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FACT SHEET: Promoting Economic Mobility, Opportunity, and Community Revitalization

In the days immediately following the State of the Union, Cabinet officials are embarking on the "State of the Union: Cabinet In Your Community" road tour to engage Americans in small towns, big cities and Indian country about the advancements the Administration has made on the most important issues facing the American people, as well as the opportunities and challenges that lie ahead. As the President made clear in his State of the Union address, the true test is not the challenges we face, but how we approach those challenges. That's why the President and his Cabinet will use this last year to continue driving toward solutions that will move this country forward for generations to come, while highlighting the progress that has been made over the past seven years.

On the heels of President Obama's State of the Union address, White House Office of Management and Budget Director Shaun Donovan traveled to Baltimore, Maryland today to highlight the Administration's efforts, in partnership with communities, to promote economic mobility, opportunity, and community revitalization. While in Baltimore, Director Donovan participated in a conversation with Dr. Kathryn Edin, author of *\$2.00 a Day*, at Johns Hopkins University, to discuss the geography of poverty and the Administration's approach to help ensure that one's zip code does not determine one's destiny. From day one, the President has set out a different approach to how we engage communities. Put simply: people striving to make their neighborhood a great place to live, work and raise a family know their community's strengths and needs, and we need to partner with them as collaborators. The President has called on the Federal Government to disrupt an outdated, top-down approach to how we work with businesses and communities, and to think creatively about how to make our efforts more user-friendly and responsive to the ideas and concerns of local citizens. Director Donovan talked about how in communities across the country, we are partnering to make a difference. He also announced a few of the many investments to be proposed in the President's Fiscal Year (FY) 2017 Budget to advance innovative strategies for tackling poverty and strengthening communities.

After coming into office in the midst of the most severe financial crisis since the Great Depression, the President and his entire Administration took decisive action to lay a

new foundation for durable economic recovery and growth and help Americans get back to work. The President, working with Congress, acted to prevent millions from falling into poverty, particularly through the Recovery Act, and helped businesses create 14 million jobs over 70 straight months. Unemployment has been cut in half, to 5 percent. Through the Affordable Care Act, almost 18 million people have gained health insurance and, for the first time on record, nearly 90 percent of Americans have health insurance. By strengthening the Earned Income Tax Credit and Child Tax Credit for working families, the Administration reduced the extent or severity of poverty for more than 16 million people – including about 8 million children – each year. And while pursuing this strategy to rebuild and strengthen the Nation’s economy, this Administration has prioritized partnering with State and local elected officials to address the issues that matter most to Americans – from raising the minimum wage, to expanding healthcare access, to protecting the environment, to advancing equality, to closing opportunity gaps and a range of other issues.

But as President Obama said in the State of the Union address, there is more work to be done to give everyone, no matter their circumstances, a fair shot at opportunity and security in today’s global economy. The President’s FY17 Budget will include new investments and initiatives designed to expand economic opportunity, increase mobility, and revitalize communities. Director Donovan highlighted some of these proposals today, including investments that would:

- **Increase Access to Neighborhoods of High Opportunity.** The President’s Budget will include a \$15 million mobility counseling pilot to help families that receive housing assistance through the Department of Housing and Urban Development move to, and stay in, safer neighborhoods with stronger schools and better access to jobs. These investments will be distributed to about 10 regional housing program sites with participating Public Housing Authorities and/or private non-profits over a three-year period. A portion of the funding will also support an evaluation to measure the impact of the counseling pilot to inform future policymaking and program design.
- **Help Families in Crisis Gain Stability and Move to Self Sufficiency.** To help stabilize families in crisis and position them to move towards self-sufficiency, the Budget will propose Emergency Aid and Service Connection Grants, a new \$2 billion initiative to test innovative State and local approaches to aid families facing financial crisis. This includes financially stressed families who have been brought to the brink of crisis, for example by a temporary illness or the need to repair the family car that gets a parent to work. And it includes families that have already hit bottom, living in extreme poverty. The funding will provide families the emergency help they need to avert or reverse a downward spiral, and if needed, connect to longer term supports, such as income assistance, job

training, child care, and mental health and substance abuse treatment, so that parents can get back on their feet, families are stabilized, and children can thrive.

- **Advance Proven Community-based Initiatives to Improve Educational and Employment Outcomes.** The President's FY17 Budget will invest \$128 million for the Department of Education's Promise Neighborhoods program and \$200 million for the Department of Housing and Urban Development's (HUD) Choice Neighborhoods program to help improve the educational and life outcomes of residents of distressed communities. This FY17 funding will support approximately 15 new Promise Neighborhoods and six new Choice Neighborhoods implementation grants, and numerous other planning grants for communities to engage with stakeholders to create plans for future revitalization. These programs have already helped residents in over 100 distressed communities.

Today's announcements build upon the work this Administration has undertaken in the past to improve the lives of the American people. Examples include:

- **Ending Veterans Homelessness.** Since the Administration released the first-ever Federal strategic plan to prevent and end homelessness in 2010, homelessness among America's veterans has fallen by 36 percent, and unsheltered veteran homelessness has been nearly cut in half. Places like New Orleans, Houston, Las Vegas, and the state of Virginia have effectively ended homelessness among veterans – and demonstrated that they can rapidly re-house any veteran who falls into homelessness. Further, nationwide chronic homelessness has decreased by 22 percent, and family homelessness is down 19 percent since 2010.
- **Improving Educational Outcomes.** From the start of the Administration, the President has focused on improving schools in poor communities and we've seen some real success in States increasing their K-12 standards, improving graduation rates, and spurring college attendance. Since the President laid out his proposal to expand early childhood education in his 2013 State of the Union address, cities such as Seattle, WA; Denver, CO; Boston, MA; Cleveland, OH; and San Francisco, CA have leveraged Federal funding, public-private partnership, and ballot initiatives to expand preschool. Following on this success, some 34 Governors proposed increasing funding for early education since the President announced his Preschool for All proposal.
- **Making College More Affordable:** The Administration has increased investments in the Pell Grant program, supporting grants for 2 million more students to attend college in the 2015-16 award year as compared to 2008-09. And more students of color are attending college than ever before. Enrollment for

African-American and Hispanic students has risen by more than 1 million since 2008. Our historic investments in student aid for college, a far simpler Free Application for Federal Student Aid (FAFSA), and the new College Scorecard are helping to give all students the opportunity to go to college by providing them with more scholarship support and the clearest information possible to make informed college choices. We've increased the maximum Pell Grant by more than \$1,000, expanded education tax credits, kept student loan interest rates low and helped more than 4 million borrowers manage their debt through plans like the President's "Pay as You Earn" plan, which caps payments at 10 percent of monthly income.

- **Challenging Communities to Expand Opportunity for All Young People.** In 2014, the President launched the [My Brother's Keeper](#) Community Challenge, a call to action for communities to develop and implement coherent cradle-to-college-and-career strategies aimed at improving life outcomes for all. Today more than 200 communities in 49 States and 19 Tribal Nations across the U.S. have taken the Challenge and most have hosted Local Action Summits. More than 60 communities have completed their [local action plans](#) including Detroit, MI; Philadelphia, PA; Boston, MA; and Indianapolis, IN. Additionally, the Council of the Great City Schools (CGCS), in response to MBK, is coordinating the leaders of more than 60 of the largest urban school systems in the country in an unprecedented joint pledge to change life outcomes by better serving students at every stage of their education.
- **Empowering Americans with the Skills Needed to Succeed in Today's Economy.** In March 2015, the President announced his TechHire initiative, a bold multisector effort to empower Americans with the skills they need to succeed in today's economy. The effort included engagement through universities and community colleges; innovative nontraditional approaches like "coding bootcamps;" and high-quality online courses that can rapidly train workers for technology jobs that pay 50 percent more than the average private-sector American job. Since then, 31 new cities, states, and rural communities with over 150,000 open tech jobs and 500 employer partners have joined the TechHire initiative making independent commitments to help applicants find work based on their skills and not just their degree, to create more accelerated tech training opportunities, and invest in innovative placement programs to connect diverse workers to entrepreneurial opportunities and jobs.
- **Connecting more Americans with Pathways to the Middle Class.** In the 2014 State of the Union, the President announced a goal to double the number of

Registered Apprentices (RAs) in the United States over the next five years. Thanks to the efforts of the Department of Labor's Office of Apprenticeship and our State partners, two years later there are now 75,000 additional Registered Apprentices. Apprenticeship is a proven pathway to the middle class, with studies indicating that Registered Apprenticeship program completers, on average, earn lifetime wages of \$300,000 more than similar non-participants.

- **Strengthening Communities through Federal Partnership:** Innovative place-based initiatives have invested \$17 billion into over a thousand high-poverty communities. You can see these initiatives at work in your community at <http://www.whitehouse.gov/omb/place>.

From the start, the President has been committed to making the critical investments needed to accelerate and sustain economic growth in the long run and to an economy that rewards hard work, generates rising incomes, and allows everyone to share in the prosperity of a growing America. Through these priorities and more, the American economy has made significant progress since the worst financial crisis since the Great Depression, with our businesses creating 14.1 million jobs over 70 straight months, the longest streak on record, and cutting the unemployment rate down to 5 percent. As the President said yesterday, however, our challenge now is to finish the job.

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