



A periodic email newsletter from Anthony Maione, President & CEO, intended to provide community leaders and partners with information about United Way's ongoing efforts to reduce the number of people in need in Rhode Island.

A Balanced View of the Budget

The state's budget woes coupled with a worsening economic environment have combined to create challenges for the Governor and General Assembly that none of us would envy. Neither should we envy the job of human service leaders who have a close up view of the impact budget cuts will have on the lives of real people. It is easy to be at a loss for what to do.

United Way of Rhode Island enjoys a unique perspective gained through our connection to the business community, human services and government. We've learned that there can be no commerce if the community is disrupted and there can not be a strong community without the economic engine that business provides and government policies stimulate. We are all connected to a common good that benefits us all.

So I offer this as a conversation starter – We must approach the solution to the state's budget crisis by engaging all sectors toward building the state's economy. The best social program is a good job. We must face the reality that no business will locate or choose to grow here if taxes are high. But Rhode Island will not be attractive if the workforce is unskilled, has no affordable housing options or is in poor health. Commerce and community are connected.

The basis of a well prepared workforce is a well educated population. From day care to elementary and secondary schools through college and the availability of adult education, we must support programs to prepare our citizens to be productive members of society. Starting with our children is critically important. There is a great body of research that shows that providing high quality early childhood development experiences has a dramatic impact on how well a child will do in school. We must emphasize quality programs and provide low cost day care options for lower income parents so that they can work and their children can be well prepared for school. Low-skilled workers must have opportunities to improve their skills through adult education programs that are directly linked to better paying jobs and improved financial security.

We must also ensure that budget cuts don't jeopardize the construction of affordable housing made possible by the passage in 2006 of the \$50 million affordable housing bond. Last fall, construction began on the first of these units which will benefit those who make between \$30,000 and \$60,000 per year. If housing is not affordable, businesses are forced to pay premium wages to attract the best candidates who otherwise will seek employment opportunities in states where housing costs are more reasonable. What's more, stable, affordable housing is a key to school success. Every time children move, their chance of being held back a grade increases. This particularly impacts low income children and their families who move frequently because of rental costs.

As citizens, we must also define our responsibility to provide a “safety net” for the most vulnerable among us. Senior citizens and persons with chronic, severe disabilities cannot be left to fend for themselves. Investing in keeping people in their homes and communities for as long as possible is an appropriate goal. But those who provide those services in the private and non-profit sectors need to be paid a reasonable rate and cannot be expected to subsidize the state’s safety net with private philanthropy. It simply will not work.

So what about taxes? The debate on taxes is not about stingy businesses. It is about return on investment. We suffer from a lack of data on the outcomes of our state funded tax incentive programs as well as social programs. United Way has been demanding results from its grantees for several years. It’s not always easy to measure results, but it is a worthwhile activity. Today, we need to go even further to identify how our investments in social programs may have saved our society a cost elsewhere. It’s not just what’s in the state budget that matters, because social costs not paid by the state tend to migrate elsewhere. If you cut state subsidized health care coverage, uncompensated hospital care will rise. The state may not pay, but we all will in the long run.

Lastly, we are either all part of the problem or all part of the solution. Divisive rhetoric, name calling, or vilifying individuals or groups drains precious energy from the central problem that ultimately connects us all. Vigorous debate on issues is helpful; demeaning anyone is not.

This is hardly a comprehensive plan but the same principles apply across the board: communicate a positive vision of where we are going, invest in strategies that get us closer to the goal (even modestly), demand accountability, communicate results and engage people rather than alienate them.

It may not be possible to accomplish all this within the time constraints of the current budget process, but it should be the starting point for discussion next year.