

MassINC-Midas Collaborative Gateway Cities Economic Development Forum
Keynote Remarks
Undersecretary Tina Brooks
June 22, 2010
Worcester, MA

On behalf of Governor Patrick and Lt. Governor Murray it is my pleasure to join you here for today's workshop.

I want to thank Mass Inc and the Midas Collaborative for sponsoring this important event and inviting Gateway City leaders to discuss how we can connect low-income families to services and resources that will give them the opportunity to attain assets and gain financial self-sufficiency.

Massachusetts has a rich and colorful history. All of the cities and towns make up a wonderful mosaic of culturally diverse and vibrant neighborhoods with folks from all walks of life. This Administration values that richness.

Although our cities and towns take great pride in their individual role of self-governance, the welfare of all residents, from Boston to the Berkshires, are inextricably linked to one another. That has always been our strength. That is what makes Massachusetts a desirable place to live, work and raise a family. That spirit of community, while recognizing the need for self-sufficiency and self-reliance, is what makes our Commonwealth so strong.

The Gateway cities have historically served as great regional centers of manufacturing, commerce, trade, culture and higher education. Over the years, their economic engine built tremendous strength in the Commonwealth.

Today we are still dealing with the effects of the worst nationwide economic downturn since the Great Depression. Indicators show that our nation is starting to recover and that Massachusetts is ahead of the curve. That said, we need to be mindful that it must always be a place of opportunity for all if we are to thrive as a Commonwealth. Gateway cities have certainly made the case not to be overlooked.

It should not be a dream for one to achieve financial stability and build assets by having access to a good job. It should not be a dream for one to have access to a decent, affordable place to call home. It should not be a dream for one to have access to proper job training or a quality education. It should be a reality, no matter one's background.

When one still feels the need to use a check cashing store in place of a legitimate bank, or to rent household furnishings or to borrow against an anticipated tax refund, it only furthers that cycle of hopelessness and poverty. It weakens that person financially and it weakens the community.

Of course these were all issues discussed when I served as a co-chair of the state's Asset Development Commission with Sen. Jamie Eldridge. Our recommendations came out just about a year ago in which we said that the Commonwealth should continue to promote policies that give everyone the chance to escape poverty and achieve financial stability.

We discovered that half of all Massachusetts families lack an asset safety net, meaning that they didn't have sufficient resources to maintain their households for three months if wage income is lost. And for African American and Latino families, asset poverty characterizes a large majority of their community. That has an obvious impact on Gateway cities.

We studied the economic challenges currently facing Massachusetts families, the structure and availability of current government programs to help low-to-moderate income families, as well as successful asset-building policies being developed across the country.

We found that reducing persistent, cyclical poverty and supporting low- and moderate-income families in achieving financial stability is a foundation for thriving communities and economic growth.

We know that assets are a key part of a family's financial safety net. Having a car to drive to work, the education and training necessary to sustain employment, and the ability to build

modest savings are vital to breaking the cycle of poverty. Having assets like these allows people to take control of their lives and weather financial crises.

We know that financial education is a cornerstone to asset development because of the need to have the knowledge to analyze financial information, make wise and informed decisions, and respond to opportunities and emerging events.

We know that financial education is particularly important for low and moderate-income families where the challenge of navigating the spectrum of choices presented by the financial services world requires analytical skills. We know that by not educating, families can be disproportionately underserved by mainstream financial institutions, and targeted by predatory second-tier financial institutions.

We now have financial education linked to many services and in varied settings including the shelter system, our Family Self-Sufficiency Programs, free tax preparation, Adult Basic Education, Head Start, fuel assistance, and most notably through Individual Development Accounts. I believe a fundamental challenge for this work is not in starting from scratch and trying to design newer and smarter programs. It is in coordinating what we've already got in so many quarters and figuring out how to effectively communicate – EDUCATE – what we already know to those most in need. Consider that only 30% of families presenting at our homeless shelters have completed a high school education - and understand that many poor people may not have the skills to assess exactly how punitive a Refund Anticipation Loan is. How will we reach them, and raise their capacities where we find weak reading, math or language skills or for those that don't have a computer to get to your website?

We know that by integrating financial education into service delivery, low- and moderate-income families can be empowered to better understand and navigate services and benefits as well as planning ahead for their financial future.

When the Asset Development Commission released its recommendations last year, Governor Patrick summed up its work best by saying, "When we create opportunities for

self-reliance, we improve the quality of people's lives, reduce the need for government assistance over the long term and build a stronger economy. Helping families become financially stable and independent is a commonsense goal we all can share.”

We are grateful for the ongoing support we have received from the Governor and Lt. Governor, the state legislature and our congressional delegation in helping us to create a culture of opportunity for those on all income levels in Massachusetts.

Together we are all working hard to secure our economic future for those who live not only in our Gateway cities, but in every community in the Commonwealth. Whether we are doing that through support of regular programs or through an influx of billions of federal stimulus dollars, to improve communities and create jobs, we are ensuring that Massachusetts will stay strong, healthy and vibrant for many years to come.

###