

## **Executive Summary**

The bipartisan National Advisory Commission on Civil Disorders issued its final report to the nation on March 1, 1968. Convened by President Lyndon B. Johnson, the panel was known as the Kerner Commission, after then-Illinois Governor Otto Kerner.

The Eisenhower Foundation is the private sector continuation of the Kerner Commission and the bipartisan Eisenhower Violence Commission. The latter was formed by President Johnson and extended by President Nixon.

The Foundation periodically updates the Kerner and Violence commissions. For this 40 year Kerner update, we have held hearings in Detroit, Newark and Washington DC – to secure recommendations from citizens, the media, religious leaders, public sector officials, private sector leaders and others. (See [eisenhowerfoundation.org](http://eisenhowerfoundation.org) for hearing transcripts and video testimony.)

The 40 year findings summarized here also draw on papers and advice from the Foundation's Fortieth Anniversary Task Force of 40 experts and scholars. (See Attachment 3.)

We intend to dialogue with the American people on the preliminary findings in the present report and then revise it into a final report to be published late in 2008.

What follows, then, is the beginning of an inclusionary process.

### **What Did the Kerner Commission Conclude?**

The Kerner Commission responded to the wave of disorders around the nation from 1963 to 1967. They were called “riots” in the mainstream media, but often were called “rebellions” in the communities where they took place. The frequency of such violent group conflict diminished in later years – with a few notable exceptions, like the 1984 Liberty City disorders in Miami and the 1992 disorders in South Central Los Angeles after the first Rodney King trial verdict.

In terms of long run policy outcomes, the Kerner Commission in large part focused on how to reduce poverty, inequality, racial injustice and crime. (In some ways, individual acts of crime and violence are “quiet riots” – safer from police detection than large scale group disturbances.) The Commission concluded that “important segments of the media failed to report adequately on the causes of civil disorders and on the underlying problems of race relations....”

American media emphasized the Commission's characterization of two societies, Black and White, separate and unequal. But the Commission believed that it was “time to make good the promises of American democracy to all citizens – urban and rural, White and Black, Spanish-surname, American Indian, and every minority group.”

The Commission saw the federal government as the only institution with the moral authority and resources to create change “at a scale equal to the dimension of the problems.” The “most persistent and serious grievances” were unemployment and underemployment, in the view of the Commission. Education and desegregation also were high priorities. The Commission concluded that new attitudes, new understanding, and, above all, “new will” would be necessary to carry out its recommendations.

### **What Happened in the Last Forty Years?**

There are important exceptions, but America has, for the most part, failed to meet the Kerner Commission’s goals of less poverty, inequality, racial injustice and crime:

#### **Poverty**

- 37 million Americans live in poverty today, in the richest country in history.
- 46 million Americans are without health insurance, and 36 percent of the poor are unprotected.
- The child poverty rate has increased slightly, from 15 percent in 1968 to 17 percent in 2006.
- For young children (below 5 years old) the poverty rate is almost 21 percent today.
- The American child poverty rate is about 4 times the average poverty rate for Western European countries.
- Poverty has deepened for those who have remained poor. The proportion of the poor below half the poverty line was about 30 percent in 1975 and 43 percent in 2006.
- Poor African Americans are 3 times as likely and poor Hispanics twice as likely as non-Hispanic Whites to live in deep poverty, below half the poverty line.
- The poverty rate has declined for African Americans since the Kerner Commission, but poverty in African American female headed households with children under 18 was almost 44 percent in 2006.
- The Kerner Commission found that unemployment and underemployment were the most important causes of poverty, yet African American unemployment has continued to be twice as high as White unemployment during each of the 4 decades since 1968.
- The employment prospects of the nation’s out-of-school 16-24 year old men have declined considerably since 2000. The problem is especially acute for young African American men. Among high school drop outs aged 19, only 38 percent of African Americans are employed, compared to 67 percent of Whites.

### **Inequality: Income and Wealth**

- The top 1 percent of the population (300,000 Americans) now receives as much income as the lower one-half of the population (150 million Americans).
- Since the late 1970s, the real after tax income of those at the top of the income scale has grown by 200 percent, while it has grown by 15 percent for those in the middle and 9 percent for those at the bottom.
- A recent Brookings Institution study on mobility found that 68 percent of White children from middle income families grew up to surpass their parents' income in real terms. But that share was only 31 percent for middle income African American children – demonstrating downward mobility.
- America has one of the highest levels of income inequality in the industrialized world.
- In terms of wealth, America is the most unequal country in the industrialized world.

### **Inequality: Wages**

- Over the last 40 years, America has had the most rapid growth in wage inequality in the industrialized world.
- Since the 1970s, productivity has increased significantly in America, but wages have increased little in real terms. Corporations are not sharing profits with workers, as had been more the case, for example, in the late 1960s. From November 2001 through July 2006, worker wages grew at an annual rate of 1.6 percent, while profits grew at an annual rate of 14.4 percent.
- In the 1960s, the average CEO earned about 40 times more than the average worker. Today, the average CEO earns about 360 times as much.
- Among full time workers, Whites earn over 22 percent more than equivalent African American workers and almost 34 percent more than equivalent Hispanic workers.

### **Inequality: Education**

- In science achievement tests in 2003, American students ranked 20th out of 40 countries.
- Large disparities remain in America between the educational achievement of White and Asian American high school students compared to Latino and African American high school students.

- American educational disparities remain linked to funding disparities. The wealthiest 10 percent of school districts in the U.S. spend nearly 10 times more than the poorest 10 percent.
- In the U.S., the highest performing students from low income families now enroll in college at the same rate as the lowest performing students from high income families. In other words, the smartest poor kids attend college at the same rate as the dumbest rich kids.
- The American educational system allocates more unequal inputs and produces more unequal outcomes than most other industrialized nations.

### **Racial Injustice**

- The likelihood for the death sentence is greater for minorities than Whites. Minorities receive longer sentences than Whites for the same crimes. Sentences for crack cocaine, used disproportionately by minorities, have been much longer than sentences for powder cocaine, used disproportionately by Whites.
- There is continuing evidence from distinguished scholars that some employers “steer” minority applicants into the worst jobs regardless of their qualifications; that many real estate agents steer minorities to less desirable locations, compared to Whites; and that lenders treat minorities differently from Whites in terms of percentage of mortgage applications accepted.
- School desegregation proceeded rapidly in America from the 1960s to the 1980s and then was dramatically reversed by the courts.
- Residential segregation declined overall for African Americans in the 1990s but it rose for African Americans below age 18.
- Hispanic residential segregation increased in many major metropolitan areas from 1980 to 2000.
- Overall levels of residential segregation remain high for African Americans and Latinos.

### **Crime**

- The percent of Americans reporting fear of walking alone at night has increased from about 31 percent in 1967 to about 38 percent in 2006.
- The most accurately reported crime is homicide. The homicide rate in the 1960s was roughly the same as it is today (5.1 per 100,000 in 1960, 6.2 in 1967 and 5.7 in 2006).

- This is so in spite of an eight fold increase in the total population of persons in prisons and jails since the late 1960s. Well over 2,000,000 persons now are in American prisons and jails. America has the highest reported rate of incarceration in the world.
- African American men aged 25 to 29 are almost 7 times as likely to be incarcerated as their White counterparts.
- Today, the rate of incarceration of African American men in the U.S. is 4 times higher than the rate of incarceration of African American men in South Africa during the pre-Nelson Mandela apartheid government.
- A prison-industrial complex has developed. The states collectively now spend more on prison construction than on construction for higher education.
- A disproportionate number of ex-offenders return from prison to a small number of heavily impacted communities.
- The national recidivism rate for persons released from prison is over 67 percent.
- The late 1990s decline in violent crime has recently reversed in many cities, based on a report by the Police Executive Research Forum.

### **Positive Trends Since the Kerner Commission**

As we dialogue on these negative findings with citizens across the nation before releasing our final report, it will be important to acknowledge and debate the positive trends since the Kerner Commission. For example, an African American is running for President, and a Latino was a candidate in the early 2008 primaries. Compared to the late 1960s, substantial African American and Latino middle classes have emerged, the number of minority entrepreneurs has greatly expanded, and there are large numbers of minority local and state elected officials.

### **How Have the Media Failed the People?**

Since the Kerner Commission, media ownership has been reduced to just a few giant corporations, facilitated by federal deregulation. Corporate oligopolies now are threatening control of the Internet. Billionaire media owners have a deep stake in political outcomes. Minorities are greatly underrepresented in the media. Minority ownership is miniscule. Top heavy with White middle-class men, television news departments and major newspapers today are obsessed with ratings and profits. The priorities of the Kerner Commission rarely come to the fore, and then only for a short while, as the coverage of Hurricane Katrina, New Orleans and the Jena 6 have illustrated. (See [eisenhowerfoundation.org](http://eisenhowerfoundation.org) for testimony from the Eisenhower Foundation's Kerner 40<sup>th</sup> hearings on the media.)

## **What New Policy Is Needed?**

Polls have consistently shown that most Americans believe the major obstacle to progress is “lack of knowledge.” That is not so. In the years since the Kerner Commission, we have learned a great deal about what works and what doesn’t work. Within a policy framework based on the values and history of the American people, we therefore should seek to replicate what works “to a scale equal to the dimension of the problems” (to quote the Kerner Commission) and stop doing what doesn’t work.

Our policy focus is on the truly disadvantaged, the working class and the middle class – because we seek an electoral alliance of Americans broad enough to secure reform. The alliance very much needs solidarity between Hispanics and African Americans, who together now make up over 25 percent of the population. Following Kerner priorities, we propose economic, job, education, race specific, crime prevention and targeted multiple solution policy reforms, as follows:

### **Economic and Job Policy**

Over the last 40 years, inclusive, demand side economic policy that creates tight labor markets has performed better for the poor *and* for the nation as a whole than exclusionary supply side policy that favors the rich and tells average Americans “you’re on your own.” (See Attachment 1.)

We therefore need demand side economic policy that empowers American workers and communicates to the poor, working class and middle class that “we’re in this together.”

The existing Humphrey-Hawkins Full Employment Act should be strengthened to require the Federal Reserve Board to take action whenever the unemployment rate rises above 4 percent. That will keep labor markets tight.

The federal minimum wage remains relatively low, and the impact is disproportionate to lower income families. We need to raise the minimum wage to one-half of the average wage for blue collar workers and nonmanagers – and then to index the rate to that level.

Especially given that the official definition of poverty in America is absurdly low (\$21,386 for a family of 4), we need to enact universal health care, which will disproportionately help the poor. The federal government needs to increase the Earned Income Tax Credit and to increase resources for specific family budget items like housing and child care.

Passage of the Employee Free Choice Act, the most important labor law reform since the Wagner Act, will add much needed balance to the playing field for workers who seek to form unions in workplaces – especially in industries where the truly disadvantaged and minority workers are employed, like service industries.

Worker empowerment will fall short without job skills and high school (or equivalency) diplomas for the truly disadvantaged. Consistent with the Kerner Commission’s call for a

comprehensive manpower and education policy, we need a new Employment Training and Job Creation Act that replaces the present Work Investment Act and the present “work first” Temporary Assistance for Needy Families program.

For the neediest, including high school dropouts and welfare clients, the Employment Training and Job Creation Act should fund replications of grassroots, city, state and national youth job training and job retention models that already have been evaluated as successful or hold great promise as best practices.\*

But the Employment Training and Job Creation Act also should provide working class and middle class Americans with enhanced skills for upward mobility and new skills when they lose their jobs (especially when the cause is job loss to other countries and globalization more generally).

Newly trained workers should be directed to private sector jobs generated by tight labor markets. In addition, America should finance public sector employment in industries with great need – including health care, housing development, public infrastructure development, energy and high tech sectors.

America needs to end tax breaks for companies that ship jobs overseas and give breaks to companies that create good jobs with decent wages in the United States.

Worker empowerment requires building a democratic strategy against globalization, beginning with a movement for a new social contract for workers in North America.

The nation should legalize permanent residence of and paths to citizenship for the large numbers of law-abiding and hard-working immigrants who now are living in America illegally. (One study estimates the number at 12 million.) Immigrants represent a critical resource for the American economy. Maximum civic incorporation of immigrants is fundamental to the American values of liberty, democracy and equal opportunity.

## **Education Policy**

America needs an Education Equity Act that replaces the failed No Child Left Behind law. No Child Left Behind has had little significant success in either changing previously existing educational trends or in diminishing the racial achievement gap.

The federal government must finance a system to create equity in dollar investment per pupil across all school districts, as is done in most advanced industrialized countries. All public schools need comparable physical facilities, equipment, teacher training, teacher compensation, class sizes and curricula.

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\* Such models include the Career Academies Program, the Career Beginnings Program, Casa Verde Builders, the Center for Employment Training, the Gulf Coast Trades Center, Job Corps, the Latinos Stars Program, the Los Angeles Youth Opportunity Movement, Moving Up, Project Opportunity, Project Paycheck, the SoBRO Youth Development Center, the Youth Career Program and YouthBuild USA.

A new Education Equity Act should fully fund Head Start preschool for all eligible poor children. We then need to replicate successful state equity models, like Connecticut, which raised and equalized teacher salaries, and North Carolina, which recruited new teachers through service scholarships.

Most poor African Americans, Hispanics and other minorities are offered curricula geared primarily to “rote” memorization. The curricula do not develop the skills in the new knowledge-based economy that allow students to engage in independent analysis and problem solving – and that will teach them to communicate effectively. The Education Equity Act needs to develop and equalize curricula based on the successes in states like Connecticut, Kentucky, Maine, Nebraska, Oregon and Vermont.

The Education Equity Act should include a new Contract for College as articulated by Demos, the public policy research and action organization. The Contract would unify the existing three strands of federal financial aid – grants, loans and work-study – into a coherent, guaranteed financial aid package for students. Grants would make up the bulk of aid for students from low and moderate income families. The Contract would recognize the important value of reciprocity – so part of the Contract for every student would include some amount of student loan aid and/or some work-study requirements. The Contract is designed to re-orient federal aid back to a more grant-based system and to ensure that students from all financial backgrounds understand upfront the type of financial aid that will be available.

### **Racial Desegregation Policy**

There must be national, state and local re-commitment to racial desegregation and integration in our schools and communities, consistent with the recommendations of the Kerner Commission.

School desegregation was effectively halted by the Supreme Court’s 2007 Seattle decision. But national surveys show that two thirds of the population believes desegregation improves education for minorities. A growing proportion of the population is aware of and has accepted the research findings that desegregation has a positive impact on Whites, as well, according to the UCLA-based Civil Rights Project.

Such findings need to help anchor a new grassroots movement, part of a Fair Economic Deal (below), that pushes for change in elected leadership. In turn, such change can be a stepping stone for change in the makeup of the federal courts, leading to reversal of the 2007 Supreme Court decision.

With schools and residential segregation so intertwined, a new movement must renew advocacy for housing desegregation. To succeed with a comprehensive policy for stable, racially integrated neighborhoods, we need to promote the ability of racial minorities to move into White neighborhoods; encourage White families to move into predominantly minority neighborhoods; control market forces to insure that low income (especially minority) families are not pushed out of neighborhoods as a result of gentrification; and reduce racial discrimination by key players in

the housing chain – including homebuilders, landlords, lenders, brokers, real estate agents and insurance companies.

Consistent with this framework, the Eisenhower Foundation will dialogue in coming months with leading advocates to explore a number of new initiatives. For example, there is a need to:

- Widely replicate and greatly expand successfully evaluated “mobility programs” -- like the Chicago Gautreaux program and the federal Moving to Opportunity program – that use Section 8 vouchers to encourage low income and minority families to move into better neighborhoods. We need to build more market rate rental housing and use Section 8 vouchers to help minorities get access to them.
- Reform the Community Reinvestment Act and the Home Mortgage Disclosure Act to subject private mortgage lenders and homeowner insurance companies to regulatory oversight – on issues like predatory lending and redlining.

### **Targeted Safe Haven Investment Zone Policy**

Federal, state and local policy needs to shift away from expensive and cost-ineffective prison building that continues the present 67 percent-plus recidivism rate. We need to move towards less expensive and more effective alternatives in the community. We need to follow the model of the state of Arizona which, years ago, began moving in this direction.

Priority should be given to best practice models that reintegrate ex-offenders when they leave prison. These models secure high school equivalency diplomas, train ex-offenders for employment, find them productive jobs, and follow up to insure job retention. The principles underlying these models deserve much more widespread replication.\*

Even more cost-beneficial are prevention models at the grassroots that keep children and youth out of trouble – so they never end up in prison. Typically, these initiatives provide multiple solutions – like crime and delinquency prevention, drug prevention, school drop out prevention, school performance improvement and positive youth development.\*\*

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\* Such models include the Center for Employment Opportunities, Delancey Street, Dismas House, the Fortune Society, Gemeinschaft Home, Opportunities for Success, Pioneer Human Services and the Safer Foundation.

\*\* Just a few examples which have been positively evaluated and deserve widespread replication include Centro Sister Isolina Ferre in San Juan, the Challengers Boys and Girls Club in Los Angeles, the Comer School Development Plan nationally, the Dorchester Youth Collaborative in Boston, the Dover Youth Safe Haven in New Hampshire, Full Service Community Schools nationally, the Quantum Opportunities program nationally, Youth Development in Albuquerque, Youth Guidance in Chicago and Youth Safe Haven-Police Ministration initiatives in many locations across the nation.

A Safe Haven Investment Act should be legislated that co-targets such models with job training, job creation, ex-offender reintegration, community policing, low and moderate income housing development, public infrastructure development and community-based banking initiatives. The co-targeting should be in geographic areas of greatest need – like the census tracts where the 4 million Americans in deepest poverty live and the neighborhoods where high numbers of ex-offenders return. Such Safe Haven Investment Zones should build in part on the Harlem Children’s Zone model created by Geoffrey Canada.

### **How to Finance Reform?**

The policies proposed here should be financed by changes in the American tax code that generate significant revenues and simultaneously reduce economic inequality. The changes rescind the recent tax breaks for the wealthiest Americans and eliminate corporate tax loopholes. Our recommendations are based on a policy paper written for the Eisenhower Foundation by Dr. John Irons, Director for Research and Policy at the Economic Policy Institute in Washington, DC. The paper is found here as Attachment 2.

### **How To Change Political Will?**

The Kerner Commission called for “new will” to carry out its vision. Today, the need to change political will is even more necessary, and difficult, because of the prevailing ideology that tells citizens they’re on their own.

As we take these preliminary findings to the American people over coming months, our first priority therefore is to dialogue on how to change political will. Little is possible without such change.

To begin the debate, we call for a grassroots people’s movement for a Fair Economic Deal. An electoral majority needs to be fashioned from among the poor, working class and middle class – all of whom value and benefit from our recommendations on worker empowerment, jobs, education, health and physical security. African Americans and Latinos are central to the majority. Public morality defined as the common good needs to be invoked. The movement must take the high moral ground. (See [eisenhowerfoundation.org](http://eisenhowerfoundation.org) for testimony at the Foundation’s hearings in Washington, DC on public morality.)

To be morally and politically credible, a Fair Economic Deal must be effectively communicated as integral to the American story.

What is the American story, the American narrative, upon which a Fair Economic Deal can be based? America was the first nation in history to offer freedom through opportunity to every citizen, however humble. Abraham Lincoln recognized how positive government furthered opportunity, and so used public funds for racial justice, land grants colleges and public infrastructure development. Theodore Roosevelt believed that making giant corporations accountable to the people was an American moral value. Responding to how the unregulated market caused the Great Depression, Franklin Roosevelt empowered the people with a social contract that overcame fear and valued working together. John Kennedy’s inaugural speech was

a “trumpet summons” for “peaceful revolution” by the people who, he said, needed to value “what together we can do,” unselfishly for our country.

The profiles in courage of these Republican and Democratic presidents, and of great social movement leaders like Martin Luther King and Cesar Chavez, are needed today. If new American leaders with such courage come forth, the movement for a Fair Economic Deal can make some immediate progress with the policies proposed in this preliminary report.

But a new movement also must be realistic, and so must take a decades-long strategic perspective. Building on the American narrative, the movement for a Fair Economic Deal must nurture and finance new grassroots leadership with fresh vision in the electoral world and in the world of nonprofit organization and advocacy. The corrupting influence of money in day-to-day corporate lobbying and in political campaigns must be dramatically reduced. Progress must begin again on voting rights reform. An infrastructure of nonprofit think tanks and new hybrid institutions must be created to advance new ideas, effectively communicate them and discredit existing beliefs. Alternative media must be enhanced and existing media reformed – to expose the failures in the ideology of the elite.

The American people are ready to support a Fair Economic Deal. Many of the policy recommendations in this report are embraced by significant and continuing majorities of Americans polled. Pew and Gallup polls show support for raising the minimum wage, government relief for skyrocketing college costs, and government guarantees for universal health insurance, “even if it means repealing most of the recent tax cuts [for the rich].” Daniel Yankelovich has found, in the words of Bill Moyers, that a majority of citizens want “social cohesion and common ground based on pragmatism and compromise, patriotism and diversity...”

Only 14 percent of American workers believe they have secured the American Dream:

What happens to a dream deferred?

Does it dry up  
Like a raisin in the sun?  
Or fester like a sore –  
And then run?  
Does it stink like rotten meat?  
Or crust and sugar over  
Like a syrupy sweet?

Maybe it just sags  
Like a heavy load.

Or does it explode?

Harlem[2]  
Langston Hughes