



Joint Economic Committee

Representative Kevin Brady • Chairman

REPRESENTATIVE HANNA ON BEHALF OF CHAIRMAN KEVIN BRADY JOINT ECONOMIC COMMITTEE

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Increasing Economic Opportunity for African Americans: Local Initiatives that Are Making a Difference

Vice Chair Klobuchar, Members, and distinguished witnesses:

Let me begin by noting that, through the title of this hearing, Vice Chair Klobuchar and her Democratic colleagues acknowledge that Washington does not have a one-size-fits-all solution to every problem that Americans face.

Yesterday marked the 100th anniversary of the beginning of World War I when Austria-Hungary declared war on Serbia. The Great War disrupted the supply of immigrant labor to American industries. In what became known as the Great Migration, hundreds of thousands of African Americans moved north to fill these jobs. There, African Americans enjoyed a level of economic freedom and prosperity that they had not previously known.

Also, July 2nd marked the 50th anniversary of the passage of the *Civil Rights Act of 1964*, which outlawed discrimination in public accommodations and employment based on race, color, religion, sex, or national origin. Through this Act, both Democrats and Republicans sought to close the opportunity gap, generated by racial prejudice and segregation, and provide African Americans with an equal opportunity to pursue the American Dream.

Over the last half-century, there has been substantial progress in narrowing the opportunity gap for African Americans. Fifty years ago, less than 25 percent of African American adults had a high school diploma; today, more than 85 percent do. And there has been a five-fold increase in the percent of college graduates. Inflation-adjusted median family income of African Americans has nearly doubled. The percent of African Americans living in poverty has fallen by more than a third, and the percent of children living in poverty has fallen by nearly half.

Nevertheless, the opportunity gap for African Americans has not been completely closed. Much of what remains of the opportunity gap is caused by the lack of education and job skills needed to prosper in today's economy, and the dependency on discordant government programs, which penalize personal advancement and work.

The surest route to prosperity for every American is a good education. For poor African American children raised by single mothers in rough inner city neighborhoods, a good education, as economist Thomas Sowell argues, is their one chance at a better life.

America has many great public schools with excellent teachers that provide students with an outstanding education. Unfortunately, America also has failing public schools with struggling teachers, many of which are in inner cities serving poor children.

Economically prosperous families can avoid sending their children to failing public schools by either moving to a different neighborhood with good public schools or enrolling their children in private schools. Prosperous families have always had school choice.

Until recently, most poor families in inner cities had no choice—their children were forced to enroll in the assigned public schools even if they failed to provide a good education. Over the last decade, however, the public school monopoly for the poor has begun to crack.

Republican governors and legislators working with parents have developed new and innovative approaches to provide all parents, regardless of their income or wealth, with choice for where their children are educated. The choice movement has taken a number of different forms—charter schools, vouchers to attend private schools, and privately funded scholarships to attend private schools.

One of our witnesses today is Dr. Eva Moskowitz, the founder and Chief Executive Officer of Success Academy, a charter school system in my own state of New York. She has overseen an expansion from one school in Harlem in 2006 to 22 schools serving 6,800 children. Her students, who are largely from poor minority families, score in the top 1 percent in math and the top 7 percent in English Language Arts in state testing.

Americans are a generous people, willing to help the poor through government-funded welfare programs and private charities. But Americans are also a practical people. We want our safety net to be a trampoline—helping able-bodied, working-age Americans to move from poverty into the middle class. We don't want our safety net to be fly paper—trapping the poor in a multigenerational cycle of dependency.

Another witness, Dr. Aparna Mathur, has identified what local initiatives in social welfare programs can actually lift women, especially African Americans, out of poverty, and making economic growth even more inclusive for the poor. She has argued for streamlining existing programs in order to improve transparency about the implicit tax penalties associated with each program. Dr. Mathur will offer Members important lessons on how to restructure our existing anti-poverty programs—improving the lives of current beneficiaries, while providing a better value for taxpayers.

With that I look forward to hearing the testimony of today's witnesses.