

**Remarks by David Eichenthal
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Chattanooga Rotary Club
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Thank you, Tom Griscom. And thank you members of Rotary. I appreciate the opportunity to be here this afternoon.

Let me begin by spending a few moments giving you an update on the work of the Ochs Center.

The Ochs Center has been serving our community for more than 45 years, starting as the Metropolitan Council for Community Services, becoming the Community Research Council in 2000 and the Ochs Center for Metropolitan Studies in 2008. We are a non-profit organization located on the UTC campus and we have a full time staff of seven and, at any given time, we also have two or three students or part-time staff working with us as well.

Our mission is to conduct independent data analysis and policy research to improve the quality of life in the Chattanooga region. And we do that in several ways.

In the last year, we have worked with a dozen local government agencies, non-profit organizations and foundations, providing research and data analysis support on projects ranging from the development of a crisis intervention team initiative for Hamilton County to supporting efforts to improve teacher preparation and recruitment in the school system.

Sometimes, we go beyond data analysis and look at how public policy can be changed to improve our community. For the last two years, we've worked with a 19 member advisory board to help to develop a series of recommendations to ensure that all children in Hamilton County are ready for school.

Increasingly, we've been asked to work outside of our region as well. In the last year alone, our work has taken us to New Orleans; Cleveland, Ohio; Milwaukee; Kansas City; Durham; and Gary, Indiana to help cities manage tough budget challenges as they weather difficult economic times. And, just two days ago, we issued the third in a series of reports this year that examined fiscal and economic issues related to proposed new coal fired plants in Kentucky and Georgia.

But the core of our work has been what we call the State of Chattanooga Region Report. In both 2006 and 2008, we looked at different areas of public policy – Health, Education, Public Safety, the Environment, Early Childhood, Housing and the Economy – and reported to the public on conditions in our region, our county and neighborhoods and communities throughout Hamilton County. And, as we speak, we are getting ready to do so again in 2010.

We examined thousands of different points of data – information about births, crime data and the results of a telephone survey of 1000 Hamilton County residents – and compared how our six county metropolitan area, Hamilton County and Chattanooga stack up other similar regions, counties and cities across the country.

All of this data, including detailed profiles on 36 subregions in Hamilton County, is available on our website at www.ochscenter.org.

A lot of data. Hopefully, a lot of information. But certainly, a lot of numbers.

So that any time that I am asked to give a speech, I know that there is an expectation – given our work– that I will talk about numbers.

The problem with talking about numbers though is that when you talk about too many numbers, it becomes hard for people to decide which ones are really important and which ones are not.

Moreover, speeches about lots of numbers tend to be as exciting as speeches about government procurement – trust me, I know, I have given both. A dreaded phenomenon known as MEGO – “my eyes glaze over” – quickly sets in as the audience nods off.

So to avoid giving everyone a holiday bout of MEGO, I am going to limit my remarks today to a discussion of just four numbers. Numbers that, I hope, sum up both our region’s success and, more importantly, the challenges before us. Four numbers that I hope each of you will remember, and in the case of some of those numbers, work to change.

One
Twenty
Thirty seven
Forty eight

Did you write them down? There will be a test at the end.

The first number is easy to remember. And, as in football or basketball, being number one is a good thing.

Since 1980, twenty U.S. cities with more than 100,000 residents have lost -- or are on track to lose -- more than ten percent of their population in a single decade. By and large, these are cities – like Buffalo, Flint or Gary, Indiana – that have seen consistent and constant population decline for decades. In places like Detroit, people are now talking about a version of planned depopulation and turning back former residential neighborhoods to prairie.

The list of 20 cities includes more than just snowbelt cities of the Northeast and Midwest. Even before Katrina, New Orleans was on the list. And Birmingham has lost nearly one-third of its population since 1960.

These cities are where the problems of urban America – from poverty to crime to disease – are the greatest. They are our nation’s toughest domestic challenges.

In 1990, Chattanooga made the list – having lost just over ten percent of its population in the prior decade. But in the 1990s, because of the efforts of many in this room today, Chattanooga began its turnaround. By 2000, Chattanooga had gained population – making it the one U.S. city with more than 100,000 residents to have lost more than ten percent of its population in the 1980s and then gain population in the 1990s.

Since 2000, our City’s population has continued to grow – so that Chattanooga’s growth rate is now greater than the County’s overall rate of growth. And more people live in Chattanooga today than ever before.

The city’s success – that all of us experience every day – is remarkable because it is so unique. Of the list of twenty declining U.S. cities, only *one* has reversed its decline – Chattanooga, Tennessee.

The number one is symbolic of our city’s success and the success of our region.

But to continue our city's unprecedented turnaround, we need to pay attention to some numbers that frame our challenges and that, if left untended to, will make this singular success a passing one.

Twenty. In Chattanooga, twenty is not a good number. Twenty percent of Chattanoogaans are living in poverty. One in five. The latest poverty data suggest that Chattanooga's poverty rate is one and a half times the national rate. As of 2008, before the worst months of the current recession, nearly 35,000 Chattanooga residents were living in poverty.

For an individual, poverty is an income of \$10,830. For a family of four, poverty is an income of \$22,050. To put this in context, a family with one working member of the household who earns the minimum wage would have an annual income of \$13,195.

Sometimes numbers don't do justice to describing a problem. People living in poverty – many adults who have jobs and many children who were born into it – worry every day about their next meal and their next rent check. They depend on an often fragile network of social and health services just to get by.

And, in Chattanooga, the twenty percent citywide poverty rate masks the degree to which poverty is concentrated. We know that there are parts of our city where the poverty rate is far higher and the challenges of every day living are about survival.

Of thirty six subregions in Hamilton County, five have poverty rates of more than 30% -- including one where nearly half of all residents live in poverty.

These are the parts of our city where more than half the robberies and forty percent of all aggravated assaults in Hamilton County occur.

More than a third of public school students in these areas fail to attend school regularly. And, not surprisingly, the children of these subregions have been among the poorest performers on third grade reading tests.

These same subregions are among the areas with the lowest property values, the most subprime lending and the highest rates of foreclosure. They lack the most basic services, and as a result, people who live there frequently pay more for the services that they do have.

We should be very proud of the number one. But the number twenty is something that each of us should reject as totally unacceptable.

Thirty seven. I remember the first time I saw the number thirty seven – at least in this context. I was riding on a train from Philadelphia to New York and reading a draft report on early childhood risk factors. I called Eileen Rehberg, our Director of Data Analysis, because I was sure that there was a typo in our report – but, there wasn't.

We have too many children in Hamilton County who don't make it to their first birthday. We have too many children who are born with low birth weights and if they do make it past their first birthday, we know that they are at risk developmentally.

There are a lot of reasons – some may be economic, some may be environmental. But the next time you think about the problem of infant mortality or low birth weight, I hope you think about the number thirty seven.

Because, in Hamilton County, thirty seven percent of our children are born to mothers who receive no prenatal care until after their first trimester of pregnancy, if at all.

We have to do better than that. And we know that we can because others already are. In 2006, just seventeen percent of mothers giving birth in the United States lacked first trimester prenatal care. In the neighboring states of Virginia, North Carolina, Georgia, Alabama and – yes, even Mississippi, more than 80% of mothers giving birth had first trimester prenatal care.

So, thirty seven is a bad number, but it is a number that can be changed.

Of course, the number 37 is related to the number 20 – poverty is a real and significant barrier to access to prenatal care. And the problem of poverty – especially concentrated poverty – is not unique to Chattanooga.

At the federal level, the Obama Administration has sought funding for two initiatives – Choice Neighborhoods and Promise Neighborhoods – both designed to achieve reduce poverty in neighborhoods with highly concentrated poverty.

Earlier this year, we were pleased to host a forum that brought Paul Tough, a New York Times reporter, to Chattanooga. Paul has written extensively on the Harlem Children’s Zone, the model for the federal Promise Neighborhood initiative. And we are working with officials from the County, the Community Foundation and others to help Hamilton County compete for funding under both programs.

But, around the nation, state and local governments are not waiting on federal action.

In Minnesota, the State Legislature created a commission to develop recommendations to eliminate poverty by 2020.

In Illinois, the Legislature has created a commission to develop steps that would reduce extreme poverty in the state by fifty percent by 2015.

And earlier this year, Virginia Governor Tim Kaine convened a task force focused on reducing poverty in the commonwealth.

At the local level, New York Mayor Michael Bloomberg convened a Commission on Economic Opportunity in 2006 which in turn led to the creation of a Center for Economic Opportunity.

The Center oversees the development of a coordinated and comprehensive approach to poverty reduction which includes programs to create green collar jobs, increase education programs in City jails, provide training and job placement for young offenders coming out of prison, expand school based health programs, increase access to affordable, quality food in low income neighborhoods and create nurse-family partnership programs. And it ensures that individuals eligible for federal programs like food stamps and the earned income tax credit take full advantage of those programs.

Similar comprehensive efforts are underway in cities like Milwaukee, Providence, R.I. and a nationally acclaimed effort, Step Up Savannah.

But while immediate steps to reducing poverty can have an impact, we know what the best long term solution to the problem of poverty is in our community and in every community. As Education Secretary Arne Duncan recently put it, “great neighborhood schools, are still, hands-down, the most critical anti-poverty tool of all.”

And that brings me to the last number that I wanted to share with you today.

Forty eight.

Yesterday, the Census Bureau's report on state spending in 2008 was released – I know, that like me, you were all waiting on it with great expectation. But, in case you did not have the opportunity to go through the spreadsheets, you should know that the State of Tennessee is forty eighth in the nation in State spending per capita on public education. Forty eighth. Only Illinois and Florida spend less on a per capita basis.

I know that money is not everything when it comes to education. Having been a government finance officer who worked to cut spending, I understand that outcomes are way more important than inputs and that sometimes you can do more with less. In fact, much of our work in other cities seeks to identify ways to do just that.

But I also understand that sometimes you get what you pay for. And when you are 48th in the nation in education spending, no matter how efficient the local school system and how hard working the principals and teachers, our children get what we are paying for.

And as taxpayers, we are too. Because Tennessee is not 48th in every category of state government spending. Actually, we rise toward the top in one category – public welfare. Tennessee is 17th in the nation in per capita state spending on public assistance for the poor. We are one of just five states that, in 2008, spent more per capita on public welfare than we did on education. And, according to the data released by the Census Bureau yesterday, Tennessee is number one -- number one in the percentage of total state spending going to public welfare.

I would argue that in this case, the number one is not something to be celebrate or be proud of at all.

One

Twenty

Thirty seven

Forty eight

These numbers really do speak for themselves.

As we move forward into a new year and the beginning of a new decade, what are we going to do to change the numbers that we don't like? What are we going to do to ensure that when we approach the holiday season next December, we don't still live or work in a city where one in five among us are living in poverty? What are we going to do to ensure that four out of ten expectant mothers in our county are not without prenatal care in the critical early months of their pregnancy? What will we do to make sure that we begin to back up our private support and words of concern and commitment to public schools with the resources needed to ensure that every child has the opportunity for an excellent education?

These are serious challenges that demand leadership and effort from us all.

But we know two things.

First, we know that others across the nation are taking on these very same issues and making progress.

And second, and most importantly, we know that here in Chattanooga no challenge is too great.

As I said to you at the onset, many of you are part of the reason for Chattanooga's singular success as a turnaround American city. You were here twenty years ago when the challenge that faced Chattanooga was far more daunting – could a dying American city be revived? And it was.

Ten years ago, the challenge before the city and its leaders was could this singular turnaround be sustained? And it was.

Today, the question is can all of us continue to work together to build a city – a community – where we can take on the tough challenges that I have discussed today and succeed.

If we do, Chattanooga will continue to prosper, to grow and to be the great success story of urban America in the 21st Century.