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**Stephen Heintz
President, Rockefeller Brothers Fund**

“The Democracy Crisis”

Introduction

I am delighted to be with all of you for your 2006 annual conference. It is really encouraging to see so many of you here. It is an honor to have been invited to give the keynote speech at this conference. You were especially kind to have invited me back home. I was born here a little more than a half century ago – a concept I still find a bit disturbing.

Although my family moved east when I was ten, my powerful childhood memories of growing up with four brothers in the suburbs of this city seem particularly apt as backdrop to a conference of the Alliance for Children and Families. Those of us who enjoyed the advantages of starting out life in a supportive, nurturing family carry with us not only warm memories, but self-awareness, self-confidence, values, and skills that help us meet the challenges of life – even a half century later. Thank you for having me.

I must confess, however, that I hesitate to accept invitations to speak this early in the day. I tend to agree with Oscar Wilde who once said that “only dull people are brilliant at breakfast.”

When Peter Goldberg asked me to participate in this conference a year ago, we agreed that I would talk about the critical role of civic engagement in efforts to improve conditions for children and families. But I have to tell you that in the intervening months, I have grown increasingly alarmed about a related, but far more profound challenge that affects everyone of us, every American family and the children we love. We are facing a crisis that threatens the very fabric of our society and our ability for leadership in a troubled world. I want to engage you today in a conversation about the *democracy crisis* and what we can do about it.

My Thesis

I believe our democracy faces a very grave crisis that results from factors that have been developing over three decades. It is a perfect storm of barriers to inclusive democratic participation and government policies that favor narrow interests and undermine the vitality of the middle class in which the culture of democracy is nurtured and safeguarded.

Throughout our history, the American Dream has energized the aspirations and propelled the social mobility of millions of Americans. Today it seems less like a dream and more like a fantasy. For most of our history, we have looked to government to insure fairness, promote economic opportunity, and provide basic economic security. But over the last 30 years, politicians of both parties have convinced us that government “is not part of the solution, but rather “government is the problem,” as Ronald Reagan asserted in his first inaugural address. Government has been denigrated and its capacity has been systematically dismantled so that even when we desperately need it to function well, as in

the aftermath of Katrina, it proves profoundly inadequate. This, in turn, further undermines confidence in the system.

So American democracy finds itself caught in a vicious circle in which a variety of barriers prevent robust civic engagement, which leads to government that is more attentive to special interests than the common interest, putting the middle class increasingly at risk, and thereby undermining the *culture of democracy* that is the basis for civic participation and good governance in the first place.

The Democracy Crisis

I realize this is a pretty dire assessment but I assure you I remain convinced that we can regain our balance. We can reinvigorate our democracy, and revive the American dream. And I will conclude these remarks with some thoughts about what we can and should do. But developing effective solutions requires us first to understand more fully the ills we need to cure.

So why do I think American democracy is in crisis? Consider the following evidence. First, Americans are democracy drop-outs. Let's start with the most basic indicator: voter turnout. While turnout increased in the 2004 presidential election, participation in most other races continues to decline. The U.S. currently ranks 138th in the world in turnout in national legislative elections. This puts us just below Armenia and only slightly above Nigeria. Over 50 million eligible voters – nearly a third of the potential electorate – aren't even registered to vote. A higher percentage of Iraqi citizens are registered to vote than Americans.¹

¹ [Ten Steps to Repair American Democracy](#), by Steven Hill, p. 5.

Low voter turnout can be partially ascribed to growing apathy, widespread disillusionment, and a loss of faith in the system. But it's too easy – and simply unfair – to blame the citizenry and then cynically conclude that “Americans get the government they deserve.” In fact, Americans face a web of barriers when it comes to exercising their fundamental right to vote. Cumbersome registration procedures and deadlines make voting a challenge rather than a breeze.²

There is also an invidious phenomenon in our politics called “voter suppression” in which campaign organizations or political parties systematically employ a variety of means to keep people from voting. Dirty tricks have been around as long as elections but while we eliminated poll taxes and literacy tests in the Voting Rights Act of 1965, organized misinformation campaigns, new requirements for voter I.D.s and a host of other means are being used today to suppress voting. Studies have shown that many of these methods, both legal and illegal, disproportionately affect low-income voters and people of color.³

If barriers to voting discourage civic participation, the insidious and growing influence of money in politics *devalues* participation as it shifts political power from the many to the few. Consider this: “soft money” donations to the 1992 presidential campaign totaled some \$86 million. By 2000 soft money grew to \$500 million, and spending on the 2004 presidential campaign totaled an astounding \$1.7 billion.⁴ And

² In 14 states, ex-felons who have served their prison terms, completed probation and parole, and paid all their fines can be barred from voting for life. Currently more than 5 million Americans, most of them black or Latino cannot vote due to a felony conviction.

³ In a troubling new book called Stealing Democracy: The New Politics of Voter Suppression, George Washington University law professor Spencer Overton offers disturbing evidence of the increasingly sophisticated means by which Americans are being discouraged from voting.

⁴ Hill, p. 9.

this despite the passage in 2002 of the hard-fought McCain-Feingold campaign finance reform bill.

Sadly, it is now true that in nearly every election, the candidate who spends the most wins.⁵ Candidates often spend as much or more time raising money than they do talking with voters. And it doesn't stop once you're in office. Sitting members of the House of Representatives must raise an average of \$2,000 a day from the day they take the oath of office to the next election – in competitive races, they must raise even more.⁶ The pernicious power of money in politics undermines the standing of the *citizen* as it enhances the power of the *donor*. It creates space for undue influence over policy and, of course, for impropriety, scandal, and corruption.

American democracy is also threatened by the politics of division. Campaigns today seem increasingly to focus on what divides us, rather than on what unites us. While most Americans identify themselves as moderates, our two-party system seems dominated by extremes.

While our campaigns are divisive, with the exception of presidential races, they aren't terribly competitive. In the 2004 elections, only five challengers won seats in the House of Representatives. More than 80% of the races were decided by landslide proportions. In recent years, some 40 percent of more than 7,000 state legislative races have had no candidate from one of the two major parties.⁷ The systems through which we create the map of state legislative and congressional districts are subject to partisan

⁵ In the congressional elections of 2004, winners outspent losers in more than 97% of races for the House of Representatives and 88% of Senate races. Dēmos, "Fulfilling American's Promise," p. 39.

⁶ Ibid.

⁷ Hill, *op cit.*, p. 5.

power struggles in which parties and incumbents do their best to protect seats rather than create the conditions for competitive elections.

The Culture of Democracy

So clearly there are any number of “democracy deficits” which suggest that our basic political systems are in serious need of modernization and reform. But I think there is something even deeper that is at the root of our democracy crisis.

I had the privilege to live and work in Eastern Europe in the decade following the fall of the Berlin Wall. In a remarkable and brief period, the authoritarian governments of the Soviet Empire were overthrown as citizens took peacefully to the streets in Warsaw, Prague, Budapest, and ultimately, Moscow. In our euphoria over these rapid and unexpected transformations, we began to believe – that just possibly – the most difficult part of the global struggle for democracy was over.

But one clear lesson of the post-communist transitions is this: at root, democracy is not simply a system of governance or a set of institutions. Democracy is a way of thinking and behaving in society, a way of resolving conflict and solving problems. It is a *culture*, a “civic faith” in John Dewey’s term, and it is rooted *in* and sustained *through* the experience of community. It is through the experience of community that we learn the “habits of the heart” that animate democratic behavior.

When the culture of democracy is nurtured, it equips and empowers citizens to participate effectively in civic life. When it is undermined – when the bonds of community weaken – democracy withers, and power accrues to the few. And as I saw in Eastern Europe, it is far easier to create the *processes and institutions* of democracy –

free elections, representative legislatures, freedom of expression, etc. – than it is to nurture and sustain the *culture* of democracy.

Throughout American history the culture of our democracy has been rooted in the experience of community within a vast middle class. This experience rests on shared values, a sense of connection that people feel toward one another, and on the instinctive embrace of mutual responsibility. It has been sustained for more than 200 years by a belief in the American Dream, first chronicled by Alexis de Tocqueville during his famous tour of America in the early 1830s.

Tocqueville discovered in America a society founded on principles of equality, egalitarianism, and opportunity. The America Tocqueville admired was a land of social mobility in which most Americans were neither rich nor poor, and those that *were* rich had generally acquired wealth through their own labor, rather than through inheritance. In the vitality of America's middle class, Tocqueville found the basis for political stability – a sturdy barrier against the social upheavals and class conflicts so common in European history.⁸

Abraham Lincoln was the first American president to fully recognize the interconnection between the breadth and vitality of the middle class and the health of our democracy. He believed deeply in the need for the Union and a strong federal government fundamentally because he believed so deeply in individual economic opportunity. Lincoln argued that it was government's role to create a level playing field, promote opportunity, and provide basic economic security to those unable to fend for themselves.

⁸ See Norton Garfinkle, [The American Dream vs. the Gospel of Wealth](#), pps. 29-32.

In an important new book called The American Dream vs. the Gospel of Wealth, Norton Garfinkle reminds us that Lincoln’s struggle to preserve the Union grew out of his fundamental commitment to an economic system in which individuals could enjoy the fruits of their labor and were offered every chance to get ahead. Lincoln fought to preserve the union because he knew that democracy – government “of the people, by the people, and for the people” – rested on economic opportunity, social mobility and a broad middle class.

Today, we seem far removed from the America Tocqueville observed and Lincoln fought to preserve. We now find ourselves living in a new “Gilded Age” in which inequality is growing and the middle class, the bedrock of democratic society, faces profound challenges. Data from the U.S. Census shows that despite continued growth in the U.S. economy, real median household income declined by \$1,700 from 2000 to 2004.⁹ Between 1980 and 2004, real wages in manufacturing fell 1 percent while the real income of the richest 1 percent of Americans – rose 135%.¹⁰

In 1976 the top 1% of Americans owned 22% of the nation’s total wealth. Today, the top 1% controls more than 38% of our total wealth.¹¹ And 37 million Americans are living in poverty.

With family incomes stagnant or declining, Americans have gotten deeper and deeper in debt to make ends meet. Credit card debt has nearly tripled since 1989. Americans now owe close to \$800 billion in credit card debt. The number of people

⁹ Hill, op cit., p. 12

¹⁰ Krugman, NYT, 8.18.06 (People with incomes of more than \$277,000.)

¹¹ Figures are for net worth. Most recent data is from 1998.

filing for bankruptcy has jumped by 125%. In fact, in 2003 more Americans filed for bankruptcy than for divorce.¹²

A good education has always been seen as the key to economic opportunity and yet our schools and colleges today are not producing workers who are ready to compete in the global economy.¹³

My five year-old son just started kindergarten in New York City. After touring public and private schools, my wife and I concluded that we had to make the private school choice – despite the heroic efforts of principals and teachers we observed in the public school system. Every time I take Sam to his wonderful private school, I leave the building asking myself “Now just why is it that every child in America doesn’t get an education like this?”

Like education, home ownership has always been viewed as a path to family financial stability and one of the great rewards of middle class life. And like quality education, home ownership is increasingly out of the reach of many. A front page story in the NYT two weeks ago cited recent Census Bureau data that indicates that the combination of rapidly rising real state prices and stagnant incomes “make it clear that the housing squeeze has reached deep into the middle class.”¹⁴

Given all of these indicators of growing inequality, it comes as no surprise that economic mobility – the heart of the American Dream – is declining. Census Bureau data show that over the course of the last 30 years, Americans became progressively less

¹² Demos, Fulfilling America’s Promise, p. 14.

¹³ A recent survey conducted by two leading business research organizations found that new entrants to the U.S. workforce are “ill-prepared.” Employers judge nearly three quarters of incoming high school graduates as deficient in basic writing skills and more than half of the businesses surveyed said that their high school graduates are deficient in basic mathematics. College graduates perform better, but are still found lacking by a significant percentage of employers. Rebecca Knight, FT, 10.1.06 citing Conference Board & Society for Human Resource Management.

¹⁴ “Across Nation, Housing Costs Rise as Burden,” New York Times, October 3, 2006.

likely to advance up the socio-economic ladder. As one study concludes, “the rich are likely to remain rich and the poor are likely to stay poor.”¹⁵

America’s great strength has always derived from its unique and balanced blend of democracy and capitalism. It is hard to imagine either democracy or capitalism functioning at peak performance without the other. Lincoln understood that they are fundamentally interconnected. But shouldn’t democracy have primacy? Shouldn’t the market produce opportunity that strengthens the middle class and thereby secures a stable democratic society? I worry that in the current context, democracy is viewed as in the service of capitalism rather than the other way around.

There’s something else that is tearing away at the quality of our democratic culture. We seem to live in an age of pervasive, bi-partisan political prevarication. What on earth has become of the truth? In its place, we are misled about everything from momentous decisions of war and peace to the threat of global warming. American politics serves up a steady diet of half-truths, distortions, and falsehoods. Scandals have tarnished politicians from both parties – almost, it seems, on a daily basis. It’s no wonder Americans are turned off and tuned out.

So America today is a divided society: red vs. blue, the rich vs. the rest, the insured vs. the uninsured – and if we needed any more proof, Hurricane Katrina brought into painfully sharp focus the divisions in our society with regard to wealth, class, race, and resources while also demonstrating the disastrous results of a sustained assault on the basic capacity of government. The sobering truth is that we now face unprecedented

¹⁵ Mishel et al, “The State of working America.” Americans are now less likely to advance from their quintile of income distribution.

democracy deficits and a growing prosperity gap and, as a result, Americans have lost trust in their leaders and in the core institutions of our society.

How did this happen? Barriers to participation, the pernicious influence of money in politics, the non-competitiveness of elections, and the politics of division and falsehood have all contributed to a government that is unrepresentative of the people it is tasked to serve. Rather than serving the vast middle class, government policy frequently serves the special interests and the wealthiest among us. “Supply-side” theories of trickle-down economic benefits have been used to justify huge tax *decreases* for the wealthiest Americans. The combination of massive tax cuts and huge expenditures for the war in Iraq, the broader war on terror, and homeland security have turned budget surpluses into deficits forcing cuts in other programs and leaving our basic programs of economic security – like Social Security and Medicare – financially vulnerable.

The 2006 election campaign is once again focused on what divides us, not what unites us. In fact Americans are feeling more divided than ever. And yet, everyone in this room knows there is a longing in communities all across the country for greater common ground and a core belief that at some deeper level there is more that unites us as Americans than divides us.

What Can & Should Be Done?

Despite this rather bleak assessment of the crisis in American democracy, I have no doubt that we can reinvigorate civic participation, reignite the American Dream, and nurture our sense of community if we work energetically together to clear and plow common ground. We need to restore a sense of shared national purpose in our

democratic culture so that we are better able to meet the challenges we face: poverty, inequity, unequal access to health care, inadequate education, terrorism, and so on.

Our work is not about a tactical effort to influence one election. It is the strategic work of mobilizing for deep and durable social change – of shaping a long-term vision for our society that inspires & unites our people.

Our history reveals that electoral campaigns rarely advance the process of deep social change. More often than not, politicians follow social movements – they don't lead them. Mobilizing social movements is the job of citizens and leaders and organizations of the nonprofit sector. It is the job of all of us in this room. So, what should we do?

I believe there is much work to be done in four principle areas: 1) fixing the basic flaws in our political system; 2) re-energizing civic engagement; 3) promoting policy reforms to strengthen the middle class; and 4) nurturing the culture of our democracy from our communities up. Progress in any one of these areas will not be sufficient to overcome the democracy crisis I have described. We must make strides in all of them simultaneously.

In the interest of time, I will only briefly address the first three – perhaps we can return to them in the discussion. But I do want to conclude with some thoughts about how all of you and the agencies you lead can help reinvigorate our democratic culture through the work you do in our communities.

Fixing the Flaws in our Political System

I am a co-founder and current Board chair of Dēmos, a non-partisan research and advocacy organization that is working to strengthen American democracy, promote

broadly shared prosperity, and restore the capacity of government to provide for the common good. Dēmos is building coalitions around a series of reforms to eliminate barriers Americans face at the polls, reduce the power of money in politics, and promote non-partisan systems for legislative redistricting.¹⁶ I want to highlight three reforms that Dēmos is promoting that I believe would significantly improve our electoral systems.

First, is *Election Day voter registration*. Currently six states permit eligible citizens to register and vote on Election Day. Dēmos' research indicates that voter turnout in these states is 12 percent higher than the rest. In 2004, the top four states in voter turnout all had Election Day registration.

Second, is public financing of campaigns. A handful of states and cities have adopted some form of public financing.¹⁷ Public campaign financing reduces candidate dependency on large donations and shrinks funding disparities between candidates. It encourages participation by political newcomers – including women and people of color, and gives candidates more time to meet with voters.

Third, we need to devise and implement non-partisan methods for redistricting. A dozen states are now using independent commissions to design redistricting plans. While it is too soon to draw definitive conclusions, current research indicates that independent redistricting commissions can help constrain partisan efforts to manipulate legislative districts to protect incumbents and deter competition.

¹⁶ www.demos.org

¹⁷ Last December, Connecticut adopted what is the most sweeping public financing systems covering all state legislative races as well as statewide offices.

Reenergizing Civic Engagement

As we work to remove barriers to participation we must also be open to new ways to invite meaningful civic engagement. I have been impressed by several new models of civic engagement that promote participatory democratic problem solving such as “deliberative polling” and town hall meetings of the 21st century. In both of these experiments, representative groups of citizens are brought together for facilitated discussions of specific issues in their communities. With the support of sophisticated technology, participants are given the chance to vote their preferences with regard to various policy options. Government officials participate in the deliberation and often find the results compelling. These techniques are currently being used in New Orleans to help displaced families have a voice in the rebuilding effort.

We also need to pay particular attention to young people for they are truly the future of our democracy. Along with several other foundations, the Rockefeller Brothers Fund is supporting a new approach to encourage civic engagement among young people, particularly youth of color living in low-income communities. What is has become known as “youth organizing” combines youth development activities with community organizing techniques. In these projects, youth-led organizations work to engage people in their neighborhoods around priority concerns – like safety in the schools. Youth organizing helps young people develop and advance their own approaches to achieving policy changes while forming a sophisticated and durable constituency for community action and social change. Working with young people can encourage life-long civic habits – my own interest in politics was inspired by a creative third grade teacher in Glendale Missouri – just a few miles from here.

Policy Reforms

Repairing our worn-out electoral systems and supporting experiments in new forms of civic engagement can help boost participation in our political process. But perhaps even more importantly, we need to advance a set of fundamental policy reforms to strengthen the middle class and stimulate renewed social mobility. By doing so, we can help millions of American families who are now struggling to make ends meet. We can restore the American Dream, and we will reinforce “democracy’s center of gravity” as Norton Garfinkle puts it.

In his new book, Garfinkle describes how, from the 1930s to the 1960s, political leaders of both parties “shaped policies to extend economic opportunity, protect against economic insecurity, and above all to make a middle-class standard of living accessible to most Americans.”¹⁸ These policies included a progressive income tax, Social Security, Medicare, tax deductions for home ownership, student loans for college education, Food Stamps, and public assistance. Together they formed the core of a social compact that served us well for most of the post-WWII era. Well, it’s clearly time we devised a new social compact for the conditions of the 21st century.

The first and most critically important policy reform is to return fairness to our tax system. In recent decades, taxes on the incomes of the wealthiest Americans have been dramatically reduced based on a supply-side economic theory that holds that reducing taxes on people with very high incomes stimulates additional investment which in turn produces economic growth and job creation. Numerous economic studies have now shown that the reality is far different than the theory. Tax fairness, on the other hand, can

¹⁸ Garfinkle, *op. cit.*, p. 198

generate additional revenues that can be put to work to reduce the deficit and invest in programs that serve families, promote economic opportunity, and strengthen the middle class.

A second critically important policy reform is to reinvest in education. As one idea, Dēmos has proposed a “Contract for College” which would unify all of the existing federal student financial aid programs into one guaranteed financial aid package for college students.

Other policy reforms that merit consideration as part of a new social compact include raising the minimum wage, expanding the earned-income tax credit for the working poor, and making a concerted effort to devise a public-private partnership for universal health insurance.

Nurturing the Culture of Democracy from our Communities Up

Policy reforms will be slow in coming and while they are necessary, they will not be sufficient to overcome our democracy crisis. It is vitally important that we rekindle the culture of democracy in our communities. How can we empower individual citizens and collective action? How can we build community voices – as expressed in the title of this conference?

As I consider these questions, I look to the nonprofit sector, to the Alliance for Children & Families, and the kinds of organizations represented in this hall. At root, by providing essential services to our families, you are also building community.

At the RBF we are keenly interested in what we call the “civic engagement of nonprofit organizations.” One of our core strategies is: “Strengthening the capacity of the nonprofit sector to foster civic engagement and democratic practice, with an emphasis on

encouraging and assisting a broad range of civil society organizations to move toward a more explicit engagement with public policy related to constructive social change.” Let me explain.

I know from my own experience serving for six years as Commissioner of Public Welfare in Connecticut that human services providers like all of you are truly on the frontlines of the struggle to maintain the social compact. You are serving the extraordinary diversity of American families and you know better than anyone the challenges our families face. You respond to a wide array of needs. You know the effects of reduced government funding coupled with increasing demands for services. You are working against the odds at community building.

As you see every day, public policy often seems detached from the realities of the communities you serve. Decisions made in state capitals or in Washington often make your jobs harder, rather than easier. The families you serve are buffeted by economic cycles, demographic trends, and even by the effects of globalization. As a direct result of the work you do, you have amassed a vast wealth of knowledge. And we are convinced that your knowledge can be a powerful force for change in our society – that you can amplify community voices and help to shape a new social compact for the 21st century.

We are very pleased to be funding two important projects organized by the Alliance to engage family services agencies more directly in the public policy process. Our panel this morning includes leaders from both. The first is called “Building Community Voices.” Those of you who are participating in this project know that it is designed to build the capacities of Alliance member agencies to engage in mission-based advocacy at federal, state and local levels. The second project is called “New Voices at

the Civic Table.” This is an effort to encourage and support the civic engagement of human service agency *clients* whose voices are frequently unheard, although they have so much of import to say.

As both of these projects are demonstrating – and as all of you know so well – this is very hard work. On the one hand, human service agencies are struggling to keep up with the demand for services in a very challenging fiscal climate. Adding a civic engagement dimension can seem like a distraction from your core mission. Advocacy is time consuming and may seem risky if the positions being advocated contradict government policies or challenge political orthodoxy. Boards often have little enthusiasm for policy work or advocacy and volunteers and staff have little time and perhaps not the right mix of skills for effective engagement in the policy arena. In a time when everyone from funders to boards of directors is looking for measurable impact, it is also hard to assess the results of policy work and advocacy, especially in the short term.

All of these factors make this effort terribly difficult – but they don’t make it any less necessary. In fact, I believe that without greater engagement by nonprofit agencies and the clients they serve, civic participation will continue to decline, our shared experience of community will continue to diminish, public policy will be inadequate to the needs of families, and the culture of our democracy will wither.

This must seem like a huge additional burden for all of you who work so hard under very challenging circumstances to meet very real needs of families every day. But this is a time when all of must summon the strength to promote new thinking *about* and a new commitment *to* America’s families. It is essential for our families and their children, and it is critical to the vitality of our democracy. If we are to surmount the democracy

crisis, we will need a new social compact. And all of you have much to contribute to this effort.

I believe that Americans have tired of dogmatic politics and ineffective institutions. In response, out of the view of cameras, ordinary people are exhibiting their extraordinary capacities, drawing from a deep well of civic and communal energy to bridge divides and strengthen the connections that bind us together.

We are now in a time when we need strong communities more than ever. We need them not only for their own sake, but also because it is the experience of community that sustains democracy. And we will surely need robust democracy to face the myriad domestic and global challenges that await us in this century.

At a time in our history of far graver crisis, Abraham Lincoln challenged Americans to think differently, to see the challenges clearly, and to act. In 1862, with the nation divided by Civil War, Lincoln told the Congress that “The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew, and act anew. We must *disenthral* ourselves, and then we shall save our country.”

We must “disenthral ourselves” – Lincoln’s remarkable phrase seems so appropriate for our own times. We need to shake loose from conventional wisdom, the politics of division, and business as usual. Our country can be different. We can help make it so. Thanks for having me with you this morning.