



Hartford Foundation
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Testimony for the Commission on Fiscal Stability and Economic Growth
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Hartford Foundation for Public Giving
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Thank you Co-Chair Patricelli, Co-Chair Smith and distinguished members of the Commission, for the opportunity to share remarks and for your collective commitment to Connecticut's growth.

I am Jay Williams, President of the Hartford Foundation for Public Giving. As the community Foundation for the Greater Hartford region, and among the oldest and largest community foundations in the country, the Hartford Foundation for Public Giving serves hundreds of nonprofits and more than 750,000 residents in 29 towns. With total assets of \$1 billion, we carefully manage our endowment to address the needs of our region today, and to sustain our region's progress for generations to come.

Our mission is putting philanthropy into action to create lasting solutions that result in vibrant communities within the region we serve. Our decades-old commitment to this mission remains unwavering. Yet, the long-term and unprecedented nature of today's state and municipal fiscal challenges means that it can no longer be business as usual. Not for the state of Connecticut, the Greater Hartford Region, nor for the Hartford Foundation.

The preconditions for fiscal stability and economic growth are interrelated and necessitate the insight and long-term commitment of a range of partners. Creating and sustaining these preconditions will require allocating adequate resources to programs and policies that ensure that every resident can contribute to, and benefit from, the economic health of our state. Doing business differently means recognizing that statewide disparities in opportunity by income and race impede our collective progress and require growth strategies that are collaborative, inclusive and equitable.

The Hartford Foundation urges the Commission to consider the following actions:

- **Ensure that philanthropy, policymakers and business leaders are partners in creating the preconditions and solutions for economic growth.**
- **Prioritize opportunity for the people who already live and work in Connecticut as drivers of the state's economic growth and competitiveness. This would require prioritizing long-term funding and policy commitments to:**
 - **high quality early childhood experiences and system-building;**
 - **high quality education for all children regardless of zip code;**
 - **career pathways for low-literacy, low-skilled residents and inclusive entrepreneurship development; and**

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- **stable funding to Connecticut's effective nonprofits.**
- **Invest in the development and coordinated use of high-quality research and data to ensure that limited public and private resources support best practices and policies.**

Philanthropy at the Table

Philanthropy cannot solve the state's fiscal issues nor replace state or local responsibilities. Our endowment supports the Greater Hartford region with more than 1,100 different funds governed by the intent of our donors and rules of law. Our donors generously support the Foundation with the understanding that their contributions will serve our community in perpetuity; our spending policy and investment strategy work together to provide a predictable stream of funds for annual grantmaking, even during fiscal downturns. We hear calls for the Hartford Foundation to put more money into the community, and we are doing that. But our resources alone is not a sustainable solution.

Doing business differently means that philanthropy, business leaders and policymakers reserve a seat at the table for one another as partners in problem-solving. Leaning in means that we work together to leverage all of the resources available. Community foundations in particular serve as a bridge between grantees and donors, municipal and state agencies and policymakers, and we stand ready to share insights from our investments, and offer local and regional perspectives on challenges and solutions to advance desired change. In addition to funding, we network with national funders who can invest in Connecticut's cities. In 2016, a public-private partnership brought the Federal Reserve Bank of Boston's Working Cities Challenge to Connecticut, leveraging \$1 million from the State of Connecticut with an additional \$2 million from state community and corporate philanthropy as well as national funders to fuel collaborative, transformative projects that improve the economic outcomes in our cities.

We bring in-house expertise and links to national experts who are knowledgeable on effective policy and practice and partnerships with nonprofits and residents who know first-hand what needs to be done to improve quality of life in their communities. Recent examples include the recent municipal bankruptcy forums that the Hartford Foundation hosted with the City of Hartford, convening community leaders, residents and policymakers to learn from panelists with firsthand knowledge of engaging in the process of municipal bankruptcy. The Hartford Foundation hosts quarterly colloquia that introduce school district leaders in our region to research and thought leaders.

Focus on Creating Opportunity for the Local Talent Pool

This commission has focused on ways to attract and retain talent to Connecticut, but we cannot wait to bring new people and new business to the state. We must prioritize services, programs and tax incentives that lift up the local talent pool for economic competitiveness and growth. Inclusive economic growth benefits all of us. Yet, unemployment for residents in our cities is significant. Cumulative

reductions in state funding for basic and support services that respond to the workforce needs of residents and employers, including transportation, child care subsidies, affordable housing, and mental health and substance use treatment impede progress.

In Hartford, current unemployment is near 10 percent and in some neighborhoods, it is more than 30 percent.¹ The Hartford region has not produced meaningful job growth in the past 25 years,² despite being home to advanced industries such as aerospace manufacturing and computer systems designs, and employers continually search for local talent. To address local workforce needs, the Hartford Foundation has invested more than \$4.5 million in a Career Pathways Initiative to increase the job skills and employment for low-literacy and/or low-skilled residents and to incentivize partnerships across sectors to develop career pathways for these individuals. **Our emergent learning from our career pathways and other investments suggest the following solutions for systemic statewide commitment:**

- Prioritize and stabilize funding to nonprofits that effectively provide the individualized support and employer engagement necessary for low-literacy, low-skilled residents to join the talent pool and achieve employment success.
- Incentivize the design of career pathway programs that serve as a “pipeline” to employment that is matched to drive economic growth.
- Remove barriers to employment for those returning from incarceration by adequately funding pre-release programs that address mental health needs and skill-building that can lead to employment and supporting centralized reintegration hubs like the Greater Hartford Reentry Center funded by the City of Hartford and the Hartford Foundation.
- Continue to build the capacity of existing small businesses ready for substantial growth and promote entrepreneurship as a viable career pathway.

Prioritize long-term public commitments to high-quality early childhood experiences and education.

A large body of research confirms that investments in the early child development and education of the future workforce can accelerate overall economic growth and individual earnings. With knowledge of this research and the disparities that exist in our region, the Hartford Foundation has prioritized long-term investments in high quality early childhood programs and system-building and expanding children’s educational opportunities beyond the traditional school day, week or year to reduce opportunity gaps and to support students’ optimal academic achievement and overall development.

¹ Local Area Unemployment Statistics, CT Department of Labor (2016 Annual Averages) and American Community Survey 2010- 2014 results for Hartford neighborhoods.

² MetroHartford Progress Points 2016, Bureau of Labor Statistics, 1991 - 2016

Significant numbers of children and young adults in the Greater Hartford region -- our future workforce -- live in low or very low opportunity areas. More than 40 percent of young children and millennials in the region reside in households that do not earn family-sustaining wages.³ In 2012, less than 4% of Hartford resident students who attended traditional public schools scored above 10th grade goals for math and science; a dire result for the future of advanced industries in our region.⁴ Achieving economic growth and competitiveness will require reducing these disparities in all regions and statewide. **Our learning from more than two decades of investment in early childhood and education suggest the following solutions for systemic statewide commitment:**

- Align funding priorities with research and best practices that define student success holistically to include both academic achievement as well as social, emotional and health attainment. Doing so requires that we forgo short-term savings in favor of long-term investment in widespread opportunity for children and families to live in high-opportunity communities.
- Continue and increase state investment in early childhood system-building including a State Office of Early Childhood that provides an undiluted focus on early childhood quality and accountability; two-generational approaches that more efficiently deploy public resources through a focus on whole-family results and increased parental employment; a fully funded state child care subsidy program for low-income, working families; and adequate reimbursement rates and career pathway supports for early childhood providers, many of whom are small business owners and entrepreneurs.
- Continue and expand investments in Connecticut's highest need districts to increase the types of family, school and community partnerships that have been demonstrated to increase student success and create more dynamic learning environments.

Restore and sustain stable funding to Connecticut's effective nonprofits.

Connecticut's nonprofits are a major economic driver and contributor to the state's vibrancy. They provide vital services to more than half a million residents every year, at significantly lower cost to taxpayers than services provided by the public sector, and employ thousands who pay state and local taxes. As the state continues to struggle with balancing its budget, the nonprofit sector has been subject to disproportionate reductions. The Hartford Foundation invests in our region's most effective nonprofit providers recognizing the essential crucial role

³ 2014 5-year ACS estimates from IPUMS-USA. The family-sustaining wage is based on the ALICE household budget for a family of four (two adults, one toddler, one infant), which is compared to the household income for all households with young children (0 – 3) or containing 18 – 34 year-olds in the region.

⁴ 10th Grade CAPT results, 2012 report on Sheff vs. O'Neill, CT State Department of Education

that they play in our communities. We have incentivized and encouraged nonprofits to find creative ways to collaborate and coordinate services to maximize limited resources. While philanthropy can fill some gaps, the state must bear the greatest responsibility to restore and sustain stable funding to nonprofits.

Prioritize the development and coordinated use of high-quality research and data to ensure that limited public and private resources support best practices and policies.

Philanthropy has made investments in data collection and research on a wide array of topics critical to Connecticut's economic well-being and health. Over the past two years, we have convened stakeholders to explore Connecticut's need for policy research, impact analysis and the feasibility of different models to support evidence-based policymaking.⁵ We know that the State has made great strides in this area through support for open data, development of integrated data systems and use of research in targeted areas. We are encouraged by the models from other states, such as Rhode Island, which fosters collaboration between higher education, government and philanthropy. Recent fiscal choices have limited the implementation of these efforts and curtailed additional resources.

Paving the way for equitable opportunity as a precondition for economic growth is a complex endeavor that requires a long-term vision, ongoing investment and collaboration by all key stakeholders. Thank you for the opportunity to share the priorities that we believe can ensure that all residents can contribute to the state's success.

⁵ 'Does Connecticut Need a Think Tank?' Tom Condon, CT Mirror, July 6 2016