter, and there must be new housing for those who move); subsidy; a serious "new town" program, such as was proposed in the 1964 housing message, with the poor integrated into suburbs; new design possibilities for public housing.

Secondly, the Government should approach the construction industry and the building trades unions in advance of its declaration on slums. I believe their cooperation can be achieved, but it must be made clear to the builders that they will not be allowed to redirect the funds to middle and upper class housing as was done consistently throughout the 1950s. (e.g. "Title I" scandals). And the unions should be asked to agree to facilitate non-discriminatory, anti-poverty hirings and on-the-job training. Their quid pro quo would be a Government commitment that the massive public investment would so increase employment in their industry that all of their members would have work and thus would not be in competition with the new entrants to the industry.

2. National economic planning is required for a full scale war against poverty.

There is now an American consensus in favor of Keynesian policies so long as they take the form of a tax cut. The Administration now has to develop a new consensus in support of measures which go beyond the tax cut philosophy.

Tax cuts, of whatever form, tend to favor the rich and thus redistribute income against the poor. Moreover, under this system the individual consumer determines the form of the Federal intervention into the economy.

What the country, and above all the poor, needs is a planned and conscious allocation of resources in the public sector for housing, schools, hospitals, transportation systems, etc.

The original 1945 Democratic proposals for a Full Employment Bill and the 1964 Majority Report of the Senate Subcommittee on Manpower and Employment provide useful suggestions on how the role of the Council of Economic Advisors can be expanded to make such planning possible.

3. Medicare was a victory for the aging poor and an historic one. And yet, this program is less extensive than the 1949 Truman proposals.

We must have Medicare - medical insurance - for all Americans of every age and particularly for the poor.

4. The Appalachian Act is the first start, but only a start, toward regional planning in decaying areas.

The great gain of the Appalachian Act was that it defined a problem functionally in terms that transcended ten state lines. The concept, "Appalachia", could become as important as that of the Tennessee Valley. But the content of the Appalachian program is largely traditionalist: roads and dams and other infrastructure improvements; an assumption that money

and work will "trickle down" to the poor.

The Appalachian Commission should be turned into a regional planning instrumentality. For example, the proposals made by Harry Caudil for the creation of a new power industry in the area should be carefully examined and, if they are found feasible, this TVA type of activity should be undertaken.

There are other areas of the country - the Southwest with its vast problems of Mexican-American and Indian poverty is an obvious example - which could benefit from this regional approach.

5. The hiring of poor people to work on Operation Head Start has been one of the most important CEO innovations. The application of this principle should be greatly expanded. The opportunities for this development lie in the public service area of the economy. We can use teacher's aides, social work aides, research aides for university projects, in public and private social service agencies. We already have an CEO structure to encourage this on a small scale. It should become a major effort of the anti-poverty program.

6. With a whole series of programs, this country has been acknowledging that education is a crucial component of the Great Society as well as the War on Poverty.

We have long been committed to the proposition that the citizen has a right to a certain amount of schooling. But that right can only be exercised by families who are economically capable to having a child out of the labor market when he passes his 16th year.

We should declare that economic necessity shall no longer deprive any child of taking the educational opportunities offered him. There should be a "GI Bill of Rights" educational program in the war against poverty. For the most useless thing a teenager can do in the present economy is to work and the most useful thing he can do is to study. The society will "make money" by paying its youth to go to school.

Two results should be sought in such a program: the one eight of the drop outs who are currently forced out of school according to the Office of Education will be able to remain at their books; and families would be motivated to encourage some of the other seven eights to remain in school.

In conjunction with this approach to the poor themselves, the nation should follow the advice of the President of Yale and make preparation for social service in the war against poverty a high school and college function of equal importance with military training in the ROTC.

7. I would tentatively propose (since I do not know whether this is possible) that the Government investigate the possibility of establishing an independent foundation, endowing it, and directing it to act in some of the most controversial areas of the war against poverty. Under the present circumstances when the poor are hired by an anti-poverty effort, they can no longer have full freedom to fight for their cause against local, state and Federal government, where that is necessary since they must act within the framework of government policy.

It is extremely important to encourage the grass roots self-organization of the poor even when it takes the form of promoting conflict (rent strikes, political action, demonstrations, etc.). This is not going to be done by any agency which can be subjected to immediate political pressure.

To make an analogy, a little over a decade ago, the Ford Foundation established the Fund for the Republic with a grant of \$15 million and complete independence. Over the years the Fund has carried out valuable problems which upset some of its original donors but which could not be stopped by them. Could Congress be persuaded to establish a foundation which could then put money into non-Governmental, but public service, activities of the poor - and even controversial activities? Perhaps this is impossibly altruistic, but the poor must have some organizational resources and possibilities not subject to middle class political control, and a way must be found to do this.

8. The coordination of the Federal effort is still deficient. The OEO had to do many things in a brief period of time and, given these serious limitations, it has succeeded surprisingly well. But now there is more time for reflection.

Mayors coming to Washington literally have difficulty finding out what programs there are, how to qualify, etc. In part, this is a result of bureaucratic subdivision - and jealousy - among the various departments of the Government. But as part of a total war against poverty, the OEO should be given the job of looking at the system of poverty, outlining the social firepower required to deal with the problem, and suggesting the best, and most, coordinated way to go ahead. I am aware that there are existing institutions which are supposed to do precisely this. But I do not think that they have been taken seriously enough.

9. Finally, somewhere in the anti-poverty structure there should be an Office of Visionary Planning. Some social thinkers should be hired to think about the future without reference to political practicality. They should also be charged to assemble regular reports on the innovations proposed, or being attempted, by individuals and groups, both public and private, around the nation.

There is, I believe, a vast, restless and experimental energy which is developing, particularly among young people who have advantages. The Government will often be on the receiving end of this trend as the object of youthful attack. But it should always be remembered that these young people tend to be the most idealistic and inventive in the land - that, though they might be horrified by the idea now, they will lead this nation in the future. There should be communication and dialogue with them through the Office of Visionary Planning.

#### V The Historic Moment

The declaration of the war on Poverty and the passage of the Economic Opportunity Act marked, I repeat, an historic moment. But we have only made a beginning, important as that is.

Above all, I believe that the time has come to announce - and with as many specifics as possible - that we are going to eradicate the environment of poverty, that, at the end of a given period of years, there will not a single tenement or rural hovel still standing in America. To do this will require economic planning and a conscious allocation of resources. We can do all these things - if only we want to.

OFFICE OF ECONOMIC  
OPPORTUNITY

PUBLIC AFFAIRS

WASHINGTON, D.C. 20506

382-5216

TO : All OEO Staff Members

FROM : Public Affairs

SUBJECT: Remarks of the President at Swearing-In Ceremony of Hon. Sargent Shriver, as Director, Office of Economic Opportunity, East Room of the White House, October 16, 1964.

I am happy that those of you that were present for the signing of the NDEA bill could stay here, and I want to particularly and enthusiastically welcome to this House the associates of Sargent Shriver and his friends who have done so much to make this event possible and to launch in this country a coordinated and comprehensive War on Poverty.

One hundred years ago, Mr. Lincoln abolished slavery in this country. And we have a modern-day Lincoln from the State of Illinois whose objective is to abolish poverty in this country. Mr. Roosevelt rolled up his sleeves a few years ago and pointed out to the Nation that he needed their support for the one-third that were ill-clad, ill-housed and ill-fed.

Mr. Shriver is here this morning to assume the awesome and exacting responsibilities of directing the administration of a program that will serve not the one-third, because since Mr. Roosevelt's day we have reduced from 33-1/3 percent to 20 percent. He's here to ask your help in abolishing poverty among the one-fifth that are ill-clad, ill-fed and ill-housed.

In the measure that I just signed and the oath administered here that I will administer in a few moments, there are one common objective: That is to increase opportunity for all Americans.

We believe in equal opportunity for all, special privilege for none. And there is no work that is more prudent or more progressive or more genuinely American than this work.

For as long as there has been an America, much of our progress has been the product of good laws and good men to administer them and assure their success.

The Economic Opportunity Act of 1964 is a good law. In my judgment, it is one of the best laws. The reason it's a good law and the reason it is one of the best is because this good, competent man poured his very soul into it for days and weeks and months.

This measure rejects the approach that America has outgrown. It rejects handouts, it rejects the dole. It rejects complacency. It rejects growing relief rolls. Instead, this measure keeps faith with and puts faith in the dignity and the capacity of the individual to grow, to bloom through education.

The concept represents modern America at her best. The need is obvious for leadership which represents America at our best. And for that leadership, in my judgment, I have selected the best equipped by personality, by training, by head and heart and heels I have selected the best personality in this country for that job. He was not an applicant for it. He urged me to take many more good men and he would have said "no" to anyone except his President.

But he is the kind of a person that goes where his President leads him because he loves his country that much. And our Nation is indebted to him already for the great feats of leadership that he has performed in this country.

His work was brilliant in the '60 political arena when John Fitzgerald Kennedy was selected to lead us. His performance and the contributions that he made in helping to man this government with men of high character, deep conviction, great purpose, is almost unbelievable and I am so proud that those men are staying to help me.

His work in the Peace Corps has helped an entire generation of most able and most dedicated, most enlightened young Americans to fulfill the vision of their minds and the hunger of their hearts.

In this new and added capacity, Sargent Shriver will have a part in helping the least fortunate young Americans. These are rare opportunities for any man. But we have a rare man in Sargent Shriver. Americans today enjoy a good life but we know that we can never expect a free life to be an easy life. If we want to live in peace and prosperity at home, we must commit ourselves to doing the works in the world which are not easily and not comfortable and not pleasant.

There is no doubt that young Americans are willing to undertake such works and they need only the opportunity to accept the challenge. Out in the world, here at home, in remote nations, in next door neighborhoods, there are difficult and demanding tasks waiting for Americans. So we must take up those challenges and we must mark our lives by commitment rather than contentment.

The allies of freedom's enemies have always been poverty, illiteracy, and disease. These are the curses that we can and we must conquer. If peace is to have purpose, if peace is to be our mission, we must use it to destroy those ancient enemies of mankind rather than allow them to lead us toward man's destructions and war against himself.

So it's a very high privilege for me to be here on this occasion to observe the swearing in of the man who will start this year not to abolish slavery in this country, but a most noble calling to abolish poverty in this country.

✓  
TEXT OF PRESIDENT'S LETTER AD-  
DRESSED TO THE HONORABLE SARGENT  
SHRIVER, DIRECTOR OF THE PEACE  
CORPS, FEBRUARY 11, 1964

EARLY  
/

Dear Mr. Shriver:

I am grateful that you have agreed to accept the appointment as my Assistant for purposes of heading our program to eliminate poverty, and also to continue as Director of the Peace Corps.

As my representative, you will direct the activities of all executive departments and agencies involved in the program against poverty. You will also be my representative in presenting to the Congress the Administration's views with respect to necessary legislation.

I have called upon all departmental and agency heads and their personnel to dedicate themselves to this great task, and to exert their maximum energies and resources to assist our fellow citizens who are ill-clad, ill-fed, ill-housed or to whom the door of self-improvement and opportunity is closed.

Since this campaign against poverty will be an important part of the work of the Cabinet, I am asking you to attend its meetings.

You will also undertake the coordination and integration of the federal program with the activities of state and local governments and of private persons, including the Foundations, private business and industry, labor unions, and civic groups and organizations. I ask that you invite their close cooperation; that to the extent that they desire, you integrate their efforts with our work on the federal level; and that you encourage joint planning, joint programs and joint administration, wherever feasible.

If this is done, I believe we can proceed as a total nation to solve our problem with the greatest possible speed, efficiency, and economy. A coordinated approach, closely integrating our efforts at all levels -- private, local, state and federal -- we will be able to utilize the maximum advantages of local participation and private enterprise and benefaction, and to avoid further centralization of functions in the federal government. I think these are important objectives for our nation.

The problem of poverty is a problem for all of us. It is so widespread that it is a federal problem; but it is not just a federal matter. It is also, and perhaps fundamentally, a problem for each citizen, for each business and labor union, each charity and Foundation, our churches and our clubs. All of these must be brought together in a total national drive for total national progress against the blight of poverty.

I shall, of course, consult and work closely with you on this program.

Sincerely,

(s)

Lyndon B. Johnson

TASK FORCE  
EARLY

MEMORANDUM: THE LONG-TERM VIEW

TO: R. Sargent Shriver

FROM: Messrs. Harrington  
Jacobs  
Mankiewicz

Big + Gov. Org's

We propose to take poverty seriously.

There is no simple way to reverse the vicious, often hereditary, cycle of poverty -- of slum housing, inferior education, blighted talent and wasted lives. Therefore, we have not presented a wishful scheme for easy victory.

We are first mounting a reconnaissance in force. It is necessary, not because we are afraid of a more massive commitment, but because we have a grim respect for the enemy.

We know, first of all, that this "unconditional war against poverty" will fail if chronic, high levels of unemployment continue. It makes no sense to persuade a teen-ager who has dropped out of school to educate and train himself for a job that does not exist.

But even full employment, by itself, will not abolish poverty. The poor lack decent jobs, but that is only one among the many miseries which attack them simultaneously. They are ill housed, badly doctored, and poorly educated as well as unemployed or low-paid. Each disadvantage leads to, and reinforces, the other disadvantages.

A real program against poverty cannot treat these afflictions in isolation. It must be as integrated and comprehensive as the fact of poverty itself.

Apart from poverty-related programs to be administered by other Departments and agencies (i.e., Labor, HEW, Commerce), the anti-Poverty Program budget for FY 65--The reconnaissance in force--should be set at \$856.6 million. This sum includes the following, in addition to the sum of \$500 million set forth in the President's message:

\$160 million

transferred, in effect, from the Youth Employment Bill (to be withdrawn as separate legislation and made a part of the Poverty package). Title I called for \$80 million for the Youth Conservation Corps, and Title II for \$80 million for the "Hometown Youth Corps." Neither of these is the National Service Corps (Domestic Peace Corps), which will be withdrawn, for a net budget saving of \$5 million.

\$6.6 million

Juvenile Delinquency program, to be transferred from a joint Justice-HEW budget item.

\$50 million

Community work and training programs, transferred from the HEW budget. This is money to be used for demonstration projects in State welfare programs where the recipient is required to work as a condition of welfare payment.

\$140 million

Transferred from an HEW Aid to Education bill, these funds will be used for Federal assistance to "special education projects," such as strengthening basic skills, science centers, counseling and guidance, "lighted schools, non-school time schools, pre-school centers, remedial reading, adult literacy, etc.

The over-all sum of \$856.6 will be spent, pursuant to the attached schedule, as follows:

Camps, for Selective Service rejectees, pre-rejectees and dropouts in industry training, education and conservation work:	\$430 million (this figure includes \$80 million from the Youth Conservation Corps--Title I of the Youth Employment Bill)
Community Work and Training	\$50 million (funds to match state contributions for welfare-work projects)
Juvenile Delinquency Projects	\$6.6 million
Community Action Projects	\$238 million (as set forth in the attached schedule, this sum includes the estimates for urban and rural programs and their administration, as well as \$140 million for Special Education Projects to be spent with local School Districts in the areas set forth above, but with the approval of the Anti-Poverty Office.
Hometown Youth Corps	\$80 million (this is transferred Title II of the Youth Employment Bill, and contemplates local, "conservation" work for urban youth)
Administration of "Office"	\$2 million
Other ad hoc Programs	\$50 million (this sum is contemplated as an "incentive" fund, under the control of the Office, for special projects, research, information, compilation of existing programs, the "Gadfly" division, etc.)

The first and most important long-range campaign in the war against poverty is creating full employment. The recent tax cut will stimulate some economic growth and thus provide some increase in job opportunities. But this is not nearly enough. At best, unemployment

may drop from more than 5% to the 5% level.

The responsibility of the Federal government to create more employment is clear. This can be done, to some extent at least, by giving incentives to private industry for the generation of new jobs. But where private industry is unable to generate new unemployment, that task becomes the responsibility of Government.

American business has demonstrated that, on the whole, it is staffed by men of good will. American business understands that it prospers only when the entire economy does and suffers when 20% of the population cannot afford to buy its products. But goodwill and understanding are not enough to bring about full employment: new mechanisms are needed. And those mechanisms must reflect the American traditions. As much as possible, they must be based on incentives rather than compulsion.

Within the voluntary framework of American business, it is possible to open new opportunities for employment. What is required are imaginative approaches and the willingness to take risks that is a necessary part of any war.

First, the existing tax structure should be studied to discover whether it permits or should permit the granting of special tax benefits to businessmen who create new jobs where old ones have been lost to automation and technology.

Next, the principle whereby those businesses which invest in

depressed areas of the world are guaranteed against certain losses and given favorable tax treatment might be extended to businesses making investments in depressed areas of our own country, provided that such investments are not used as a weapon to drive down wages, depress working standards or adversely affect working conditions.

The tools of fiscal policy might be used to encourage further the diversification of "one crop" defense industries into the civilian consumption sector. Such diversification might not create many new jobs but it would serve as a buffer against further unemployment resulting from the phasing out of defense industries.

The business community should be encouraged to participate in every community effort to make active workers of those who are kept from employment by lack of education or skill. Business should encourage teen-agers who have dropped out of school to combine work and education, thus increasing their skills and worth to their employers.

Voluntary organizations, too, must enlist in the war against poverty. The trade unions, who have been concerned with poverty and unemployment for many years, should be encouraged to use their influence as trustees of union-management pension funds to invest in low cost housing, low interest educational loans, hospitals and other socially useful projects. Federal aid and guarantees could be provided to such projects.

One powerful weapon in a successful war against poverty could be government sponsored low-cost housing. Such housing would play a double role: it would provide employment and increase, markedly, the living standards of the poor.

The war also demands a great increase in the nation's educational system so that youth can take their place in the increasingly complicated technological society. In the space age, the age of free education must be raised beyond the high school level. If the country believes it proper to spend billions to send a man to the moon, surely it must approve of keeping a potential astronaut in high school and aiding him remain in college. And equally important, the increased number of classrooms that would be required will provide employment while the educational level of the society is being raised.

The workers mobility must be increased, too. Workers must be enabled to move from areas of high unemployment to areas where there is a demand for their skills. Even now, the railroad and airlines industries make such payments for moving allowances when workers lose their jobs through mergers. That principle should be extended through the passage of federal legislation to cover all workers who are disemployed and wish to seek work in new localities.

Worker mobility would be accelerated greatly, too, if all medium and large scale employers were required, by law, to list all job vacancies with appropriate state agencies. The employment service is

working now on the development of a nation-wide teletype system which will provide all its offices with the data on job vacancies any place in the country. This development should be encouraged and properly financed.

During the great depression of the thirties, a massive public works program became an absolute necessity to the nation's survival. The justification for that program was the fact that unemployment and poverty were everywhere. Today, the majority of the population is working and not in need. But the great depression of the thirties still exists for more than 35 million people.

Certainly, it is just as much the responsibility of the government to assist those 35 million today as it was during the Thirties. Therefore, a public works program should be one of the major weapons in this war against poverty and, at the same time, a means of improving the entire standard of American life.

In the recent past, such public projects have usually been proposed as part of emergency measures to combat recession. They have been regularly rejected on the grounds that their lead time is too long.

Even viewed narrowly as anti-cyclical devices, public works have a role in the anti-poverty program. The Agency should develop a shelf of such projects, in particular those which not only hire the unemployed but improve the living conditions of the poor. In this way, a strong link could be established between anti-poverty and anti-recession

programs.

More basically, the public sector of American society - housing, schools, hospitals, transportation - is inadequate to meet the demands of an evermore populous, technological economy. In this regard, our social deficiencies are an opportunity in the war against poverty. A works program could be part of a planned expansion of the quantity and quality of public services and even employ poor people to tear down their own slums and replace them with integrated communities.

#### Conclusion

Assuming all these programs and a variety of others which could be developed, fundamental problems still remain.

1. The "natural" tendency of income distribution in the present technological economy favors the rich and hinders the poor and has done so since the end of World War II.

Government policy directed toward a conscious redistribution of wealth is required.

2. The "natural" tendency of the present system of resource allocation directs resources into the most profitable enterprises of the private sector. This persistently under-develops the goods and services available to the poor, most obviously housing.

A measure of Government planning and resource allocation is required. This does not presuppose any qualitative change in the present mixed economy, is compatible with a private sector, and now

operates, in one form or another, in every thriving European country, including Germany.

3. Therefore, programming for balanced, socially responsible growth is required. It may well be that the model of the American economic mobilization in World War II could, with appropriate modifications, be applied to the war against poverty.

4. A central part of the problem is that the free enterprise system functions mainly in American society as political rhetoric. One of these days, if poverty is to be abolished and the modern world confronted, this fact should be explicitly recognized - and acted upon.

TASK Force

6 February 1964

MEMORANDUM FOR MR. SHRIVER

This memorandum will describe the shape of the anti-poverty program (economic independence program?) as I see it dimly, through clouds of good intentions, at this point.

Theme. Helping people to pull themselves out of poverty and to achieve independence. The difference between this program and all the other programs, existing or proposed to deal with the problem of poverty, is that this program is aimed at people in trouble -- not just at their housing, or their education, or their health, or their work. It would cut not one but all the chains that hold them down.

Method. You and your staff would select a limited number (4-8) of groups who particularly need and can benefit from an integrated program of assistance. These might include draft rejectees, kids who have to quit school to support their families, working mothers, over-65 breadwinners, and migrant farm workers. For each group, you would then select a limited number of communities in which you would pull together, with local help, a program package, including elements of existing programs (manpower development and training, child welfare, employment services) and new programs for this purpose. The communities you select would not be "pockets of poverty" but rather "targets of opportunity", where the people you put back on their feet would have a good chance of making their own way.

These program packages would not be Community Action Programs, either comprehensive or semi-comprehensive, but your staff would encourage the development of Community Action Programs, on the

assumption that they would only begin to take effect towards the end of FY 65.

Your field staff would deal directly with the program packages, and call on existing agencies, federal, state, and local, to handle pieces of existing programs. This is essential to avoid charges of duplicate staffing.

Clearly, the program packages will have to be tailored to the particular communities, and will grow or shrink depending on the specific community situation.

Funding. The new programs in the package would be financed out of your own \$500 million appropriation. The pieces of existing programs would be financed out of the regular appropriations for those programs, unless you decide to supplement them out of your own appropriation, which provides some leverage on the other appropriations that make up the \$600 million figure. The \$140 million for special education projects could be used primarily for pieces of your program packages, and the balance to be distributed through regular departmental channels.

The Budget Bureau is presently planning to include an additional \$70 million in the Appalachian legislation to be disbursed by you. The alternative would be to request the funds to be added to regular departmental programs. My own tentative view is that you should not administer these funds since they would dilute the image of your poverty program as concerned with people not places; you could still draw on them in connection with particular projects by agreement with the departments concerned. If you decide that you do not want this money in the bill, you should notify Charlie Schultze by the first of next week.

Legislation. The revised bill, as I see it, would consist of a very general draft of authority to you to spend funds appropriated for the alleviation of poverty by preparing people for economic independence through education, health care, job training, employment services, etc., and subject only to such narrowly defined restrictions as are thought necessary to get the bill through the Congress (not more than 5% to any one state; no bricks and mortar; Davis-Bacon Act applies, etc.).

The bill should contain a very brief section or separate title on Community Action Programs. The special educational project title in the present draft of the bill should be introduced simultaneously but as a separate piece of legislation.

Next Steps. The seven substantive program papers should be reviewed and boiled down into a single paper, selecting the most promising program ideas as: (1) a talking paper for your discussion with the President; (2) guidance, together with the organization paper, for the drafting committee working on the bill; (3) guidance for preparation of the message. Work on the bill and the message should begin. Norb Schlei is ready to go to work on the bill. I hope you can persuade Ken Galbraith to take responsibility for the message. I think it needs a single author, at least for the first (new) draft.

There are a number of other organizational problems touched on in the organization paper, which you will note has not been distributed generally -- I have one copy and Mary Ann has the extras.

Lastly, we will need a procedure to sift incoming phone calls and correspondence. Most of these can and should be ignored or postponed, but some require attention in order to avoid hurt feelings. I suggest we recruit someone from one of the agencies on a temporary basis. The task force will be ready to meet with you as soon as you have digested their out-put.

Adam Yarmolinsky

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.

February 3, 1964

MEMORANDUM FOR MR. SARGENT SHRIVER

Subject: Poverty program -- control of funds

It occurred to me on reflection this morning that we may not have gotten across the basic idea of the financial plan which I described to you at the meeting. I have the impression that both you and Adam Yarmolinsky thought we were talking about a retroactive plan -- in other words, an "after-the-fact" financial report. This is not the case. We had been thinking of having the Director of the poverty program draw up a prospective financial plan each quarter (or each six months) which would indicate an estimated use of funds. These estimates would provide detail as to where the funds would come from -- both from new money appropriated under the poverty bill and from the funds otherwise appropriated to the individual agencies for their ongoing programs.

We believe Presidential approval of such a prospective plan would provide all the needed control. However, we are now having our legal and accounting people take a look at the pros and cons of such a plan. They are also investigating how the apportionment process might tie into this and whether or not apportionment is necessary, given Presidential approval of such plans.

As soon as we have completed this investigation, I will forward you a memo outlining the results of our conclusions.

(signed) C.L.S.

Charles L. Schultze  
Assistant Director

cc:  
Mr. Heller  
Mr. Feldman

Goodell

November 28, 1966

Harold  
Harowitz

The first draft (for internal Task Force use only) of Title II of the bill was dated February 19, 1964. We had broken the total bill into parts, and I had the responsibility for Title II (Community Action Program). Our drafts of the various parts then became the topic of a group drafting effort, under Norb Schlei, including Sol Lindenbaum, John Steadman, and me.

The February 19 draft contained a section which defined "community action organization" and "community action program", as the framework for statutory authority for federal grants to a community action organization to conduct a community action program.

The definition of "community action organization" included a requirement that the organization have on its governing body representatives of public and private agencies and "persons who are representative of community and neighborhood groups . . . ." The term "community action program" was defined to include a program "conducted, administered, or coordinated by a community action organization which mobilizes and utilizes all resources, public and private" in an attack on the causes of poverty.

The next fully typed draft of the Title II was that of February 24, 1964. It was part of the first draft of the total bill which was circulated for comment within the executive branch of the government. The overall draft bill was the product of the group mentioned above, with each of us continuing to some extent with primary responsibility

for specific titles. The February 24 draft of Title II continued the separate definitions of community action organization and community action program. A "community action organization" was said to be a governmental agency or nonprofit organization with legal authority to conduct a community action program and "which is broadly representative of the community". "Community action program" was defined as a program "conducted, administered, or coordinated by a community action organization," and which, among other criteria, "is developed and conducted with the maximum feasible participation of residents and members of the groups" referred to in a later section.

The February 24 draft bill contained several sections relating to coordination of all federal anti-poverty programs. One section required the administration of the new programs created by other parts of the Act to give preference, "to the extent feasible", to programs which would be components of community action programs. Another section required all federal agencies to "carry out their programs and exercise their functions in such manner as will, to the maximum extent permitted by other applicable law, assist in carrying out the purposes of this Act". Another section related to dissemination of information about federal anti-poverty programs, "in order to assure that all Federal programs related to the purposes of this Act are utilized to the maximum extent possible".

In later drafts, before the bill went to the Congress the separate definition of "community action organization" was eliminated and much of its content was placed in the single definition of community action program. No change was made in the maximum feasible participation portion of the definition of community action program: The end point was the bill introduced on March 16, 1964 -- H.R. 10440 -- with a definition only of "community action program", including the maximum feasible participation phrase and that such a program must be "conducted, administered, or coordinated by a public or private nonprofit agency (referred to in this title as a 'community action organization') which is broadly representative of the community".

As enacted the definition of "community action program" remained essentially what it was in H.R. 10440. The reference above to an agency which is broadly representative of the community was eliminated in the course of Congress' consideration of the bill, and the Act referred instead to a program conducted by a "public or private nonprofit agency (other than a political party) or a combination thereof".

The bill as enacted contained these variations on the general theme (I hope I have not missed any):

Section 202: "Maximum feasible participation of residents of the areas and members of the groups served."

Section 211: Preference, "to the extent feasible,"

programs which are components of a community action program.

Section 611: Federal agencies to carry out their programs in such manner as will, "to the maximum extent permitted by other applicable law, assist in carrying out the purposes of the Act".

Nonduplication of existing departments or offices, in order to assure that "all existing Federal agencies are utilized to the maximum extent possible in carrying out the purposes" of the Act.

Section 612: Preference by other agencies, "to the extent feasible," to programs related to community action programs.

Section 613: Information Center to assure that all Federal programs related to the purposes of the Act are utilized "to the maximum extent possible . . ."

Before the Task Force prepared the bill there was, of course, other discussion of an anti-poverty bill. HEW had prepared a draft bill for the Budget Bureau. One draft of that bill, dated February 2, 1964, provided for federal support for "community action programs". The governing body of such a program would have to have had on it, or as advisers, among others, "persons who are representative of community and neighborhood groups . . ." (This language appears in the February 19, 1964, first draft of Title II, as noted earlier.) That draft also required utilizing services and facilities of other Federal agencies "to the fullest extent practicable," and required other agencies to exercise their functions in such manner as will, "to the extent permitted by other applicable law," assist in carrying

out the purposes of the Act.

There had also been a Labor Department draft bill, dated February 1, 1964. It contained a title on community action programs. That bill would have authorized planning grants; one requirement for a planning grant was that the applicant for the grant "give interested groups and organizations maximum opportunity to consult with and advise the planning authority . . . ." In order to receive Federal financial support a community action program under this bill would, among others, have to provide "for an organization representative of the local community within which the designated poverty area or areas are located". The program would also have to have been prepared "after consultation with interested groups and organizations, public and private, Federal, State and local," and have to provide for "enlisting the participation of existing public and private agencies in carrying out the program to the maximum extent possible". This bill also required, to prevent duplication of functions, use of services or facilities of other Federal agencies "to the maximum extent".

The impact of these earlier bills on "maximum feasible participation" is evident.

February 27, 1964

MEMORANDUM FOR THE ATTORNEY GENERAL

Subject: Relationship Between the National Service Corps and the proposed new legislation for an attack on poverty

At Herb Schlei's request, I have reviewed the draft "Human Resources Development Act of 1964" and given my comments to him. The draft bill makes no reference to the National Service Corps. It does authorize the Administrator of the Human Resources Development Agency to "recruit, select and assign volunteers in furtherance of programs \* \* \*."

I am aware that persons responsible for development of the poverty program are reluctant to tie it to the Service Corps. However, I believe the bill, by authorizing the recruitment of volunteers without mentioning the Service Corps, will be taken as an indication that the President has given up on the Service Corps.

Such an inference could be avoided, I believe, if the provision for a Human Resources Development Council in Section 504 of the bill were changed to add the Director of the National Service Corps as one of the more than 10 named Council members. If the Corps were in existence, its Director would logically be named to the Council, and since the draft bill names the Director of the proposed National Youth Opportunity Corps as a member, there is virtually no inconsistency in naming the Director of the proposed National Service Corps.

Such a change would not, in my judgment, tie the poverty program to the Service Corps. It would, however, allow proponents of the Corps--Senator Harrison Williams, Representative Thompson, and others--to say that the Administration had not turned its back on the idea.

Stephen J. Pollak

Sam Holan

Stephen J. Pollak

December 23, 1963

Supiel

Relationship between the proposed National Service Corps and the poverty program now being developed under the direction of Walter Heller

Since Bill Anderson is out of town until after the first of the year, I am sending this memorandum direct to you.

As you know, many agencies of the government are working on the development of a coordinated program against poverty, the so-called "poverty package." I have had several telephone calls from Milt Turen of the Social Security Division of the Bureau of the Budget who has been one of our contacts there for the National Service Corps. Milt believes that the Service Corps will have an important role to play in connection with a concentrated federal attack on poverty and is anxious to see that the legislative proposals embodying the "poverty package" include any provisions necessary to make this possible. He is also concerned that the pending legislation to create the Service Corps be amended if necessary to authorize the Corps to undertake projects in areas designated for federal action under the poverty program.

It is not at all clear that such action by the Service Corps would require any change in the pending Service Corps bill or that the poverty package legislation (which I have not seen) need make any special reference to the Service Corps to enable the Corps to undertake such projects. On the other hand, the poverty package is apparently going to be the subject of a strong Presidential message and of close consideration by Congress and the Nation. Accordingly, if the Service Corps is to have a role as part of the attack on poverty, it would help pass the Service Corps bill if the President would make reference to the Corps and its role in his poverty message, and if the draft poverty package legislation contained some reference to the use of the Service Corps.

I understand from Turen that the poverty package legislation being considered would provide for a four-year trial operation and then a report to the Congress. The Proxmire amendment cut down the Service Corps bill to a two-year authorization. If Service Corps activities are to be important to the poverty program, this provides a good argument for extending the period of authorization to four years.

As you can see, this is mostly an information memorandum. However, I believe the Bureau of the Budget is very anxious to have some indication of the Attorney General's views on the relationship between the Service Corps and the proposed poverty program. I have no idea what his views are, nor what he has decided with respect to a recommendation to the President as to the Administration's position on an effort to pass the Service Corps bill in the next session of Congress. If he has decided to recommend pursuit of the Service Corps legislation in the next session, I feel that the proposed poverty program requires no change in that decision. However, consistent with that decision, I think he might take the following additional steps:

1. Advise Walter Heller that he believes that the Service Corps should play a role in the poverty program -- particularly by making corpsmen available, upon local request, in the areas designated for concentrated attack under that program.

2. Suggest to Heller that the poverty program legislation and the Service Corps bill be studied to make certain that there is sufficient authorization for effective use of corpsmen as part of the program's attack on poverty.

3. Suggest to the President or Heller that the President's message on the poverty program refer to the potential important role to be played by Service Corpsmen and the importance of passage of the Service Corps bill.

cc: William R. Anderson  
David L. Haskett

December 28, 1963  
C. L. Schultze

#### EXAMPLES OF PROGRAMS IN AN URBAN SLUM AREA

The major premise upon which the proposed attack on poverty is based is that conditions of poverty grow out of a complex web of circumstances. No one program -- education, housing, training, or employment services -- can be a solution. In fact, one program, without the support of others, is likely to fail. A brilliant educational system will do little good for children from tenement homes where the parents have despaired of finding a job, where elder brothers and sisters are unemployed school-dropouts, and in which no one cares about education. On the other hand, the best motivated home environment can seldom by itself make up for overcrowded schools, unsympathetic teachers, and course materials unsuited for the bulk of slum children. Each program in a well-coordinated effort can reinforce the others. The following examples must be read in that light.

#### Improving education.

- 1) Upgrade the quality of teaching. Most teachers do not stay long in slum schools because they are not prepared for slum conditions and do not understand the mentality of their students. As a result, slum schools tend to have an inexperienced staff who spend at least half their time on discipline problems. The following program will help attract and keep better teachers and raise the general quality of education in other ways.
  - .. Salary increases for teachers who undertake special preparation and who agree to stay for longer periods of time. Additional increases for especially qualified teachers.
  - .. Special preparation in local teachers' colleges aimed at getting potential teachers to understand the nature of the problems. Student teaching at slum schools under controlled conditions would be included.
  - .. Provision of special tutorial assistance for elementary children by the brighter highschool students who would be paid for this work. This would ease the teacher's load, and at the same time provide both incentives and income for the

better students. (In slum areas a high proportion of parents are not able to help with homework or to coach a slow learner.)

- .. Reduction of pupil-teacher ratios in slum area schools. Grants for this purpose would be required.
  - .. Special reading clinics to make up, on a crash basis, the reading deficiencies which often stem from a home environment in which no one reads.
  - .. Use of "work-relief" and summer work projects (see below) to fix up school playgrounds and put older buildings in better condition.
  - .. Provide the kind of audio-visual equipment and the manual training equipment which are particularly needed in such areas, but which the schools often cannot afford.
- 2) Provide for pre-school classes for four and five year olds.
- .. It has been found that because of major deficiencies in home environment very many children from slum areas actually have lower IQ's on entering first grade than they did several years earlier. By introducing children at an early age to the habits and disciplines of school, and providing them with elementary work habits, their chances of school success can be significantly increased.
- 3) Conduct an intensive college scholarship program for promising highschool students in slum areas. (Also can be done in areas of rural poverty.)
- .. In Kansas City a very successful program has been in operation which identifies potential slum children in sophomore and junior years. It is not enough to provide scholarships in such cases. Parents have to be approached and motivation established. These youngsters have to be taught the manners and habits necessary for acceptance in a college community, etc. With this kind of intensive work the Kansas City project has been able to maintain a record of only 15 percent dropouts from college among the slum children given such scholarships.

Jobs and work training.

1) Combine "work-for-relief" with job and literacy training.

- .. Jobs can be provided, under the ADC-unemployed parent relief program, for unemployed parents. The work can be combined with training -- in many cases basic literacy training is necessary. The authority for this is contained in the pending Community Work and Training Program, part of the Civil Rights amendments. Supplementary funds can be provided through authority in the "Poverty Bill" to use this program intensively.

2) Summer work projects for school-age youth.

- .. City and county governments could put school-age youngsters to work in a host of useful ways -- fixing up schools, repairing roads, improving city parks, as clerical assistants at city halls, etc. under the Poverty Bill. Federal funds would be available, but local contributions would be required. Not only would this increase family income, but it would provide valuable work experience.

3) In-school work projects.

- .. In addition to the "tutors" mentioned above, clerical, janitorial and similar jobs could be provided for a moderate number of hours a week for highschool students.

4) Keef-up the MDTA programs in the area and combine them with "neighborhood" employment services.

- .. In many cases it takes intensive counseling, special testing, and continued follow-up to make the MDTA program work for the hard-core slum unemployed. Many have had no prior work experience requiring any technical skills. These additional services can best be provided at the neighborhood level by agreement between local authorities and the Federal MDTA officials.

- .. More flexibility could be provided in the NDTA programs, combining work when available -- e.g., summer construction work -- with continued training. At the present time, many trainees drop out when temporary jobs are available.
- .. Additional funds should be made available in the project area to provide training for all who are willing to take it.
- .. Relocation allowances would be provided in cases where jobs can be located in labor-scarce communities outside of commuting range. (As the tax bill takes hold, the presently limited number of such communities should rise.)

#### Health services.

##### 1) School health program.

- .. An intensive medical examination program of school children to identify major health shortages.
- .. A program of preventive medicine: vaccination, shots, etc.
- .. An experimental program in which grants would be made to pay for group insurance on school children against certain major illnesses.
- .. In some communities, at least, cooperation of the local chapters of the AHA could be secured for setting up clinics at the school to treat slum children.

##### 2) Community-wide health services.

- .. A substantially intensified visiting nurse program.
- .. A stepped-up public health program directed toward educating slum dwellers on elementary hygiene.

### Community schools.

- .. The local school could, with modest financial assistance, become a real community center. Adult education, recreation programs, local health services, etc. could be centered on the school.
- .. It is crucial to get lower-income parents involved in education. Through the use of the school as a center of community services, some beginning can be made in this difficult process.

### Service center for "immigrants."

- .. The rural poor, often uneducated and "lost," flocked into slum areas with no knowledge of the services available. Neighborhood centers -- located preferably in the schools, could identify and assist these "immigrants," particularly with counseling and referrals to employment services and training projects.

### Consumer counseling.

- .. Many slum families get less for their dollar than middle-income families. Because of ignorance and lack of background, they are often "suckers" for sharp practices, particularly with respect to installment sales contracts for luxury items far above their budget. Garnishing of wages by sellers compounds the problem and puts the law on the side of those who prey on ignorance. Consumer counseling -- using the school as a base -- and a few legal aid centers could reduce these abuses substantially.

December 26, 1963  
C. L. Schultze

#### RURAL AREA PROGRAMS

Many of the programs to attack poverty in city slums are also applicable to rural areas:

- .. Improving the quality of schools through teacher upgrading, selective salary increases, and grants to purchase needed equipment.
- .. Intensive college and technical school scholarships.
- .. Combine work-for-relief with training programs.
- .. Summer work projects for school-age youth.
- .. Expansion of MDTA, combined with intensive counseling and testing.
- .. Selective relocation allowances.
- .. School health programs and a stepped-up program of community-wide preventive medicine.

In addition, there are other programs which are particularly applicable to rural areas:

1) Grants to assist school consolidation.

- .. In many rural areas improvements in education will not be forthcoming until a drastic school consolidation program is undertaken. Too many schools are so small that they cannot offer the kind of teaching quality, courses, and physical facilities which are necessary.

2) Use of the summer work program and the work-for-relief program to provide minimum improvements to "school-bus" routes.

- .. In many mountain areas (e.g., Eastern Kentucky) school consolidation is impossible without better access into the "hollows."

- 3) Stopped-up school lunch and special milk programs.
  - .. Many poor rural schools literally cannot afford to use the school lunch program because they have no kitchen facilities and cannot afford the handling costs. Use of surplus Federal equipment, in combination with the work-for-relief program, can fit these schools for the school lunch program.
  - .. Provide two meals a day (instead of just lunch) to school children in very poor school districts.
- 4) Expand the Agriculture Department's current grant program for the repair of dilapidated farm housing.
- 5) Use the Agriculture Department's ACP and loan programs to increase the productivity of the very poor subsistence farmer.
  - .. From the standpoint of overall national productivity, this may not be the best way to employ these funds. However, many of these people will remain on the farm, despite heavy overall outmigration. Their income prospects can never be made very good, but they can be improved.
- 6) Identify migrants leaving the farm areas and their destination and cooperate with city welfare, housing, and school authorities in order to ease the transition problem.

## WORK-STUDY PROGRAMS\*

### I. DEFINITION

"Work-study," as defined herein describes a program that provides employment together with some organized means of education or training. This definition intentionally general, to provide maximum flexibility and scope for imaginative programming. Thus, the work aspect might be in the public or private sector, performed individually or in groups; paid by the employer or by the program. The study aspect might be in regular day high schools; evening schools; special literacy classes; on-the-job training; or some other combination of elements.

### II. PURPOSE

Programs combining work and education can serve the following purposes:

1. Providing a source of income that can begin to break the cycle of poverty, i.e., a first step toward upward mobility.
2. Upgrading of the general level of literacy and training.
3. Accomplishing needed tasks in local communities.
4. Providing activity that will have saturating effects on young participants during the period when they are, because of age and lack of preparation, ineligible for regular employment.

### III. THE CRITICAL NEED

The need for this kind of program is based on the following premises:

1. The year 1958 clearly demonstrated the inability of the economy to produce enough employment in familiar occupations to absorb a growing labor force. With the U.S., in the words of the NEW YORK TIMES, "sunk in a sea of liquidity," with profits as well as other

1. Those directed specifically to occupational preparation, in which high-school (or college) students divide their time between work and the classroom.
2. Those in which students take on unpaid assignments for the purpose of vocational exploration, particularly in professional and upper white-collar fields.
3. Those which advocate part-time jobs as an adjunct to schooling for so-called "potential dropouts" and "slow-learners" on the assumption that a general work experience will motivate them.

In general, the first two types have encompassed mainly well-adjusted, upwardly mobile young people. The third type has been limited in its effect by the brief period of enrollment, by difficulty in obtaining appropriate paid work stations, and by inadequate planning for the future employment of those served by the program.

New forms of work-study are being incorporated in programs now beginning, including those supported by Federal funds. Some of the promising ideas from these, as well as several derived from established programs, are incorporated in the recommendations below.

#### V. NEEDED INNOVATIONS

To serve the target groups involved in an attack on poverty, the nature of work-study programs must be changed, and opportunities for participation must be greatly expanded.

- A. The Creation of Training Jobs. Models for this form exist in traditional work-study programs, and in new variations such as Chicago's Double E program. There, Carson Pile Scott Co. (and

later several others) created training positions for high school dropouts and potential dropouts, who spent alternate days in a special school program related to their work in the store. Employers have been wont to complain about deficiencies in attitude, education, and training of the labor force. Subsidies afforded them in living allowances for trainees might induce them to participate personally in ameliorating the situation and in insuring their adequate replacements for their skilled labor force.

The educational component of such a program should include pre-employment orientation, and an effort to raise basic literacy as well as to impart the technical knowledge necessary for job advancement.

To expand such a program to include training for jobs not directly related to the particular employer's needs might require subsidy in the form of tax incentives as well as the provision of training allowances.

- B. Experimentation in Redefining Jobs. Here we have in mind attempts to create new jobs that are adjuncts to old ones, and that serve to improve the productivity of more highly trained personnel. The prototype is the engineering technician. In New York City, the police department has hired a corps of recent high school graduates to serve as clerks, thus relieving policemen of time-consuming paper work. Furthermore, service as clerks acts as a form of vocational exploration, and for those who wish to enter the police force, employs them usefully in related tasks until they are eligible at 21. Foresters have also been concerned with the overprofessional-

zation of conservation work. The proposed creation of a Youth Conservation Corps would provide the opportunity for professional foresters to supervise and train a large number of lower-skilled workers. Some of these might wish to remain in this kind of work and should have the opportunity to do so. All, however, will require remedial education programs.

In private industry there are overcast personnel and management practices to overcome which will require studies of feasibility, and experiments in forms of incentive. Since the purpose of the corporation is production and not the creation of employment, the size of the incentive may have to be fairly large to induce experimentation.

- C. The Regularization of Marginal Forms of Employment. Today many needed tasks are performed in a haphazard fashion which serves neither consumer nor worker very well. Our proposal for overcoming this difficulty has been made by a group at the University of Michigan. Unemployed persons would be furnished with training leaders and equipment to perform household maintenance tasks at set fees. With auxiliary training in classrooms, cooperative work groups could, in time, establish themselves in a regular, hopefully well-managed small business. On another tack, existing marginal enterprises, which so often cast their proprietors into the ranks of unemployed might well be the object of the Small Business Administration's attempts to improve management and decision-making.
- D. Combining an Attack on Public and Individual Poverty. Although all of the above variations deserve attention, under present con-

ditions, they would fall far short, both in number of jobs created and in the population groups for which they would be most suitable. If programs of community action are to be undertaken, it is desirable that they themselves generate employment. This, in part, is the notion embodied in the urban work title of the Youth Employment Act. Let us assume that in a given city or part of a city it were possible to catalog the needs of the population in housing, recreation, health services, personal services for the aged, and basic amenities such as improvement in street-cleaning, tree-planting and other beautification measures. A large number of people at relatively low levels of skill could be continuously employed to meet these needs. In urban renewal, for example, the rehabilitation of buildings can be supervised by professionals and craftsmen, but much of the work can be done by trainees. Hospitals could use many more unskilled personnel to make the patients' stay more comfortable. The aged who live alone and often on exceedingly marginal incomes could benefit from regular services, such as shopping, taking out the laundry, being accompanied to the clinic, and even simple companionship. To employ people temporarily or even permanently to do these kinds of work seems mostly only because of our fixed habits of allocation of resources. If they are tasks that the community agrees need to be done, then payment for them is no more subsidy than the now generally accepted costs of government and services to individuals and to business.

We are faced with the dual need to provide support at a higher level for our indigent population and at the same time to raise the level of their education and training. The kinds of program

recommended above are necessary now, at least until the private sector can turn profits into jobs. If it should become clear that industry has reached a point of declining return in jobs, then the expansion of public and community services is the logical way to utilize the increases in productivity in those enterprises which can serve us better by machines.

#### VI. NEED FOR COORDINATION

A number of the programs recommended above could be developed by individual Federal agencies under existing mandates or passage of particular pieces of legislation now on the agenda of Congress. But the impact of each of these pieces would be vitiated without coordination at Federal, state, and local levels. In this regard, the Federal government's taking the lead could obviate some of the problems which have plagued cities eager to take advantage of new program ideas.

In the first place, permitting program fragmentation lays government open to charges of mismanagement and waste. Duplication of effort is only one form of waste, but a serious one. In a number of cities (New York and Chicago are but two examples,) five or more agencies -- both public and private -- are all engaged in the search for jobs for what is essentially the same target population. While the number of people engaged in "job development" efforts may not be excessive, the return on their uncoordinated efforts is clearly not optimal.

An approach that is coordinated at the Federal level can set an example in the communities, so that one client will not be subject to several layers of bureaucracy, each with its own rules. Without coordination, there may be spurious opportunities for participation in some activities,

while those completing some program phase may find no where to go when it is over. It is wasteful to plan a program around a short segment of a person's life and then subject him to the anger and frustration of being able to utilize his all-too-brief experience.

Making various programs could provide more flexibility of program and better connections between various stages. It could in addition, make it possible to introduce innovative practices, and by attaining some freedom from entrenched bureaucratic practice, enhance the possibilities of public-private cooperation in seeking new ways to deal with poverty.

ANEC(sic)DOTES

ART WHITE  
EARLY

The precipitous evacuation of the Task Force from the Court of Claims (see transcript) on a Friday evening got them Monday morning offices in the old emergency hospital. By Friday, they had lost that space and been consigned to the basement of the building (then staff of about 80) where the "management" office preparing the submission of the first budget to Congress was located in the former morgue -- where steam pipes made it impossible for anyone to stand upright.

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Until Brown building, OEO had the dregs of Govt. furniture -- only the surplus that GSA couldn't sell, even at give away prices.

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While OEO task force was at Emergency Hospital, gardener from Corcoran Gallery across the street wandered in, went to roof and jumped. Some time of panic till it was determined he was not task force member, overburdened.

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Literally hundreds of people -- high school and college kids, housewives, returning Peace Corpsmen, etc and even congressional wives worked thousands of hours in the Task Force days in every kind of capacity. Most simply walked in off the street.

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Head Start almost a year later triggered almost the same kind of wild but fruitful disorganization. That program in <sup>(60 DAYS MAR)</sup> April of 1964 expanded from an allocation of \$16 million to \$90 million and from a hope for 25,000 kids to 500,000. The result was an enormous short-term demand for all kinds of help. One rather clever idea that was adopted -- since a lot of work involved evaluation of schooling and teaching services -- was to go to the nearby Maryland and Virginia school systems along with D. C., and get their list of substitute teachers. These people, all bright and educated and trained in the general field were also obviously available for part-time work. Four hundred of them worked for three weeks to get processed the hundreds of Head Start applications. At the same time, to do the clerical work, they hired government girls from all over town to work a second shift here along with all kinds of volunteers. One IBM typewriter repairman who came in one evening to fix a machine was asked if he knew how to type. When he acknowledged that he did, he was asked to sit down at the typewriter that he had repaired and then came back each night for two weeks and worked as a clerk.

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Sarge was at his best on the hill and preparing for same. For his first appearance before Congress as Director of OEO in '64, he was given the ~~W.H.C. did not~~ presentation for the first time at midnight prior to a 10:00 AM hearing. He went home, slept 'till 3:00 A. M., rose, testified at 10:00 AM, and had to fight off the congressional committee which wanted to give him more money.

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A year later, in preparation for Senate Hearings, arrangements were for staffers to bring him material before he left the restaurant at 11:00 PM, where he was dining with several committee members. They missed him by about five minutes. A staffer drove to his house which was dark and apparently asleep, tried the front door, found it open, and left the statement for the committee on the floor of the living room. Sarge awoke at 3:00 AM, wondered where it was, wandered around the house, found it on the floor, marked it up, left it there, and went to bed. The staff man, enroute to the office at 7:00 A. M. walked by the house, went thru the open front door, picked up the statement, brought it to the office, had it re-typed, and handed it to Sarge as he walked into the hearing room at 10:00 A. M.

TASK FORCE

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The basic people involved initially were Chris Weeks of the Bureau of the Budget, now Sarge's special assistant who was, in the earliest days, in charge of drafting the first budget presentation; and Norbert Schlei, Deputy Assistant Attorney General, who was in charge of the team drafting legislative language. Almost all of the major components had their genesis elsewhere. Job Corps and Neighborhood Youth Corps were refinements and outgrowths of the National Conservation Corps legislation which had been going nowhere on the Hill.

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Work-Study and Adult Basic Education were components of the languishing omnibus education bill stuck in committee. CAP had four early forebearers. The Ford Foundation work in a number of states, The juvenile delinquency program in which Dick Boone was deeply involved and the Appalachian Volunteers, and early Kennedy Program.

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 The original project was drawn from existing contingency funds of \$500 million which had been earmarked by Johnson for the <sup>via/</sup> FY 65 <sup>Domestic</sup> project without definition as to program. \$160 million was drawn from the Youth Education Act then pending; \$50 million from the omnibus Education Bill Project and \$54 million from a special Presidential contingency. = \$ 764. will.

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 Particular attention should be paid, I think -- since none has previously -- to the fact that the Budget Bureau was the big pusher and <sup>insister</sup> for the CAP concept in Task Force and <sup>Bill</sup> and drafting days. This fact which may seem surprised <sup>with</sup> in view of more recent flak from the Budget Bureau, results from their long-standing position in government as advocates of the philosophy that government agencies should serve as much as possible in a coordinating <sup>role</sup> rather than an operating role in local matters. This CAP carries out precisely.

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 The last days before the March 1964 introduction of the War on Poverty message and bill were characteristically <sup>effective</sup> effective. Walter Heller and Dick Goodwin were

the Presidential message over the weekend. The Task Force wrote the legislative language at the same time, and the President received both late Sunday and they went to Congress on Monday.

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Insiders agree that two persons, seldom mentioned, played a key role at important points in the initial days. They credited Abe Fortas with urging on the President the creation of a separate executive office to coordinate and operate War on Poverty programs, rather than permit them to be parts of traditional governmental bureaus. They credit the President with the personal decision to ask and persuasion to get Phil Landrum of Georgia to serve as FLOOR manager as the key ~~manager~~ factor in getting the first bill through the House in the summer of '64.

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It also emerges that through those early days, most decisions leading up to the message and legislation emerged as ~~CONCERN'S~~ <sup>WENT TO LBS</sup> recommendations to the White House. However, they also agree that the decision to give Job Corps to OEO rather than Labor was made by the President after the unresolved ~~DIFFERENCES WENT TO HIM AS ALTERNATIVE OPTIONS~~.

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Following the sequence of the name "War Against Poverty" from Kennedy's speech through Harrington's book to the New York Time Review and the report of the Council of Economic Advisors, resultted in the creation of "The President's Task Force on the War Against Poverty" comes the question: <sup>When</sup> ~~When~~ did it change to the "War on Poverty?" It happened this

way: In the first Peace Corps incarnation, all sorts of people were replying to letters on White House stationery because it was the only paper they had and using envelopes from every government agency anybody was affiliated with because they had no postage budget (the government envelopes have a blank <sup>"FRANK"</sup> The Post Office Department is reimbursed by each department for the <sup>used</sup> postage and it is not charged against the Post Office Department budget.) And then quite accidentally someone discovered that it was highly irregular, if not downright illegal for anyone of these people to write letters on White House stationery. They quickly ~~negotiated~~ <sup>MINOR CORRECTIONS</sup> some simple stationery with just the typewritten head saying "The President's Task Force on the War Against Poverty," and grabbed the first printer who came down the hall to print them up some stationery. At that time nobody was paying much attention to graphics. The printer, concerning himself only with typographic <sup>OF</sup> and spacing, changed it to read "The President's Task Force, the War on Poverty." And so, of course, when Goodwin and Heller were writing the message and the Schlei team was drafting the legislation, they naturally turned to the official source, i. e., the only source available, the printed letterhead.

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In those early days of correspondence, public reaction to the first discussion of the concept (Jan-June, 1964), hundreds of letters arrived.

many of them from children with financial contributions ranging from nickels and dimes to dollar bills. This was OEO's first accounting of finances (since it had not federal money). So, in its Task Force days, the War on Poverty was drawing nothing from the federal government, but was, in fact, contributing to it.