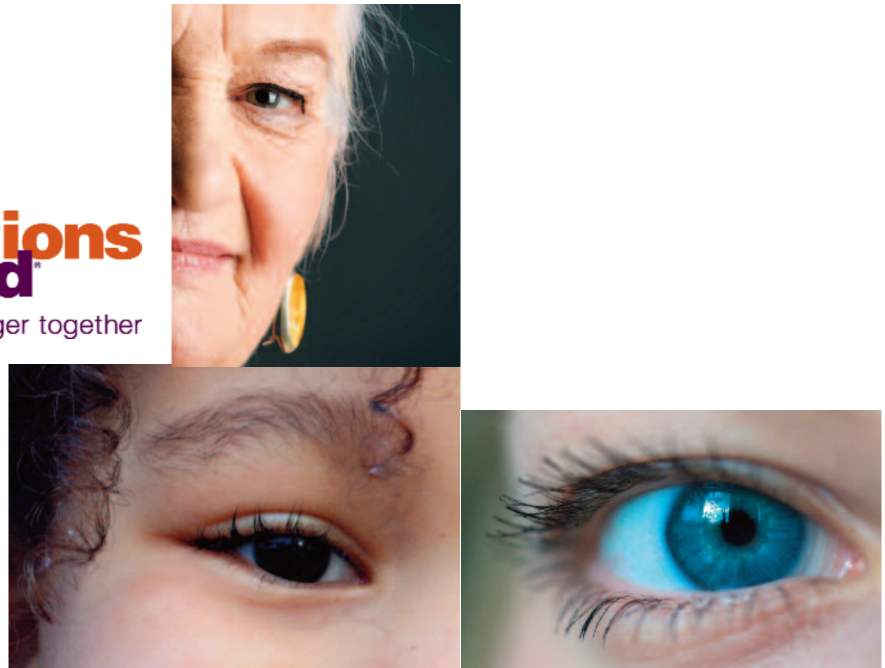
generations united

Because we're stronger together



out of many, one: uniting the changing faces of america

The Generations Initiative

IGNITING THE POWER OF WE

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About Generations United

For nearly three decades, Generations United has been the catalyst for policies and practices stimulating cooperation and collaboration among generations, evoking the vibrancy, energy and sheer productivity that result when people of all ages come together. We believe that we can only be successful in the face of our complex future if generational diversity is regarded as a national asset and fully leveraged. www.gu.org

About The Generations Initiative

Generations Initiative is a network of leaders, organizations, and communities that work together to raise awareness and promote solutions to harness America's current demographic revolution to our country's advantage. It aims to build on the strengths of each generation to ensure our democratic and economic vitality. The goal is to catalyze action that transforms these demographic shifts into an asset for our collective future. Learn more at www.generationsinitiative.org.

About Harris Interactive

Harris Interactive is one of the world's leading market research firms, leveraging research, technology, and business acumen to transform relevant insight into actionable foresight. Known widely for The Harris Poll®, Harris offers proprietary solutions in the areas of market and customer insight, corporate brand and reputation strategy, and marketing, advertising, public relations and communications research across a wide range of industries. Additionally, Harris has a portfolio of multi-client offerings that complement our custom solutions while maximizing a client's research investment. Serving clients worldwide through our North American and European offices, Harris specializes in delivering research solutions that help our clients stay ahead of what's next. For more information, please visit www.harrisinteractive.com.

Survey Methodology

This survey was conducted online within the United States between September 17-19, 2013 among 2,044 adults (aged 18 and over) by Harris Interactive via its QuickQuery omnibus product. Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

For complete survey methodology, including weighting variables, please contact Generations United at gu@gu.org.

www.gu.org and www.generationsinitiative.org

Disclaimers

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E Pluribus Unum: Out of Many, One

The United States has a powerful founding narrative: E Pluribus Unum, “out of many, one.” This has been both the story of our history and our aspirations.

Today we are experiencing a demographic transformation that pushes this narrative further. First, we are living longer and healthier lives. By 2043, one in five U.S. residents will be age 65 or older. Second, we are more racially and ethnically diverse. By 2042, more than half of the nation will be people of color. Third, there is a growing racial generation gap. Today, more than half of Americans under the age of five are people of color compared to less than one in five Americans over 65.

This chapter in our national story demands a new vocabulary. What do the terms “senior citizen” and “retirement age” mean now that the average American lives to be 78 years old? With peoples of color making up more than half of the population, what does the word “minority” mean? In today’s fluid knowledge economy, can we still divide life into strict stages and ages—childhood and education, adulthood and work, seniority and retirement?

How we answer these questions will have powerful ramifications for our nation’s cultural cohesion and economic success in the 21st century. The past decade has put another foundational national story, “the American Dream,” under pressure. The Great Recession, high unemployment, skyrocketing healthcare and education costs, and burst housing bubble have shaken our confidence that the younger generation will live better than their parents.

These hardships have fed an underlying fear that we are in a zero-sum game, a struggle for jobs and resources between older generations and younger. In a time of budget crisis, do we fund Social Security and Medicare for Americans over 65, or do we address college debt and youth unemployment?

After decades in which there was little discernible difference in party preference between younger and older voters, the generations are voting increasingly differently. In the 2012 presidential election, the majority of voters under age 44 voted for President Obama and the majority over age 45 voted for Mitt Romney. The majority of voters of color voted for Obama, while the majority of white voters chose Romney. What’s more, younger generations are growing up with very different ideas about family, marriage, and success than their grandparents did. States where the new racial generation gap is most evident (such as Florida, Arizona, North Carolina, and Texas) provide a glimpse of the sharp political divides and decreased spending on education and social services that can accompany such a gap, and illustrates the need for a shared framework for setting priorities and balancing the needs of all generations.

These generational differences are real—and we are at risk of allowing them to blind us to the basic interconnection of all our fates. In our intensely age-segregated society with its tendency either to disparage or elevate groups based on their age (from adolescents to older adults), the zero-sum framework sets up a false conflict between keeping promises from the past and making investments in the future. Every generation is part of the future. As the following sections on work, civic engagement, transportation, and housing show, our fates are intertwined in concrete and urgent ways.

Our demographic diversity—in both age and race—is our greatest asset. Like other developed countries, our average age is rising. But unlike China, Japan, and much of Europe, our young population will still continue to grow in the decades ahead. The extension of working life means we benefit from the long expertise and experience of older workers at the same time that our younger generation forges ties to nearly every language and country in the world. The success of these generations is intimately connected. Young people of color will drive the future growth in our workforce, and their ability to earn good livings will strengthen Social Security and the safety net on which our older generations depend—and younger generations in turn will depend one day. Preserving this safety net is critical to young people who will be challenged to support and care for older people in the future. By investing now in a shared intergenerational plan for the future, we can set ourselves on track for widespread prosperity. If we do not act now, we will continue kicking the can down the road. By the time we get there, our problems will only be bigger and harder to solve.

Goals and Key Findings of this Report

This report explores ways these demographic changes can catalyze the opportunities for all generations. Many of our policy and action frameworks are still based on siloed group identities that separate ages and races whose fates are, in reality, interdependent. Capturing the opportunities for new growth – in emerging civic or market opportunities – will require shifting our lens so that we see individuals, families, and communities as the dynamic, interconnected systems they are, and avoid fragmenting our impact by continuing to apply outdated categorical approaches.

Today more than ever, we have no talent to waste. It is crucial to equalize opportunity in education and work—to plug all communities into the "prosperity grid" of institutions like banks, schools, and home and business ownership programs that make success possible. It is long past time to eradicate differences in opportunity based on race and class. Our increasing diversity makes it more true than ever that our success as a nation depends on the success of every community.

To find out what Americans experience, think, and feel about demographic changes, we commissioned a national survey of diverse Americans by Harris Interactive. The results are encouraging. Americans of all generations recognize that the make up of society is changing and they are remarkably accepting of the changes. Young people feel especially positive about these changes, but so do older people. Their responses suggest that our national narrative of "E pluribus unum" is still strong and as a nation, we are ready to embrace demographic change as an asset. The full discussion of the results is included in the next section.

With these results in mind, this report offers ideas and recommendations to thoughtfully begin to change policies and programs in order to integrate generations, solidify the bond of mutual support between increasingly diverse age groups, and maximize the assets inherent in our demographic future. We focus on four areas that, together, catalyze economic vitality—and unite the interests of the generations. These areas are work, civic engagement, transportation and housing.

To develop these ideas, we took a unique intergenerational approach. We invited a group of leading policy thinkers to apply an intergenerational frame to the issues on which they focus, to summarize key trends, and to brainstorm policy ideas that would bring the generations together to advance a common future. Then we invited an emerging research or policy expert from the millennial generation to respond. We asked all of the writers for bold ideas that attempt to "see around the corner"—to envision new possibilities, not necessarily to advance proposals that would be immediately actionable in the current policy and political environment. The goal is to spark disruptive thinking—to break out of habitual approaches and generate new ways forward that leverage the assets of our growing diversity.

Imagine the opportunities:

How we think about work: What does "retirement age" mean now that the average American lives to be 78? What would happen to student debt and young adult employment if it were possible to "learn and earn" on a flexible work schedule? What if you could share your job with someone else? How can we change the ways we approach education, benefits, and work to match the new flexibility in our life stages?

Anthony Carnevale, director of the Georgetown University Center on Education and the Workforce, examines changing employment trends for both people at the beginning and near the end of their careers to identify new ideas for an evolving work-force and for innovative approaches to flexible or shared employment.

Aaron Smith, co-founder and executive director of Young Invincibles, responds with ideas for strengthening the school-to-work transition: career internships for students that link them with an employer as part of their educational program, apprenticeships, and common sense steps to make education affordable.

How we think about civic engagement: What if we could crowd-source living expenses for national service participants so that giving a year of service could be an option for everyone regardless of economic status? What if you could exchange services with other people in your community without using money? What if "intergenerational programs" didn't just mean one generation serving another, but many generations working together?

Shirley Sagawa, acting chief certification officer for the National Conference on Citizenship, promotes volunteering as a strategy for culturally linking the generations - by stimulating the use of time banks and envisioning a new type of national service that encourages and fosters new ideas.

Heather McGhee, vice president of policy and outreach of Dēmos, focuses on the political component of civic engagement. She discusses such possibilities as making it our goal to have 100% voter participation; invalidating elections unless a threshold percentage of people voted; expanding very successful same day voter registration reforms already available in 10 states and the District of Columbia nationwide; and encouraging greater participation of community residents of all ages and races in the local government budgeting process.

How we think about transportation: What if Americans no longer depended on cars to get around? What if public transportation were flexible and responsive to the routes and times that travelers need in real-time? What if every mode of public transportation—buses, trams, trains, light rails, ferries, you name it—were integrated into one flexible system you could tap into from your phone? Could bikesharing, carsharing, and ridesharing change the definition of public transportation? What do we already have the technology to accomplish?

James Corless, director of Transportation for America, envisions a new role for "mobility providers"—transportation that adapts as consumer needs change, empowered by information technology that could allow robot-driven cars to take older adults to grocery stores and doctors' appointments; shared cars for Millennials—all available when needed. This could both improve service and reduce the need for street parking and garages—freeing up community space for other, more productive developments.

Anita Hairston, associate director of PolicyLink responds with a rubric for assessing transportation options through three questions: who benefits, who pays, and who decides; and proposes a way to promote broader public engagement in these decisions.

How we think about housing: How does our built environment—buildings, transportation systems, parks, sidewalks—influence the way we interact with each other? What would it look like if we intentionally created a built environment that encourages people to connect? How do the housing needs of the millennial and baby boomer generations relate to each other? How can we change the way we think about housing to bring people together in multigenerational communities?

Erika Poethig, director of urban policy initiatives at The Urban Institute, chronicles the ways in which changing consumer demand and federal housing policy have shaped our built environment and argues for a targeted federal role to fuel innovation.

Megan Bolton of the National Low Income Housing Coalition proposes tax reforms that promote the affordability of rental housing and argues for greater emphasis on building sustainable, mixed income and mixed age communities.

These unique intergenerational explorations of the topics are included in the following sections of this report. The extended versions of the papers are available at www.gu.org.

Recommendations

From these bold ideas, we present our top eight recommendations to catalyze the opportunities provided by demographic changes to strengthen our families, communities, and economy.

Employment

1. **Jumpstart broad implementation of flexible work arrangements by demonstrating their impact on worker and firm productivity.** Flexible work arrangements (such as job sharing, work sharing, part-time work, flex-time, compressed week schedules, contract work, and telecommuting) have potential to improve productivity, job performance, absenteeism, turnover and employee satisfaction. Yet, roughly only one-third of employers already offer some form of flexible arrangements. For younger workers, flexibility can make it easier to learn and earn — to develop work experience relevant to their field of study while earning a wage. For older workers, the practice can help smooth the transition to retirement by allowing them to balance job demands, family responsibilities, health care needs, and civic engagement. The Department of Labor's Employment and Training Administration (ETA) should commission a study on the effects of flexible work arrangements on worker and firm productivity, as well as the best practices for implementing these arrangements, and disseminate the findings to employers, industry associations, labor organizations, and the public. The Department of Labor should develop a competitive demonstration program for employers in diverse regions of the country who make proposals to apply the study's findings.

2. **Encourage innovation and incentivize the most effective internship, apprenticeship, fellowship, and workforce development programs.** From "encore careers" to registered apprentices, to "career internships," a wide range of promising practices abound to strengthen the labor market and effectively engage people of all ages. The Government Accounting Office should conduct a cost benefit analysis of leading public and private model programs and design and implement a strategy to incentivize taking the most effective programs to scale. Any strategy should incorporate a plan to simultaneously encourage innovation.

Civic Engagement

3. **Increase the use of time banks to address issues affecting all ages.** Time banks allow people to earn time credits by providing service to those who ask. In turn, they can spend their credits by requesting services from others. For example, an hour of babysitting by a retired person might be repaid by an hour of driving by a young adult or an hour of errands for a homebound older adult might be repaid by an hour of reading to a child. Time banks can be a low cost strategy that relies heavily on volunteers of all ages and technology. They offer significant returns, since they can build stronger communities by connecting people to one another. Policymakers could significantly expand time bank use in the United States by supporting them through a variety of authorities such as AmeriCorps VISTA, Medicaid/Medicare, and the Obama Administration's Pay for Success program. Existing effective cutting edge models should be taken to scale, such as those that have been shown to reduce recidivism among youth offenders, reduce medical costs, encourage "aging in place," improve child test scores, and reduce bullying.

4. **Allow same-day registration for voting nationwide.** Low voter turnout undermines the basic premise of self-governance and self-representation. In many states, the majority of eligible voters do not vote. Forty-six million young adults under 30 are eligible to vote, actually surpassing the 39 million eligible older adults, and yet the turnout rate is 72 percent among older adults and just 45 percent among youth (The Center for Information & Research on Civic Learning and Engagement and U.S. Census Bureau). Registration is the biggest hurdle to voting among young people. They vote at rates similar to older Americans once they are registered. To clear this unnecessary roadblock, the federal government could adopt a uniform standard allowing eligible voters to register to vote and cast their ballots on the same day: Same-Day Registration (SDR). States that allow SDR consistently lead the nation in voter participation—and have a nar-

rower age-based gap in voting. As a nation committed to democracy, we need strategies like same-day registration that aim for 100 percent voter turnout to ensure the voices of eligible voters of all ages and races are heard.

Transportation

5. **Incentivize innovative coordinated transportation models such as "mobility providers."** Similar to signing up for a utility provider for your electricity or water, this model would allow people to select a "mobility provider", i.e., a company that provides a service to get an individual from point A to point B by any variety of modes of transportation. This could be accomplished by providing incentives for public transportation operators, nonprofit organizations, and local communities to coordinate among existing programs and services, establish public-private partnerships, expand outreach and education programs, and more widely deploy "intelligent transportation" technology that can help make transportation systems more efficient and customer-friendly.

6. **Reward creative, successful practices that address ambitious goals through a "Transportation Race to the Top."** Dedicate a portion of funding for competitive transportation grants, rather than typical formula funding for states. These competitive grants could be modeled on the U.S. Department of Education's Race to the Top program, with programs created at both the federal and state levels. Grants would reward applicants for innovation and hitting milestones toward ambitious goals to reduce age and race disparities. Examples of ambitious goals that would encompass the needs of all ages and races might include reducing pedestrian death to zero or making 100 percent of low- and middle-skill jobs in a region accessible via a 60-minute one-way transit trip.

Housing

7. **Promote greater affordability of home-ownership and rental housing through mortgage interest deduction reform that encourages mixed-age units and communities.** Without access to affordable credit, younger people cannot buy the

homes that the baby boomers need to sell in order to facilitate their next life stage. At the same time, there is increasing demand for rental housing by both older and younger adults—adding to pressure on rents. Rebalancing the housing finance system should support greater affordability of home-ownership and rental housing through strategies such as: reforming the mortgage interest deduction so more middle-income Americans benefit from the subsidy; reducing the mortgage interest tax break from $1 million to $500,000 and using the savings to assist first-time homebuyers and to increase and preserve rental housing for low income households; and encouraging states to use mortgage interest deduction savings to support projects that promote more opportunities for mixed-age units and communities.

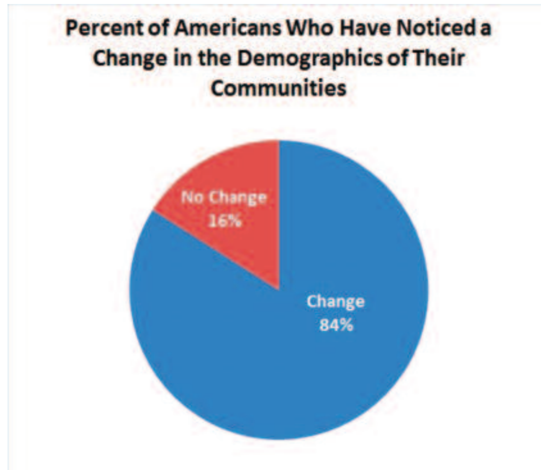
8. **Facilitate homesharing as a way to address the student debt crisis while supporting aging in place.** The homeshare model matches older people who want to stay in their homes, have extra space, and need modest care, companionship, or help with house maintenance with young people who need affordable living spaces and have the time and energy to contribute to maintenance, companionship, and care in exchange for housing. Already popular in Australia and some European countries, homesharing is growing more slowly in the U.S. Given the growing student debt crisis, homesharing could provide students with an affordable housing option while allowing baby boomers to "age in place." Going a step further, the federal government could reduce student loan debt by offering to lower rates by a point for students who participate in a formal homesharing arrangement that helps older adults in the community.

Summary of Poll Results

Are American's of all ages aware of our changing demographics? Do they see these changes as a positive opportunity or a thing to be feared? Are our policies, leaders, and employers adapting to the needs of the changing face of America? To explore these questions, Generations United and the Generations Initiative recently commissioned a nationwide survey by Harris Interactive. This survey, conducted from September 17 - 19, 2013, found that by and large Americans recognize that the make up of our society is changing and they are remarkably accepting of the changes. About a third report positive emotions. The majority are at least neutral. Relatively few (less than 10%) claim to have a negative reaction to most of the demographic changes. This is an encouraging starting place for efforts to unite a nation with diverse experiences and perspectives; and counters the more negative messages commonly portrayed in the media and politics.

And this acceptance is reported by the majority of respondents across generations. While the younger generation tends to be especially optimistic, older and retired people also generally see new neighbors and change as potentially positive. In fact the youngest and oldest respondents were the most likely of all age groups to feel positive about changes in neighbors. Respondents with children in their household were significantly more likely to feel excited about changes than those without, suggesting the potential for optimism about these changes to be instilled in our nation's next generation.

But knowledge and positive emotions are not enough. How does this translate into action and experience? On the whole Americans seem optimistic about the opportunity presented by the changes and the degree to which their community is prepared to meet the needs presented by the changes. In general respondents were more skeptical about the job elected officials and employers are doing to address the challenges and opportunities the demographic changes present.



Some of the most important findings of this study include:

- As a whole Americans are aware of the changing age and race demographics in the U.S. and they are generally accepting of them.
- While younger respondents and African Americans are more likely to see the changes as positive compared to older and white respondents, the vast majority across generations and races are positive or at least neutral about the changes. This suggests an environment which is open and ripe for policies to foster connections across age and race.
- If a competition was held today to determine which sector is doing the best job addressing demographic change, local communities would win, employers would come in a distant second, and elected officials would place dead last. Americans do not believe policymakers are providing the leadership needed to address demographic changes. About half of employers are perceived positively in this respect. Americans have the most confidence in their own communities and are most ready for engagement at the local level.
- Support for proven, publically funded programs targeted at younger and older people is strong. The vast majority of Americans view them as investments that benefit all generations, dispelling the "generational conflict" narrative.

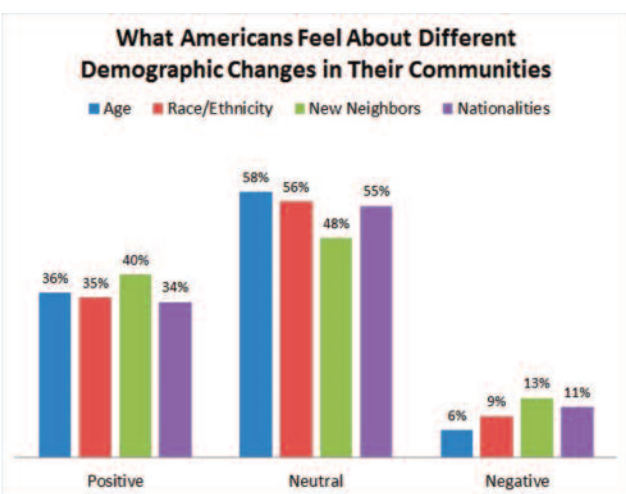
When asked about the changing demographics of people in their communities:

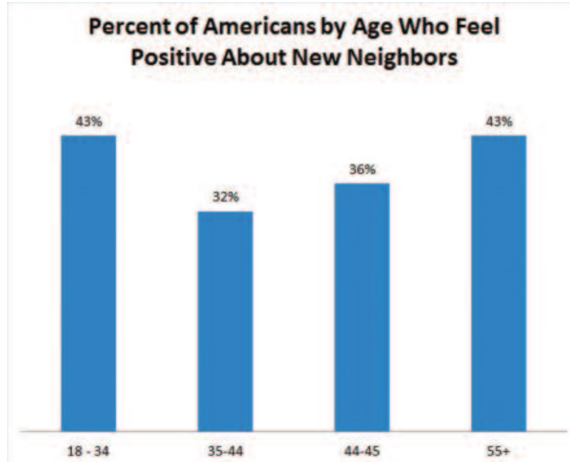
AGE
- 85% of respondents noticed change in the age demographics in their communities
- 36% reported positive emotions regarding the change in age demographics
- Only 6% reported a negative feeling

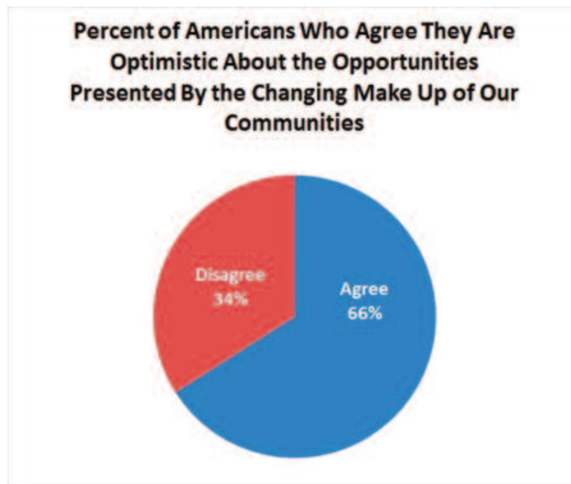
RACE/ETHNICITY
- 81% of respondents noticed change in the racial or ethnic make up of their communities
- 35% reported positive emotions regarding change in their community's race or ethnic make up
- Only 9% reported a negative feeling

NEW NEIGHBORS
- 90% of respondents noticed change in neighbors in their communities
- 40% reported positive emotions regarding changes in their neighbors
- 13% reported a negative feeling
- Younger (18-34) and older people (55+) were the most likely to report a positive emotion

NATIONALITIES
- 81% of respondents noticed change in the nationalities (i.e. people from other countries)
- 34% of respondents reported positive emotions regarding changes in nationalities of people in their communities.
- 11% reported a negative feeling

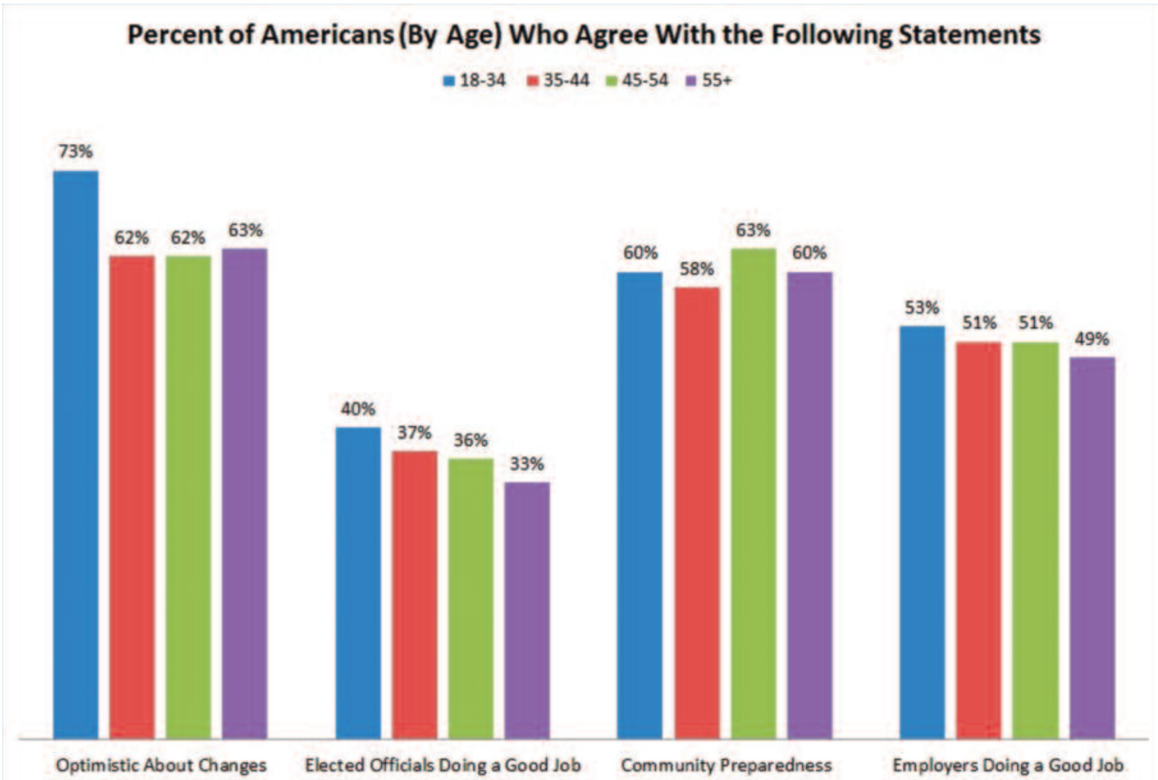




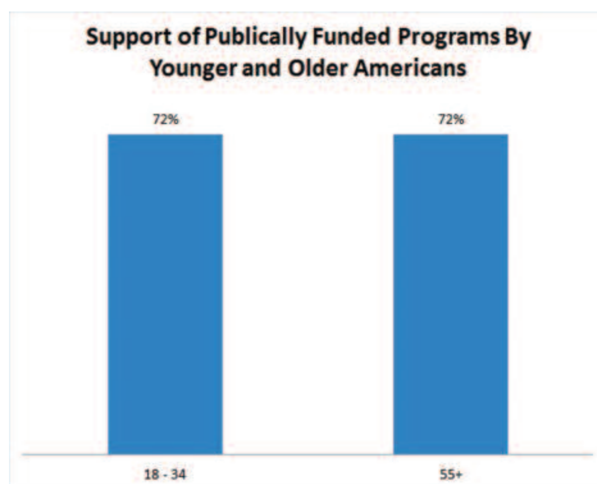


When presented with data that shows 80% of Americans over 65 years old are white and 50% of American under 5 years old are of other races:

- 66% were optimistic about opportunities presented by the changing age and racial make-up of America's communities
- Only 36% agreed that elected officials are doing a good job addressing the changing make-up of our communities.
- 60% agree that their community is prepared to meet the needs of a changing population.
- About half (49%) believe employers are doing a good job offering flexible workplace options to address the needs of caregivers, younger workers and older workers.



As we look more closely at generational responses, the youngest respondents were more likely than other age groups to give favorable responses to employers, elected officials and communities with strongest agreement around community preparedness and employer flexibility. Respondents ages 55 and older were significantly more likely than younger respondents to give a negative response to the job elected officials are doing to address demographic change.



More than 2/3 (71%) of respondents believe that publically funded programs targeted at specific age groups such as K-12 education or Social Security are not burdensome responsibilities to certain age groups, but investments that benefit all generations. Perhaps most significantly the youngest and oldest respondents were equally as likely to agree with this statement suggesting that “generational conflict” narrative is neither the majority view nor greater among one of our “bookend” generations.

On the whole, this is a positive story. Despite the narrative commonly portrayed in the media and politics which suggests that demographic changes are brewing "generational conflict," the vast majority of Americans of all ages are aware of the changes taking place in their communities and they are accepting of them. The majority are optimistic about the changes setting them up for approaches that harness this opportunity and strengthen our communities for people of all ages. Younger and older people spend more time closer to home and in their neighborhoods than the middle generations who are more likely to be working and commuting away from their home. They also report the highest levels of optimism and excitement about new neighbors, suggesting they are ripest for engagement given the right opportunities at the community level.

These results suggest:

- A challenge to communities to catalyze the support they have from their residents and develop opportunities for engagement of all ages and all races at a local level. Community leaders can form intergenerational task forces, explore participatory budgeting, and convene intergenerational dialogues to recommend solutions to issues communities face.
- An opening for policymakers to set themselves apart as bold pioneers. Skepticism about how well elected officials are currently addressing demographic changes points to a tremendous opportunity for policymakers to establish themselves as leaders with bold new ideas that set them apart as champions of change.
- An opportunity for businesses to increase their productivity and attractiveness as an employer. Businesses who step up with innovative workplace flexibility policies, and bold internship and apprenticeship approaches could be seen as leaders who set the standard for their markets.

New Rules: Realigning Education, Careers and Retirement in the Knowledge Economy

Anthony Carnevale, Director and Research Professor, Georgetown University Center on Education and the Workforce

What does "retirement age" mean now that the average American lives to be 78? What would happen to student debt and young adult employment if it were possible to "learn and earn" on a flexible work schedule? What if you could share your job with someone else? How can we change the ways we approach education, benefits, and work to match the new flexibility in our life stages?

The lockstep march from school to work and then on to retirement no longer applies for a growing share of Americans. Changes to the economy and leaps in longevity and health mean that it no longer makes sense to think of life stages the way we used to. New economic realities have created additional phases. The obvious trend is that many young adults are launching their careers later, while older adults work longer. But there are other trends, less easily observed but no less profound:

- Many young adults are moving from education to full-time careers and family formation later or not at all.
- The phases of education, work, and retirement are no longer linear: Instead of completing education as a youth and moving into a career in adulthood, Americans are now expected to continuously learn and adapt to new workplace technologies and an evolving occupational structure.
- The "retirement age" of 65 no longer makes sense as a standard for all workers. More and more Americans are staying healthier longer and continuing their careers well past the age of 65, especially those who are college-educated.

To adapt to these changes, both young and older adults need to be able to make more flexible transitions into and out of the workforce. Young adults will need to mix work and learning at earlier stages in order to accelerate their launch into full-time careers. Symmetrically, older adults need a less abrupt transition out of work and into retirement that allows them to decrease their working hours gradually or in stages.

At the same time, we have shifted into a knowledge economy whose labor demands cannot be met by the education and labor market institutions that supported a 20th century system. There is a lot of talk today about how the delayed retirement of older adults is taking up jobs needed by young people. This is not the case. In reality, our economy is facing a dramatic shortage of skilled labor. Meeting it will require contribution from all generations: we will need to encourage older, skilled workers to remain in the labor force and to support young adults in attaining the education that these opportunities require. Far from facing a job shortage, young people need to overcome a skill shortage in order to be qualified for the opportunities available. We need to focus on updating our labor force to meet the demands of our 21st century knowledge economy.

To meet these changes, policymakers should:

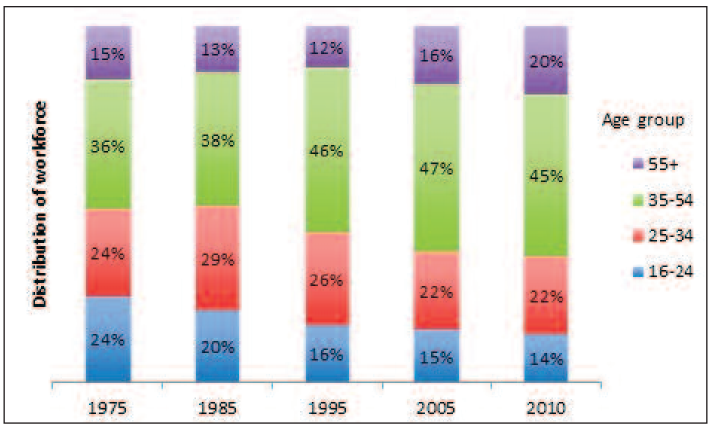
1) Promote flexible work arrangements for young and older adults.
2) Align the education system more tightly to labor market demand.
3) Promote labor market services and public service opportunities that accelerate the launch of younger adults into full-time careers and ease the transition between full-time careers and full-fledged retirement for older adults.

Demographic Change is Transforming the Workforce

Seismic demographic changes are resizing and restructuring the American workforce: the workforce is aging and becoming increasingly racially and ethnically diverse (Figure 1).

The aging of the workforce is occurring primarily for two reasons. First, baby boomers are getting older. Second, many older adults, especially women and the college-educated, are delaying retirement — they are living and working longer than in previous decades. An aging population has slowed down the growth of the workforce, which in turn has put pressure on economic growth and government budgets, including social insurance programs for older adults and human capital investments for youth.

Figure 1. The workforce is aging because many baby boomers are continuing to work past the traditional "retirement age."



SOURCE: Georgetown University Center on Education and the Workforce analysis of data from the U.S. Census Bureau

Generational Alignment: Young and Older Adult Workers Have Complementary Needs

Working older adults aren't crowding young adults out of the labor market.

Because so many Americans, especially the young, are unable to find work, some people are naturally concerned that non-retiring older adults are cannibalizing their job opportunities. This view is misfounded for three reasons:

- **First, it relies on a flawed understanding of how the economy works.** This view of the economy suggests there is a fixed number of jobs and amount of work to be done. There are only so many jobs to fill and by staying in those jobs too long, older adults are preventing young adults from starting their careers. Sure, older workers are in senior level positions, while younger workers would assume entry-level positions. But by leaving their jobs, they would create openings for everyone to move one rung up the career ladder. Young adults would move into the openings created at the bottom of the ladder. **Economists sometimes call this the "lump of labor fallacy" or "box economy."**

  Yet the premise of this line of thinking—that there's a fixed amount of work to be done or jobs to be had—just isn't true. Economic growth and the growth of the labor supply create new businesses and jobs because they lead to a larger base of consumers, as well as greater specialization and higher productivity. Consider the enormous inflow of women into the workforce during the second half of the 20th century. Between 1965 and 2000, the number of women in the workforce tripled, growing from less than 20 million to more than 60 million. But this huge influx of women didn't cannibalize opportunities for men; instead, men's employment grew from less than 50 million to more than 70 million over the same time period.

- **Second, while the number of baby boomers staying in the workforce may be large, the number retiring is even larger.** Because the baby boom cohort is larger than any of the recently retired cohorts, baby boom retirements will lead to more job openings than retirements from previous generations. Even at its highest rate in more than 30 years, only one out of five people 65 and older is employed, meaning that the vast majority, four out of five, are not working.

  Consider that there are about 38 million people between the ages of 55 and 64 today. Of these, about 23 million (61 percent) are working. Even at the historically high employment-to-population rate of 18 percent for workers 65 and older, this will mean that, as these 23 million workers move into retirement age, 18 million job openings will result, while only about 1.4 million jobs won't become open as a result of older workers delaying retirement.

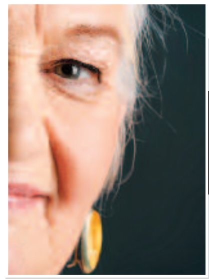
  By the end of the baby boom retirement phase over the next 15 years, the problem won't be a lack of openings, but a lack of workers with the necessary skills to fill those openings. Between 2010 and 2020, baby boomer retirements will create 31 million job openings, and by 2020, the U.S. workforce will fall 5 million postsecondary workers short of the number of job openings that require at least some postsecondary education and training to fill.[1]

- **Third, the empirical evidence suggests that, in countries where older adults are employed at higher rates, young adults are as well.** The Government Accountability Office (GAO) dismissed the notion that older workers diminish opportunities for younger workers in a 2012 report on the unemployment of older workers and its impact, presenting evidence from several recent multinational studies showing that the employment of older workers does not negatively impact employment of younger workers.[2] Instead, higher employment among older workers is associated with higher employment of younger workers, whether an economy's growth is weak or strong; conversely, early retirement by a large number of older workers is associated with higher unemployment among younger workers.[3]

In other words, the relationship between older adults and young adults is positive sum, not negative sum: When older adults do well, young adults are better off.

But what about the converse: Why should older adults care about how young people fare?

The economic success of young people — as future business and political leaders, as well as the financiers of social insurance programs, such as Medicare, Medicaid, and Social Security — is critical to funding social programs for older adults. Older adults' health and economic well-being depend upon young people's ability to acquire the education and skills necessary to fill 21st century jobs. Since there will be fewer young people in the labor force relative to retirees (a higher dependency ratio) once the majority of baby boomers reach retirement, they will need to be substantially more productive than today's workers in order to maintain current levels of support for Social Security and Medicare.



Encore Careers

Never ones to shy away from the spotlight, baby boomers are finding yet another way to leave their imprint on American culture: by investing in a new phase of work – the encore career. According to Marc Freedman, author of the book, Encore, "If the old golden years' dream was the freedom from work, the dream of this new wave is the freedom to work – in new ways, on new terms, to new and even more important ends."

With greater longevity and better health, today's older adults are embracing this new phase of life as a time to continue working but in areas where they feel personally fulfilled and where they can use their experience and wisdom to contribute to the common good.

Nancy Gregory, a fifty-something woman living in Lincoln, Nebraska, personifies the new older adult. After years in health care administration for Veterans Affairs, Gregory "retired" and began searching for a way to bring new meaning to her later years. Well before grandson Michael was born six months ago, Gregory decided to become a daycare provider. Gregory figured she could earn extra income while helping Michael and other young children get off to a good start in life.

Gregory prepared for her new career by reading about early childhood development and taking classes so she could earn her daycare license. Today she gets to spend time every weekday with Michael and three toddlers, who are thriving under her care.

Gregory has been equally busy taking classes to become certified as a health care administrator of

continued

Encore Careers continued

elders. As she explains, "I have two passions in life: children and elder care. When I was a career woman, I was a health-care administrator with Veterans Affairs, working primarily with older adults," she notes. "Now that I'm retired I get to indulge my other passion, working with children."

Once Gregory takes her certification exam, she intends to blend her two passions by finding ways to connect older and younger generations through her work and volunteerism.

"I would love to see more connection and involvement between generations. My kids grew up away from their grandparents; it wasn't until they were teenagers that my sons became close to their grandparents. They missed out on a lot of years of sharing time with their elders. I know I learned my most important life lessons from my grandpa."

And to further her goal of fostering intergenerational connections, Gregory devotes some of her spare time to volunteering for Nebraska Early Childhood Grandparent Network. Part of Generations United's Seniors4Kids project, the Network engages older adults as advocates for policies and programs that promote quality early learning and care.

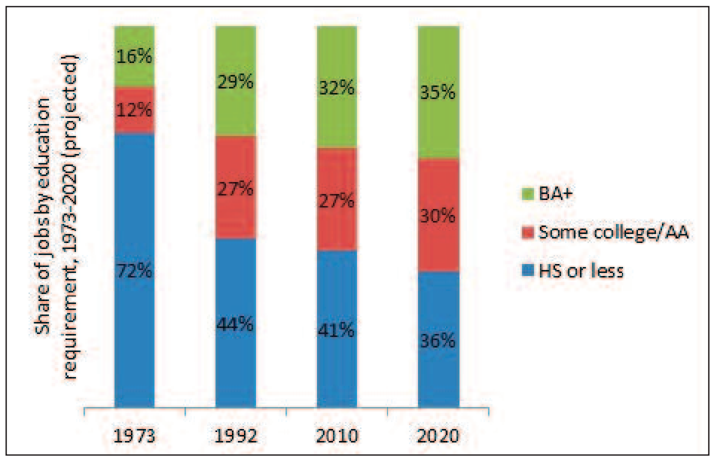
Says Gregory, "I joined the Network because I passionately believe that older adults' life experience is critical to their ability to effectively advocate on behalf of children and youth. They can reflect on what they've learned over the years and put that experience to good use. Furthermore, older adults tend to have the time to devote to being strong advocates for youth."

For more information visit www.encore.org and www.seniors4kids.org.

How We Got Here: A Structural Shift

Over the past 40 years, the United States has shifted from a manufacturing-based goods economy to an information-based services economy. This shift has pushed up entry-level requirements in the labor market. In 1973, 38 percent of job openings required at least some postsecondary education and training. By 2010, that share had increased to 59 percent, and by 2020, it will rise to 65 percent (Figure 2). With rare exception, a high school education is no longer enough to secure access to middle-class occupations and wages.

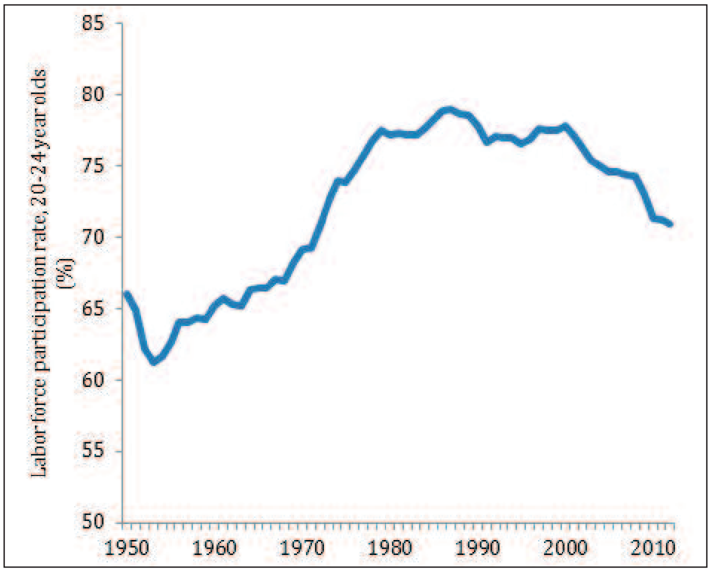
Figure 2. By 2020, 65 percent of jobs will require at least some education or training beyond high school.



SOURCE: Georgetown University Center on Education and the Workforce analysis of Current Population Survey, 1973-2020 (projected)

As a consequence of this structural shift, transitions into and out of careers have evolved at both ends of the work-life spectrum. In 1960, 45 percent of high school graduates enrolled in postsecondary institutions in the fall compared to 70 percent today.[4] Meanwhile, the labor force participation rate of college-age youth has been falling for two decades. It is now at the same level it was in 1972, before the massive influx of women into the workforce (Figure 3).

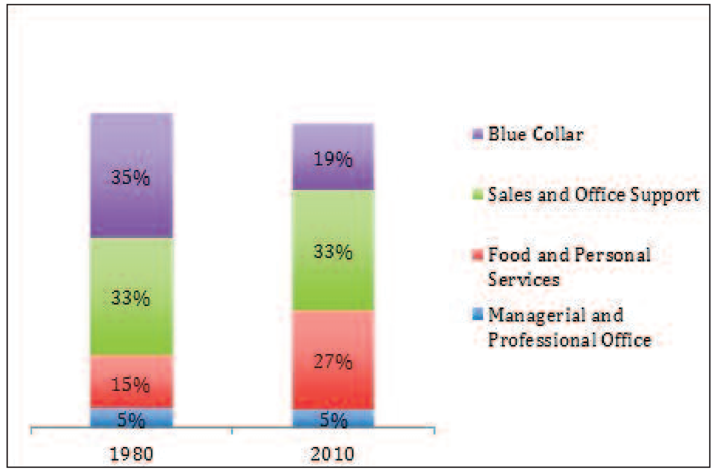
Figure 3. The labor force participation rate for young adults has declined since the 1990s, and is now at the lowest rate since 1970.



SOURCE: Georgetown University Center on Education and the Workforce analysis of data from Federal Reserve Bank of St. Louis

Over the same timeframe, young adults have captured virtually no productivity gains. Instead, their wages have stagnated and fallen substantially behind prime-age workers. These trends are largely the result of the shift from middle-wage jobs in blue-collar occupations in the manufacturing sector to low-paying, often part-time jobs in food and personal service occupations (Figure 4). Young adults today change jobs more frequently than in previous generations and only one out of 10 college-age individuals calls their current job a career.[5]

Figure 4. Young workers no longer have access to blue-collar jobs paying middle-class wages and have increasingly moved into food and personal services occupations.



SOURCE: Georgetown University Center on Education and the Workforce analysis of U.S. Census and American Community Survey data from Steven Ruggles, J. Trent Alexander, Katie Genadek, Ronald Goeken, Matthew B. Schroeder, and Matthew Sobek. Integrated Public Use Microdata Series (IPUMS): Version 5.0 [Machine-readable database]. Minneapolis: University of Minnesota, 2010.

At the other end of the age spectrum, the shift from physical to cognitive work has allowed older adults to work past the age of 65, particularly those with a college education. Older adults' labor force participation and employment have been increasing since the early 1990s, especially for women and the college-educated.

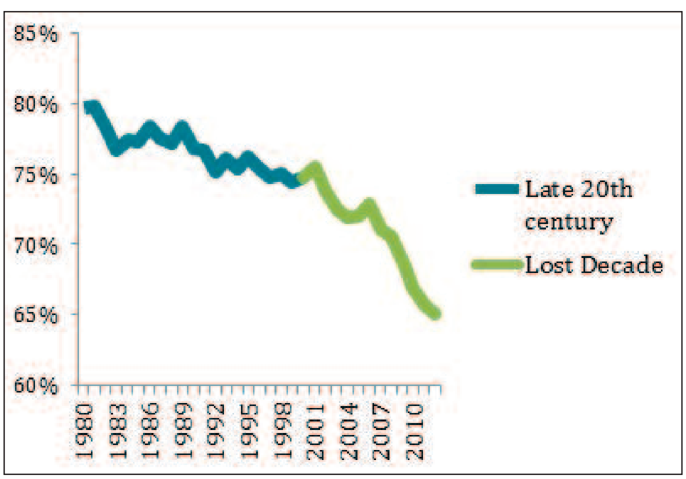
A Lost Decade for Millennials

In the 1980s and 90s, there were many reasons for millennials to be optimistic about the future: unemployment was low; workers' wages were growing; and young adults, especially women, were more educated than ever. But the bursting of the dot-com bubble, which culminated in the 2001-02 recession, left young adults in a deep hole economically. By 2006-2007, they just were returning to the employment and earnings levels of the late 90s. Then the housing bubble burst, and the ensuing financial crisis and Great Recession of 2007-09 kicked up youth unemployment (20-24 year olds) to levels not seen since the Bureau of Labor Statistics began collecting data.[6]

The weak 21st century economy hit young adults harder than any other age group. Between 2000 and 2010, the share of young adults (18-29) who are working dropped from 72 to 61 percent. The unemployment rate for young adults peaked at 15 percent in 2010, five percentage points above the peak unemployment rate for the nation. The median annual earnings (inflation-adjusted) for 21 to 25 year olds fell by 19 percent ($4,000), from $21,500 in 2001 to $17,500 in 2012.

Young men, who are falling behind their female peers in postsecondary educational attainment, experienced the greatest declines in employment and wages. The share of men age 18-24 who are employed dropped by 15 points, from 68 percent to 53 percent between 2000 and 2010. The labor force participation rate for men age 18-24 fell from 75 percent in 2000 to 65 percent in 2010 (Figure 5), a drop three times greater than the decline for the two prior decades (1980-2000).

Figure 5. The share of college-age men in the workforce declined dramatically between 2000 and 2012, three times as much as it declined between 1980 and 2000.



SOURCE: Georgetown University Center on Education and the Workforce analysis of March Current Population Survey (CPS), 1980-2012.

Among all young adults, African Americans, Hispanics and those with a high school education or less were the most vulnerable when the Great Recession hit and suffered disproportionately. The unemployment rate for young (18-24) Hispanics reached 20 percent in 2010, more than double the unemployment rate for whites in the same age group. For young African Americans it reached 30 percent, and peaked at a staggering 58 percent for young African American male high school dropouts. Moreover, because many young people are entering the workforce for the first time, they often do not have access to the social insurance programs and policies — such as unemployment insurance, the Earned Income Tax Credit (EITC), and Temporary Assistance for Needy Families (TANF) — which require a minimum amount of labor market experience or require employment.[7]

Together, the economic shocks of the 2000s amounted to a lost decade just when millennials began to reach their "prime working age" — the period of life where individuals are most likely to work, pay taxes, and make large purchases that fuel the economy, such as houses and cars. Indeed, in terms of employment and earnings, young people were worse off in 2012 than they were in 2000. Economist Lawrence Katz has characterized today's youth as a "lost generation."[8]

The Recession and Older Workers

By contrast, employment and income levels for people over 65 continued to grow in the 21st century, despite the economic downturn. The share of adults age 60-64 with a job grew from 47 percent in 2000 to 53 percent in 2012. Their primary advantage when recessions hit was seniority, as many businesses and organizations utilize "last in, first out" policies during layoffs. Second, businesses are typically more likely to respond to recessions by laying off workers rather than cutting wages, so older workers who remained in their jobs were mostly protected from wage cuts.

In fact, real median annual wages for workers age 55 to 64 increased from $39,250 in 2000 to $40,700 in 2012, and are now higher than wages for prime-age (31-54) workers ($38,800). For workers age 65 to 74, the only other age group who saw their wages rise, real median annual wages increased by nearly 50 percent from $19,600 to $29,100 between 2000 and 2012.

Rather than in their wages, older workers were most affected in their retirement portfolios. Assets declined substantially during the recession. The median net worth of households headed by adults age 55-64 declined by

14 percent between 2005 and 2009.[9] But older homeowners have also been relatively safer over the long run because many took their mortgages in the 1980s, before the substantial increase in home values in the 1990s and early 2000s. By contrast, many young homeowners who bought homes during the bubble were left underwater when the housing market crashed.

However, older workers were not left unscathed by the recession. For those who lost their jobs, their chances of becoming re-employed are lower than other age groups. Even those who are able to find employment again typically have to take a large pay cut to do so. For many older workers, it does not make economic sense to return to school or participate in retraining programs because they don't have enough time left before retirement to recoup the upfront costs of these investments.

For older workers who lost their jobs, the recession negatively affected their retirement income. Some took early retirement, which in effect reduced their monthly Social Security benefits over the course of their retirement; others took early withdrawals from their retirement savings, reducing the funds available for retirement and potentially incurring a tax penalty for those under 59 and a half years of age.[10] Further, for older workers who have not yet qualified for Medicare, the loss of employer-sponsored health coverage puts them at a serious financial risk due to higher chances of illness or injury.

The Role of Education and Employment Policy

Traditionally, the public educational mission has been to prepare young Americans for a globally competitive economy by ensuring they have equal access to a world-class education. The U.S. Department of Education executes this mission largely by administering financial aid (grants and loans) and collecting data to monitor public schools and postsecondary institutions.

The public employment mission is to promote opportunities for Americans to find work; promote the welfare of retirees; improve working conditions; and ensure workers' access to work-related benefits and rights. In addition to promoting these goals, the Department of Labor has maintained a crucial role in defining retirement since the beginning of the 20th century.

Together, these education and employment missions can confront the economic challenges we face in the coming decades. But we have not sufficiently integrated them or understood their link.

Policymakers should not be satisfied only by increasing educational attainment; they should ask the question: "Education for what?"

Alongside concerns about quality and equity, we should be concerned about the ability of education to help secure gainful employment, as well as cost efficiency and productivity: How can we get the most bang for our educational buck?

At the other end of the working life cycle, in addition to its prominent role in defining retirement, the Department

Deloitte LLP and the Flexible Workplace

On its website, Deloitte LLP, a financial services powerhouse, boasts that it has "written the book on workplace flexibility." Indeed, the company has authored two best-selling books, *Mass Career Customization: Aligning the Workplace to Today's Nontraditional Workplace,* and *The Corporate Lattice: Achieving High Performance in the Changing World of Work.*

Deloitte clearly is a blazing a path for corporate America in finding ways to both promote employee satisfaction and high productivity. By offering flexible options, including telecommuting, reduced work hours, and other strategies, the firm says it can retain valuable talent while meeting client needs. The firm calls its approach the "Mass Career Customization Plan."

Offering flexibility can be a juggling act between trying to find ways to help employees find better work-life balance and being ready and available to address customer needs, anytime, anywhere. As Deloitte cautions, "…every organization should think through and define how flexibility will work in its particular case. One size does not fit all. It's advisable to define broad parameters that establish clear boundaries and give people flexibility within those boundaries, allowing employees to embrace arrangements that work for them."

So how does the Mass Career Customization Plan play out in real life? A *Boston Globe* article, "When Time Is Money," by Katie Johnston Chase, cited the experience of Deloitte employee Katerina Tzouganatos who wanted a lighter workload after giving birth to her first child. As the article noted, because of Deloitte's customization plan, "… Tzouganatos, 32, scaled back her workweek from five days to four, including one day a week working from home in Framingham. Combined with a reduced schedule of business trips, Tzouganatos was able to 'dial down' her career to 80 percent, she said. When she's ready to return full time, she'll dial it back up."

Tzoganatos and her co-workers aren't the only ones who have benefitted from the flexible approach. Deloitte says the plan benefits the firm, as well. "We walk the walk as an employer of choice that earns numerous workplace and diversity recognition, including *Fortune®* 100 Best Places to Work, *Consulting Magazine's* Top 10 Best Companies to Work for and *BusinessWeek's* 2009 #1 Best Place to Launch Your Career and we transfer that experience to our clients."

of Labor should develop a more nuanced approach to the transition out of the workforce. Where there are opportunities for older workers to contribute to the American economy and society through work— whether in a lifelong, full-time career job, a new occupation that requires retraining or education later in life, or a volunteer job to transfer their lifelong acquisition of skills and institutional knowledge to younger generations — the federal government should assist.

Disruptive Policy Ideas

Ensuring that we are fully utilizing the talents of both older and younger Americans will require a multi-pronged approach:

Jumpstart broad implementation of flexible work arrangements by demonstrating their impact on worker and firm productivity.

There are many flexible work models to choose from. Job sharing, work sharing, part-time work, flex-time, compressed week schedules, contract work, and telecommuting all have favor with employees as well as potential to positively impact productivity, job performance, absenteeism, turnover and employee

satisfaction.[11] Roughly one-third of employers already offer some form of flexible arrangements.[12]
For younger workers, flexible work arrangements make it easier to learn and earn — to develop work experience relevant to their field of study while earning a wage. Employers today consistently demand 1-2 years of work experience even for entry-level jobs. Yet, too often, holding a job becomes an obstacle to completing a postsecondary credential. Flexible work arrangements, in addition to internships, fellowships, and apprenticeships, can help young adults balance competing work and education demands on their time.

For older workers, flexible work arrangements can help smooth the transition to retirement by allowing them to achieve better balance between job demands, family responsibilities, health care needs, and leisure. Many older workers find it difficult or undesirable to continue working a regular full-time schedule as they get close to retirement. Providing flexible options encourages older adults to remain in career jobs rather than shift to a new part-time occupation, preserving the high productivity of their years of experience, acquired skills, and firm-specific institutional knowledge.

The Department of Labor's Employment and Training Administration (ETA) should commission a study on the effects of flexible work arrangements on worker and firm productivity, as well as the best practices for implementing these arrangements, and disseminate the findings to employers and industry associations. Potentially, this would reduce the current employer barrier to adoption, which will benefit workers at both ends of the career lifecycle.

Integrating the United States' education and employment missions.
We need to ask ourselves, what is the goal of education? In economic terms, does our education system develop the kinds of human capital that are demanded in the labor market?

The answer right now is no. Today's knowledge economy demands a higher performance from our education system. Right now, we are not getting a lot of bang for our educational buck. The United States ranks 11th in the share of young adults (25-34) with postsecondary education, but first in student-related spending.[13] If the U.S. education system were as productive as South Korea's, Canada's, or Britain's, our postsecondary attainment rate for young adults would increase from 43 percent to more than 60 percent. Alternatively, if the U.S. human capital development system were as productive as Britain's, we could maintain current levels of educational attainment and save $150-200 billion.

Improving the performance of our education system could mean reform as dramatic as a complete reimagining. This would take years of careful research, debate, and planning. In the immediate

Mohammed Abdullah & Geriatric Career Development Program

Mohammed Abdullah needed to refocus. Three years ago, he was a high school student walking the halls with his friends, showing up to class late and talking back to adults. "Because I was distracted, I wasn't doing as well as I should," said the 19-year-old.

The Bronx-resident got the focus he needed after learning about the Geriatric Career Development (GCD) Program from flyers posted in Dewitt Clinton High School's halls, the counselor's office and the cafeteria. GCD is offered by Jewish Home Lifecare, a New York-based nonprofit elder care system.

Since 2006, the three-year work-based learning curriculum has helped at-risk New York City high school students climb career ladders in health care. "I already knew what I wanted to do," said Abdullah, who loves nursing and business. "My thing was figuring out how I was going to do it."

He got some direction through GCD's internships, where he learned more about geriatric health care.

continued

Mohammed Abdullah & Geriatric Career Development Program

continued

With a 94 percent retention rate, the GCD program has helped students decrease absences and tardiness and achieve better SAT and PSAT scores. “I wanted to change, so I decided to join,” said Abdullah, whose friends laughed at him when he tried to get them involved. “You’re not going to get any money from that,” they told him.

He held fast and, along the way, became a certified technician in patient care, electrocardiography (EKG) and phlebotomy. He’s also a certified nursing assistant and gained certification in CPR. “GCD enhanced my credentials,” Abdullah said. “It made me more of a man.”

Along with that maturity, came better choices. He cut off his friends who weren’t improving themselves. Abdullah also bonded with his elder resident mentor, with whom he spent 6,000 hours over the course of the program. Together, they completed various exercises that enhanced Abdullah’s knowledge of the aging process and promoted heightened awareness and sensitivity to aging issues.

With that experience, Abdullah felt at home. “They treat you like family,” he said. “My mentors talk to me about life.” GCD’s academic support also helped Abdullah keep his B average, with which he graduated high school.

A program objective is that GCD graduates attend college or gain employment in the health care system. Abdullah did both. He’s currently a certified nursing assistant at Jewish Home Lifecare’s Bronx campus and will attend Jersey College School of Nursing in January. “I didn’t think a program like GCD would benefit me,” Abdullah said. “But then when I started, I became more responsible.

moment, we can get significant results from small adjustments to the existing system.

For example, two obvious inputs to a better-educated workforce are increased enrollment in higher education and increased completion. Both can be achieved by providing people with better, more complete information about the cost, completion rates, and job outcomes of different postsecondary institutions and programs.

Cost and completion data are more and more available at both the state and national level. The most important missing piece of current information systems is publicly available data on employment and earnings attached to particular postsecondary programs. Most states have made the effort to connect programs with labor markets in their internal data systems but have not developed usable formats for students, policy makers, or postsecondary administrators. Senators Ron Wyden, D-Oregon, and Marco Rubio, R-Florida, have introduced the Student Right to Know Before You Go Act, which would take the next step in developing these state systems in useable formats.

The basic elements of a college and career information system already exist (including the Department of Education’s College Navigator system); we just need to connect the dots. The necessary data should be moved from the nation’s statistical warehouses to the kitchen tables where college and career choices are made.

Strengthening labor market services and national service opportunities for people of all ages.

Both young and older Americans would benefit from active labor market policies that promote work and career development. For those starting their careers, applied learning experiences that promote movement along career pathways, such as internships, fellowships, apprenticeships, and mentorships would help them the gain skills and relationships to transition smoothly into the full-time labor market.

For displaced workers who are long-term unemployed or need additional skills or training, active labor market programs that feature strong interventions — like

compulsory job counseling, training programs, and employment services tied to unemployment insurance (UI) benefits — would provide essential supports for youth and low-income adults to re-enter the labor market.

National service represents an on-ramp for Americans across the age spectrum to serve their communities while acquiring a wide range of skills and experience with labor market value. The Corporation for National and Community Service provides opportunities to both young adults and older adults through programs such as AmeriCorps and Senior Corps. Congress should meet the President's budget request of $1.061 billion for FY2014 and sustain that funding through the end of the decade.

Conclusion

Two forces have transformed the American labor market: the evolution from a manufacturing to a knowledge economy, and the demographic shift towards greater age and racial diversity in the workforce. Both of these changes can be a tremendous asset to individuals and to the nation as a whole—if we can revamp and restructure our human capital development system to meet the new reality. Today's economy calls us to tear down the rigid walls between work, education, family, and age and support a new, flexible system that empowers success. We need a new intergenerational social compact and a new way of thinking about what we can achieve, and when, in our lifetimes.

Recommendations:

1. Promote flexible work arrangements through highlighting their impact on worker and firm productivity.
2. Integrate the United States' education and employment missions to facilitate ongoing skill development throughout the life cycle and make publicly available data on employment needs attached to particular post-secondary programs.
3. Strengthen hands-on learning and national service opportunities for people of all ages such as internships, fellowships, apprenticeships, and mentorships, compulsory job counseling and training programs.

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Response to New Rules: Realigning Education, Careers, and Retirement in the Knowledge Economy

By Aaron Smith, Co-Founder and Executive Director, Young Invincibles

Take a second and remember your first job. What did you learn? Perhaps you learned how to work in a team, be professional, or overcome a challenge. Think for a moment how important these formative experiences were to the rest of your career, how they helped you get your foot in the door. Now imagine never getting that chance, never getting a start at all. That's exactly the situation millions in my generation face. The Great Recession combined with long-term economic trends has wiped out what should have been the beginning of our careers.

Tony Carnevale offers a compelling analysis of the employment crisis and how we should address it. While older Americans are suffering economic hardship due to the Great Recession, the key reasons that my generation's economic future is growing darker existed before the crash. First, a wave of retiring older adults has put a larger burden on the federal budget, increasing political pressure for harmful cuts that reduce investment in education and workforce development. Second, the United States' secondary and post-secondary education system does not adequately prepare young people for employment. As Carnevale says, young people are not equipped to fill the high-skill jobs vacated by baby boomers. This combination results in a vicious cycle: fewer jobs and less income for young workers means smaller contributions to the social safety net (i.e. Medicare and Social Security), which builds pressure for austerity and thus fewer jobs and education programs.

On the positive side, it also means that everyone is in this together. Young adults and older adults have a similar interest in expanding employment opportunities in the US. Investments that help young people succeed economically will also ensure we can meet our future commitments to older adults. Below I add a bit more context in light of these findings, and offer some specific, bold policy recommendations at the federal level to help solve the youth unemployment crisis for the benefit of all generations.

The Youth's Persistent Predicament

As Carnevale makes clear, the Great Recession hit young Americans hard. Worse still, research by Young Invincibles suggests young people will feel its effects longer than those of any other recent downturn. More than five years after the start of the recession, the unemployment rate for young Americans has only recovered halfway to its pre-recession levels.[1]

Yet chronic youth unemployment predated the recession. Congress' Joint Economic Committee reports that before the downturn, one in eight 16-24 year olds was unemployed – an unemployment rate more than 2.5 times as high as that of adult workers.[2] Indeed, even during the period of economic growth from 2000 to 2007, the proportion of young people with a job (the employment-population ratio) declined more than 6 percentage points and their unemployment rate increased 1.2 percentage points.[3] Because high youth unemployment is such a persistent problem, we need both immediate and long-term fixes.

Disruptive Policy Ideas

As a youth-oriented organization, Young Invincibles' policy proposals have two key goals. First, we must reconnect youth to the workforce to prevent further long-term damage to our generation's economic future. Second, we must improve skill building generally so young people leaving school are better prepared for productive work.

Reinstate the Youth Opportunity Grant (YOG) program to place youth in high-poverty areas in jobs.
Before Congress defunded the YOG program in 2005, it specifically targeted at-risk, impoverished youth for workforce development. Given that 6.7 million young people are neither working nor in school, the country needs a plan targeted at this population. YOG established centers in high-poverty concentration areas, staffed with counselors providing training in life skills and community service in order to improve employment rates. A summary study conducted in 2006 found that the program created over 23,500 internship opportunities, placed over 46,000 youth in jobs, and provided training to almost 23,500 youth for its 5-year, $1 billion price tag.[4] Considering each at-risk opportunity youth costs taxpayers $170,740 over their lifetime, reinstating this program would easily pay for itself.[5]

Expand the Registered Apprenticeship (RA) program by 600,000 apprentices.
This program pays potential journeymen for their work and training in useful technical professions. This program has been enormously successful, with 97% of sponsors recommending RAs to other organizations.[6] On average, for every government dollar invested in an apprentice, the apprentice gives back $50 in taxes.[7] For every dollar invested in an apprentice by the employer, the apprentice brings in $1.40 to the employer.[8] Young Invincibles recommends that the RA program be expanded by 600,000 apprentices. Such an expansion could add an extra $74.4 billion in social benefits to the economy over the lifetime of each graduating class.

Establish a new "Career Internship" standard.
A Career Internship would combine education with a long-term internship with a school-approved employer. The positions would pay at least minimum wage, but require a minimum number of hours per week in order to earn high school or college credit. There would also be a component to allow out-of-school youth to participate. The program would provide necessary workplace experience to youth while giving employers an opportunity to evaluate and capture future employees. Drexel University's Cooperative Learning Program already implements a similar and successful

model. The money earned by the student can contribute significantly to paying for college expenses. Indeed, at Drexel, the average six-month salary of students working in the program is more than $16,000.[9] Furthermore, the participant is able to determine if the career meets their expectations and skillset. Finally, by establishing a baseline standard for internships, policymakers would provide a low-cost incentive for employers to improve their existing internship programs. Just as the organic food label encourages farmers to go organic through positive recognition, employers could market the "career internship" label to consumers and potential employees as a sign of corporate responsibility.

As Carnevale explains, flexible work arrangements are beneficial to the diverse needs of all age groups: older workers may want to work less rather than not at all, and the financial burden of education means many young people need to work themselves through school. Students' class schedules may prevent them from working regular hours, and they often lack access to adequate transportation. Allowing more flexible hours will allow both older adults and young people to access the labor market.

Strengthen national service opportunities.

Carnevale is right that paid service offers workers of all ages an excellent opportunity to learn valuable skills and serve their communities in the process. Young job seekers seem to agree: AmeriCorps employs 80,000 young people, but in 2011 alone it received over 580,000 job applications. An expansion of existing national service programs could make a significant impact on reconnecting young people to the workforce.

Finally, we cannot discuss skill building without addressing post-secondary education more widely. It is no secret that young Americans with a college degree have a higher employment rate than less-educated youth. Reforming higher education is beyond the scope of this paper. However, we should at a minimum address a key impediment to student success: the skyrocketing costs of higher education.

The Great Recession triggered drastic cuts to educational institutions at the state and federal level. To compensate, universities have raised tuition, making college less affordable and accessible to many students. To help students leap this hurdle, states must reinvest in their higher education institutions. Pell grants need to be fully funded and we must simplify the federal student loan system, allowing all students to pay back their loans based on what they earn.

Intergenerational Job Training for Foster Youth

Eighteen is a significant birthday for most young people, but for young people in foster care it is the year they are phased out of the foster care system and left to make it on their own. Trouble is, few of those youth are prepared in any way to enter the world of work and succeed.

Not so in San Diego County, California. There, a unique program called Workforce Academy for Youth (WAY) helps youth transition to self-sufficiency by offering them a six-month paid internship that includes job training and mentorship.

The county sponsors two six-month sessions each year, with 15 to 20 youth in each session. Along with monthly group training, each intern receives individual mentoring support from an on-site job coach, as well as a life skills coach.

The Life Skills Coaches are adults ages 50 and older whom the County's Aging & Independence Services recruit and train. They serve as positive role models, encouraging their interns to perform well on the job and to continue their education. Each completes a background check and is expected to spend about three to five hours per week with the youth and other work related to the program.

The Life Skills Coaches come from a variety of backgrounds and help their interns with budgeting, applying for grants and loans for school, completing college applications, opening bank accounts, and honing interpersonal skills. They touch the lives of their interns in very personalized ways, and as a result, have helped youth achieve an impressive 86 percent graduation rate from the program. Of those who have graduated, 90 percent were hired to continue working in San Diego County departments. In addition to those interns already enrolled in college, another 26 percent of program graduates who were not in college consequently registered.

For more information visit http://www.sdcounty.ca.gov/hhsa/programs/ais/intergenerational_programs/.

Simple changes like these would go a long way toward ensuring that more young people are able to afford the post-secondary credentials that are so important to career success—and to meeting the labor market demands that Carnevale identifies.

Conclusion

We understand that in this era of political polarization and austerity it is difficult to encourage investment. However, the resources required for our proposals would pay for themselves through greater economic output. Furthermore, research shows that youth who avoid long-term unemployment earn significantly more over their lifetimes, which, in turn, boosts consumer spending and tax revenue.[10] Indeed, the Center for American Progress suggests that long-term youth unemployment during the Great Recession will shrink the wages of youth by more than $20 billion in the next ten years.[11] The cost of inaction is simply too high.

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Recommendations

1. Reinstate the Youth Opportunity Grant (YOG) program to place youth in high-poverty areas in jobs.
2. Expand the Registered Apprenticeship (RA) program by 600,000 apprentices
3. Establish a new "Career Internship" standard which combines education with a long-term internship with a school-approved employer. The positions would pay at least minimum wage, but require a minimum number of hours per week in order to earn high school or college credit.
4. Promote flexible work arrangements.
5. Strengthen national service opportunities.

Civic Engagement: Building Intergenerational Cultural Capital through Volunteering

Shirley Sagawa, Acting Chief Certification Officer, National Conference on Citizenship

What if we could crowd-source living expenses for national service participants so that giving a year of service could be an option for everyone? What if you could exchange services with other people in your community without using money? What if "intergenerational programs" didn't just mean one generation serving another, but many generations working together?

> *I walked quietly into the special education classroom, not knowing what to expect. I counted quickly — five boys, one girl. The teacher asked me to work with Alice, the obviously angry child who protested immediately. No, she did not want help; no, she did not want me to sit next to her; and no, she would not read with me.*
>
> *I learned quickly I couldn't even touch Alice's hand or shoulder, since she would jump away and cringe. We started with my sitting next to her, quietly encouraging her, trying to keep her on task in the classroom. She knew most of her alphabet but hadn't yet made the connection between alphabet sounds and words. We took small steps, and I set little goals.*
>
> *After several weeks, Alice trusted me enough to sit with me right outside the classroom door. She "helped" me read, as I pointed to the easy words I knew she would know. Soon we were going to the library, picking out books and reading together. Alice started to sound out more words.*
>
> *One day, Alice wanted to read in the library balcony. I was very pleased but, because of a health problem, going up the steps was difficult for me. I explained we would have to go very slowly. Quickly, Alice grabbed my hand and assured me she could help. And so we climbed slowly, hand in hand, up the library steps.*
>
> *By the end of the year, Alice didn't need me to pick out books or point out words. She was very excited about reading, eagerly sounding out any words she didn't know, even bringing in books she wanted us to read.*
>
> *By the end of the year, I no longer needed Alice's help to climb the stairs, but I never told her. We all need a helping hand at some point in our lives.*[1]
>
> *Charlene Connors,*
> *Cleveland Experience Corps volunteer*

As demographic change transforms the American identity, we need to find ways to build a common culture based on what we share. Civic engagement is one way to bridge generational and racial gaps in order to form collective preferences and culture. Volunteer service is particularly promising because it can create impact in two ways, benefiting both the server and the individual or community served.

Take the example of Experience Corps. By placing older adult volunteers like Charlene Connors in urban classrooms, it has had a dramatic impact both on students and on the volunteers who tutor them. Independent research documents that students working with Experience Corps tutors achieve more than 60 percent gains in two critical skills — sounding out new words and reading comprehension — compared to their peers.[2] And 84 percent of older adult volunteers report that participating in Experience Corps has increased their circle of friends — a key measure of social well-being, particularly for aging adults.[3]

Volunteering and Cultural Capital

Other studies strongly document the health benefits of volunteering, particularly for older adults. People aged 65 and older who volunteer tend to have greater longevity, lower likelihood of depression, higher functional ability, and less likelihood of heart disease.[4]

ManaTEENS Making a Difference

In 1994, then twelve-year-old Laura Lockwood and her sister were bored teenagers looking for a creative outlet in their community of Bradenton, Florida. The two sisters recruited 20 of their friends and created ManaTEENs, a countywide club for teens. Initially, the group couldn't find many organizations willing to see the value in youth volunteers, so they created their own projects, a trademark of the program today.

The teens started by painting houses of older adults in the community. Thanks in large part to a grant from the federal Learn and Serve America program, ManaTEENs were empowered to challenge the stereotype that adolescents are apathetic and self-centered. Today, Laura Lockwood is the adult leader of the program which engages more than half the teens in the county. The 14,000 active ManaTEENs not only assist 572 local agencies with volunteer needs, but create, implement, evaluate, sustain, and replicate 92 signature service programs.

Serving with the large population of older adults in the community has been a popular activity for ManaTEENS. For example, when one teen read a newspaper article about low-income elderly people who cannot afford to buy pet food and often end up sharing their own meals with the animals, the student dreamed up PAWS, a “Meals on Wheels” program for seniors’ pets. “Adopt a Grandparent” calls on the young volunteers to include a senior in their daily lives, and “Home Safety for Seniors” enables ManaTEENs to visit senior citizens in their homes, assessing safety needs and delivering $100 in free safety products, donated by Lowes.

Hildred Smarr, 80, is one of more than 3,500 seniors who live alone and have benefited from the program. "About a couple years ago, a tornado came by, and this huge limb fell over on my roof and into my window," Smarr said. She called ManaTEENs. "They cut it all up and took it all away. Isn't that marvelous?" Smarr told ABC News. One of the teens, Corey Herbert, told the reporter he felt good about helping senior citizens and getting to know them.

"I think it really makes an impact sometimes, once you like sit down and talk to them," Herbert said. "You do get really a nice relationship. And then they just kind of want you to keep coming back. And it's really nice."

Smarr is thankful for the program. "I don't know who started it all, or anything like that, but thank heaven they did," she said. "They are such good kids. They're terrific."

For more information on visit the ManaTEENS website at http://www.volunteermanatee.org/manateens.html or the ABC News coverage of the program at http://abcnews.go.com/GMA/AmericanFamily/story?id=125060&page=1#.UdhRDvnkv78.

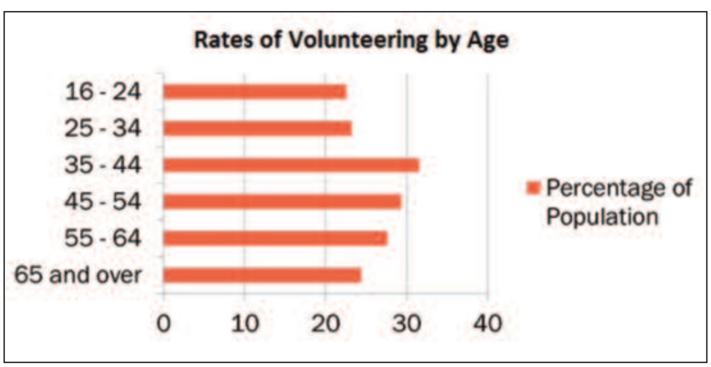
For youth and young adults, volunteering may offer educational benefits. Studies show that volunteering relates to reduced rates of course failure, suspension from school, and school dropouts, and improvement in reading grades; to a reduction in teen pregnancy and substance abuse; and to improved self-esteem and attitudes toward society.[5]

For people of all ages, volunteering opens doors to job opportunities, often through the development of a sense of purpose. Through volunteering, people have a low-stakes way to explore possible careers. Recent research documents a strong connection between volunteering and finding employment.[6]

Volunteering can lead to other forms of civic engagement. Youth who volunteer are more likely to talk about political issues with their parents and peers and become voters as adults, and adult volunteers are more likely to attend political meetings and participate in electoral and non-electoral political activities.[7] Most importantly, service can get people out of their comfort zone and introduce them to people of other ages and backgrounds, as the case of ManaTEENs illustrates.

So Why Aren't We Volunteering More?

Although service to others is considered an American tradition, only one in four Americans volunteers, according to the Corporation for National and Community Service.[8] As the chart below illustrates, youth and young adults and people over 65 are least likely to volunteer, which may in part be due to the fact that parents who are aged 35 – 65 typically volunteer with the organizations that engage their children, such as schools or youth groups.[9] Women volunteer more than men, and volunteering increases with income and education. While having the time to volunteer may help – people who are employed part-time volunteer the most – it is also notable that people who are unemployed or not in the labor force (such as retired individuals) volunteer the least.



Individuals of all ages are more likely to volunteer when they are asked by the organization or someone they know, suggesting that these percentages could be increased by an organized effort to engage specific populations.[10] Rates of volunteering vary dramatically by community, with factors such as the number of nonprofit organizations, commute times, community attachment (such as homeownership), and higher income and education levels tending to correlate with higher levels of volunteering.[11]

These differences in volunteering rates may be caused by barriers experienced by certain populations. For example, low-income individuals who work long hours and take home little pay may not have the free time or money to pay even incidental costs, like transportation, involved in volunteering. Without a reasonable living allowance, full- or even part-time national service may not be possible for most people.

Furthermore, people with low education levels or disabilities may not be recruited for service positions. And while schools have been a major force for engaging youth in service, increased emphasis on test results may limit time available for service-learning, which is often more time consuming than other educational strategies.

Organized efforts to engage specific populations or direct service to achieve specific outcomes are underdeveloped for several reasons. Pervasive beliefs that volunteers are "free" and therefore do not need to be resourced, that paid staff are always better than volunteers, and that volunteer contributions are trivial relative to professional interventions keep policymakers, nonprofit leaders, and funders from investing in volunteer-driven solutions. Because volunteer programs are typically under-resourced, they are rarely evaluated; as a result, in an era of evidence-based policy, they are often overlooked. Finally, when service is supported as a strategy, typically a specific population is targeted, limiting intergenerational opportunities.

Are Longer Commutes Impacting Volunteering?

A 2007 study by the Corporation for National and Community Service (CNCS) exploring trends in volunteering in 50 major metro areas found that long solitary commutes can reduce the time and opportunity individuals have to connect to other people and organizations in their communities – a key factor in volunteering. Metro areas with longer commutes to work tend to have lower volunteer rates. For example, the average commute to work in Los Angeles is around 28 minutes, and the volunteer rate is slightly above 22 percent. In contrast, the average commute to work in Kansas City, Missouri, is about 22 minutes, and the volunteer rate is almost 35 percent. The effect of commuting is so strong that if average metro area commuting times increased by only three minutes, from 26 to 29 minutes, we would expect volunteer rates to decrease by 2.3 percentage points.

For more information see the full study Volunteering in America: 2007 City Trends and Rankings at http://www.nationalservice.gov/pdf/VIA_CITIES/VIA_cities_summary.pdf.

The Federal Role in Service

Most volunteer service appropriately takes place without any federal involvement. Neighbors help neighbors, religious organizations engage their parishioners, and professionals offer pro bono help with no need for a government role. However, service can be an important strategy to address some issues of national concern. In these cases, even a limited amount of federal support may dramatically increase the level and quality of engagement. Furthermore, volunteer or national service solutions are far less costly than other interventions, and they often bring resources to the problem that would otherwise be unaffordable.

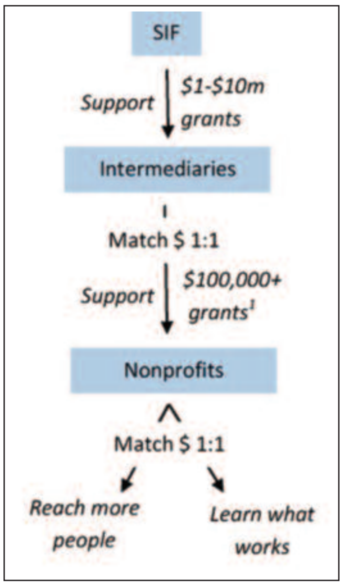
Federal support for service dates from the Depression Era Civilian Conservation Corps. Today, the federal agency responsible for advancing volunteering is the Corporation for National and Community Service. With the exception of AmeriCorps, which is open to adults of all ages, (AmeriCorps, for example, supports Experience Corps), CNCS programs are segregated by age. Most intergenerational approaches involve one generation serving another, rarely connecting multiple generations to serve together. For example, Senior Corps programs include Senior Companions (older adults serving frail and elderly individuals), RSVP (adults over 55 who volunteer in locally determined projects), and Foster Grandparents (intergenerational programs through which low-income older adults serve children).

AmeriCorps provided living allowances and education awards to individuals who commit one year to full-time service, and also supports part-time service with education awards pro-rated based on the number of hours served. These education awards, known as Segal AmeriCorps Education Awards, can be transferred to a family member, increasing the appeal of AmeriCorps to adults who are not interested in pursuing further education. Although AmeriCorps members are provided with living allowances (because of the substantial time commitment), many AmeriCorps members recruit and manage volunteers who do not receive such support.

Another CNCS program, Learn and Serve America, provides grants to engage students in service learning[12] through schools, higher education institutions, and community-based organizations. Over $700 hundred million was awarded from 1992 through 2011, when funding for the program was discontinued.

Federal funding from other programs may be used for service that works towards their missions. For example, the Administration on Aging's Civic Engagement initiative encourages the engagement of "senior" volunteers aged 65 and up. Certain Department of Education funds could be used to support school or university-based service learning or service to improve education outcomes. Several service programs, including City Year and Teach For America, have received support through the highly competitive Innovations in Education Fund.

The Obama administration has encouraged federal agencies to fund AmeriCorps members to address their own missions. For example, FEMA AmeriCorps engages young adults in disaster response and recovery and the School Turnaround AmeriCorps, funded jointly by the Department of Education and CNCS, supports the placement of AmeriCorps members in persistently underachieving schools across the country.



Another route to innovation in intergenerational programming is offered by the Social Innovation Fund (SIF). Launched in 2009 by CNCS, the SIF awards funding to help scale effective programs and to foster social innovation. So far, it has yielded promising results.

Crucially, the SIF does not have strict rules for the target population, intervention, or means of delivery. Second, it bases grant size on the level of evidence supporting the intervention's impact, so new innovations receive small grants while proven programs receive substantial support to increase their impact. Finally, the decision to fund a program is made by experienced grantmakers – called "intermediaries" -- outside the federal government. These grantmakers use the federal dollars as a match for the programs they select, rather than the other way around. The nonprofit grantees then provide an additional match.

In the first three SIF competitions, $137.7 million in federal funds has yielded $350 million in private and nonfederal cash support. It has been awarded through 20 intermediaries (each receiving between $1 and $10 million per year) to 197 nonprofits serving more than 174,000 people.[13] For example, the Latin American Youth Center (LAYC) in Washington, DC, received a grant through Venture Philanthropy Partners' Promoter Pathway. The LAYC provides counselors to at-risk youth facing obstacles such as lack of education, homelessness, trauma, substance abuse, and court involvement. Because of the SIF's investment, LAYC will be able to reach 20,000 youth and pay for a rigorous evaluation to assess the program's impact relative to outcomes for similar youth who do not participate.[14]

Principles for Future Action

To maximize the potential of service to address important challenges and increase intergenerational engagement, public problem solvers should:

1. Consider whether volunteer or national service might provide needed human capital at less cost or greater impact than traditional staffing models, or might augment the work of professionals in a way that enhances their impact.
2. Consider whether the act of serving is likely to be transformational for a targeted group that is unlikely to be offered such opportunities (such as veterans, older adults, people with disabilities, or disadvantaged youth)
3. If either of these situations is true, invest in the infrastructure that will support their service and remove barriers to participation.
4. Encourage existing organizations and programs to incorporate volunteer or national service into their delivery models and allow them to use funding for this purpose.

Over time, the need for separate funding streams for volunteering could be reduced if any public problem solver – whether policymaker, foundation, nonprofit, or public agency – considered service as a strategy and understood the need to invest to facilitate participation.

Disruptive Policy Ideas

"Democratize" National Service by enabling public or private organizations to create positions funded by public or "crowd source" funds.

National service certification is a public-private strategy to expand national service by enabling any public or nonprofit agency or social enterprise to create positions supported by any source of funds. Initially proposed by America Forward, the Aspen Institute's Franklin Project advanced this concept to "democratize" national service using 21st century tools, including the ability to rate positions and "crowd source" funding. This would provide a way to expand service opportunities to meet demand, given that AmeriCorps funding has plateaued over the past 20 years and at the same time, demand for national service positions has soared, with more than half a million applications submitted for about 80,000 AmeriCorps positions in 2011 alone.

Stimulate increased use of time banks to address issues affecting all ages.

Imagine an intergenerational community where anyone could request help, and any person able to contribute could respond – and earn the right to assistance they might need in the future. An hour of babysitting by a retired person might be repaid by an hour of driving by a young adult. Or an hour of errands for a homebound older adult might be repaid by an hour of reading to a child.

Time banks make these exchanges possible across a community of dozens or even hundreds of people. Participants earn time credits by giving time to those who ask. In turn, they can spend their credits by requesting services from others. Time banking has strong potential for building intergenerational ties in which the labels of client and volunteer do not apply. It also builds stronger communities by connecting people

Brittany Johnson and Columbia Community Exchange

Brittany Johnson needed a break. As a single mom, she had a full plate with school and her five-year-old son. She needed time to refocus and get her life in balance. "There are so many things I can do if I had a little bit of assistance," the 24-year-old said.

Johnson's assistance came through the Columbia Community Exchange (CCE) of Howard County, Maryland a member of TimeBanks USA that promotes an exchange system of rewarding "decency, caring, and a passion for justice." Instead of dollars, an hour's help earns a member one credit. No service is valued over another. Johnson, whose habit of helping others springs from her outgoing personality, liked the sound of that.

Johnson, a computer science major at the University of Maryland Baltimore County, is using her chosen field to provide service to older residents in her community. Since Johnson started with the CCE, she's installed printers for older residents and helped them copy family DVDs.

In return, Johnson earned her break when an older adult provided childcare for her young son. "Whether it's doing errands or going to grab a bite to eat, getting away for that little bit of time – an hour or two – allows me to decompress," she said. "Before the time bank, I didn't have that opportunity." She is also tutored by an older adult in Calculus.

But the help also comes in more unexpected ways. Through CCE, Johnson has connected with many different community members. Early in the school year, her son was having trouble adjusting to Kindergarten. One of the older adult members of the time bank offered advice to Johnson that helped her son successfully adapt to school.

The surprising part was that this woman's profile listed her talent as decorating and told Johnson "I'm older. I have nothing to give." She failed to share that she had a background in behavioral psychology – a skill that was very useful to Johnson.

"If I hadn't sat down with her and got to know what her life was like before she retired, I would not have known she had that service to offer," Johnson said. "That's one of the things, as a time bank member, I still like: getting to know my neighbors for who they really are."

While the activities may seem like nice gestures, they're necessary – especially for Johnson, who now has time to recharge her batteries, is developing her parenting skills, and is enjoying a sense of community she once hoped for but missed out on most of her life.

to one another.

Before she joined a time bank in suburban Detroit, Kim Hodge, a 54-year-old single woman with no children, knew few neighbors. "Now I have people to dance with, tennis partners, and children and dogs I can share...And if anything happened to me I know members would be there for me," notes Hodge, in a recent issue of AARP magazine.[15]

Loretta B. posted on a blog that she "recently took several months of family leave to take care of my Dad. There were complications….I felt like I had no one to turn to. I found a lovely woman through my local time-bank who does respite care. She came over and stayed with my Dad, allowing me to run necessary errands. And, having gone through this herself, she had lots of useful advice. The hospital's physical therapist wanted grab bars put in the shower, and a time bank member who provides handyman services installed them for me. When my Dad died, my yoga teacher from the time bank came and stayed at the house during the funeral. She removed all the medical equipment, restoring the house to normal. Others served food and cleared up at the luncheon after my Dad's funeral. I cannot tell you the relief I felt having people I could trust take care of that for me, and financially, I would not have been able to afford the luncheon any other way. When people around me complain that they don't even know their neighbors anymore, I want to tell them — become a good "neighbor" and you will have good "neighbors!" [16]

Conceived of by Edgar Cahn, a father of the Legal Services Program and co-founder of Antioch School of Law, time banking is widespread in the U.K. and United States. As of 2011, time banks have 30,000 members in the United States, 30,000 in the United Kingdom, and an additional 100,000 across 34 other countries.[17]

Many time banks are for general community use, but others are specialized to address particular needs. For example, specialized time banks have been organized to sustain a tutoring program in Chicago elementary schools; provide legal assistance in Oregon; reduce recidivism among youth offenders in Washington, DC; reduce medical costs in Richmond, Virginia; and support "aging in place" in a number of communities across America.

Creating a time bank requires the initiative of a local leader to develop the system and recruit members. In some cases, it can be a low cost strategy that relies heavily on volunteers and technology. Many time banks use Facebook to communicate with members and time tracking software is available from TimeBanks USA, soon to be available through a mobile app.[18]

In Kent County, Ohio, 535 members average 44 transactions a day with a waiting list of 60 and operate with no paid staff, with functions handled by more than 100 volunteers led by a volunteer leader and a budget of around $2,500 a year. A time bank with paid staff might cost approximately $80,000 per year, according to Time Banks, USA, mainly representing the salary and benefits of a staff person and office and equipment costs.

Policymakers could significantly expand time banks in the US by supporting them through a variety of authorities:

- VISTA: AmeriCorps VISTA has provided basic co-ordination for numerous time banks. VISTA, administered by the Corporation for National and Community Service, funds full-time AmeriCorps positions that build the capacity of anti-poverty organizations.
- Medicare/Medicaid: With states obligated to create an array of community and home-based services as an alternative to institutional care (pursuant to the 1999 Olmstead Supreme Court decision), time banking presents a low-cost option to broaden the range of available services beyond those typically offered by professional providers. It may prove an effective way to save money by providing assistance to individuals who are heavy utilizers of publicly subsidized medical services.
- Pay for Success: The Obama Administration has pursued "Pay for Success" strategies that award funding based on the achievement of successful outcomes that save the government money. Time banking is well suited to participate in Pay for Suc-

Time Banks: Saving Money While Reducing Costs

Time banks are an innovative way for people to share their time and talents and receive services in return – without exchanging money. Members get one credit for each hour of service they perform for someone else and can bank their credits and use them later to "buy" a service from another member.

Services have no monetary value; rather, the "cost" of a service depends on how long it takes a member to perform. Let's say someone needs legal help that will require three hours to complete. After the service is completed, the bank would subtract three credits from the service recipient's account and add three credits to the service provider's account.

Along with saving people money, time bank transactions help build a sense of community and purpose. The time bank concept also offers infinite possibilities for finding new ways to address local challenges, creatively and economically.

In Washington, DC, the Youth Court has been helping to reduce recidivism among youth offenders. Teenagers can earn time bank credits by serving as jurors in the Court, which hears the cases of peers accused of nonviolent crimes. Offenders may be sentenced to perform community service, take part in life skills classes, write an apology or essay, or serve on the jury. The jurors can use the credits they've earned to purchase services, such as transportation, the time bank offers. Another benefit of this unique arrangement: follow-up research shows that recidivism rates are less than 10 percent among the youth who take part in the youth court. Moreover, the Urban Institute estimates that the District of Columbia saves $9,000 for every offender who goes to Youth Court instead of the traditional system.

Reducing medical costs and encouraging "aging in place" are areas of particular promise. In Montpelier, Vermont, the US Administration on Aging invested in the REACH (Rural Elder Assistance for Care and Health) Care Bank which assures older adults that informal care and support will be available if they or their families pay regular premiums in time dollars earned helping build community or helping other seniors.

Other time banks, such as Partners in Care in Maryland, have long focused on helping older adults remain living independently. For example, in one year, 400 Partners in Care members provided 9,000 rides to other members, saving them $150,000 in taxi fares.

The Visiting Nurse Service of New York Community Connection TimeBank has more than 2,000 members, 40 percent of whom have an annual income of less than $9,800. According to a 2009 survey, 90 percent the TimeBank's members over 60 years old had made new friends, 71 percent saw those friends at least once a week, and 42 percent saw those friends a few times a week. Nearly half reported improvements in physical health and nearly 75 percent reported improvements in mental health. Four in five reported that their TimeBank membership gives them the support they need to be able to stay in their homes and communities as they get older. By overwhelming margins, the members reported that they felt more a part of a community, and that their trust of others had increased — especially of people who were different from them. The vast majority of pairings in the TimeBank bring together very different people – in ethnicity, income level, language, or age.

For more information on the Youth Court visit http://youthcourtofdc.org/; REACH Care Bank visit http://www.orexchange.org; Partners in Care at http://www.partnersincare.org/; and the VNS TimeBank at http://www.vnsny.org/system/assets/0000/1267/VNSNY_TimeBank_study_results_summary.original.pdf.

cess pilots being developed in the areas of health care, anti-recidivism, and other areas.

Foster New Ideas by Tapping the Potential of the Social Innovation Fund

More ideas for the creation of intergenerational cultural capital could be developed either by creating a priority within the existing Social Innovation Fund, or authorizing new funding based on this model. The SIF is a good model to foster useful new ideas and expand things that work. The development of more ideas for the creation of intergenerational cultural capital could be accomplished either by creating a priority within the existing Social Innovation Fund, or authorizing new funding based on this model.

Such strategies might result in large-scale support for programs like Experience Corps, which has a strong evidence base. It might provide modest funding for programs such as Project SHINE, discussed below, which offer evidence of their promise. And it might support new innovations at a pilot level. For example, thanks in part to First Lady Michelle Obama's promotion of improved nutrition, community gardens have become a popular volunteer project. Throughout history, gardening skills have been passed from generation to generation. This tradition has informed contemporary practices, such as Garden Mosaics, which enables youth to learn from elder community members who share their gardening practices, cultural backgrounds and community wisdom. Partnering older adults who are experienced gardeners with children and young parents could be a powerful strategy to advance this movement.

Modify Existing Programs to enhance intergenerational approaches

Existing service programs could be modified to enhance intergenerational approaches. For example, CNCS could create incentives for cross-generational service corps within AmeriCorps, providing incentives for programs that engage the generations to serve side by side. CNCS could also strengthen and update Foster Grandparents by increasing flexibility within the program (for example, eligibility is limited only to low-income participants age 55 and older) and offering competitive grants to support evidence-based approaches.

Learn and Serve America has supported programming that engages youth to serve older adults, like ManaTEENs, profiled earlier in this paper. At the higher education level, Learn and Serve America funded Project SHINE, through which students at 17 universities help older immigrants learn English and prepare for the citizenship exam using a model developed by the Intergenerational Center at Temple University. Project SHINE has engaged more than nine thousand students in service to more than 40,000 immigrants. And while the immigrants improve their civic knowledge and language skills, the students also demonstrated significant increases in civic skills and knowledge of US immigration compared with a group of similar students who did not participate. They also report increased appreciation for people of a different culture and age, whom they would not likely have met outside of the program.[19]

Other Learn and Serve America grantees have engaged youth in recording the oral histories of older adults in their communities, teaching computer skills to older adults, volunteering in nursing homes, and a wide range of other intergenerational activities.[20] A renewed Learn and Serve America could prioritize well-developed strategies to engage the generations in shared purpose and prioritize partnerships between schools and RSVP, AARP, or senior centers.

Federal agencies pursuing service as a strategy to address their missions could easily incorporate an intergenerational focus. For example, the 21st Century Conservation Service Corps initiative, which will "put America's youth and returning veterans to work protecting, restoring and enhancing America's great outdoors,"[21] might include retired parks employees as mentors for participants or pair older adult volunteers with corps members. Similarly, initiatives designed to improve educational and economic opportunities for Opportunity Youth – defined as young people who are neither employed nor engaged in education—could receive incentives for engaging retirees as mentors.

Conclusion

As the United States becomes more diverse in age and race, the creation of shared cultural capital is becoming more and more important. Shared experiences and shared values are the foundation of a national identity, but few policy strategies are aimed at building them. Volunteer service can be a powerful tool to connect generations in shared purpose, building a sense of "we" across age and racial groups.

Recommendations

1. "Democratize" National Service by enabling public or private organizations to create positions funded by public or "crowd source" funds.
2. Stimulate the use of time banks to address issues affecting all ages.
3. Foster New Ideas by Tapping the Potential of the Social Innovation Fund either by creating a priority within the existing Social Innovation Fund, or authorizing new funding based on this model.
4. Modify existing Corporation for National and Community Service programs to enhance intergenerational approaches.

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Response to Civic Engagement: Building Intergenerational Cultural Capital Through Volunteering

Heather C. McGhee, Vice President of Policy and Outreach, Dēmos

Civic engagement is the lifeblood of a society. In addition to the positive substantive outcomes of engagement – elections of genuinely representative representatives, laws passed, human needs met through service – it also is essential to the cultural cohesion of a body politic. And America gravely needs this cohesion, for we are a nation of ancestral strangers. We are not automatically united by any common language, lineage, history, creeds, or, importantly, race. The exciting acceleration of racial and ethnic diversity that has come about since we lifted race-based immigration quotas in 1965 makes a focus on social integration through civic participation even more urgent today.

Sagawa focuses on the promise of service as one fundamental form of civic engagement that could foster social cohesion. Here, I focus on two other important dimensions of civic engagement, dimensions that recognize not just what individuals can do for one another, but what individuals can't accomplish without a responsive government. The first policy idea would bring the generations closer in the fundamental civic exercise of voter registration and turnout. The second offers an intergenerational opportunity to decide shared fiscal priorities in communities across the nation.

Disruptive Policy Ideas

Incentivize 100% voter turnout through state competition.

Why should we aim for less in "the world's greatest democracy"? By simply adopting this goal, the federal government could start a cultural shift: from complacency about low-turnout elections to a norm in which politicians elected with less than 50 percent turnout would rightly feel less legitimate as representatives of their communities.

Low voter turnout undermines the basic premise of self-governance and self-representation. In many states and particularly in off-presidential years, the majority of eligible voters do not vote—as we saw most recently in the 2010 mid-term Congressional elections. Unfortunately, the policy trend since 2010 has been towards even greater restriction: states introduced 41 restrictive election laws[1] and the Supreme Court voted to defang the Voting Rights Act of 1965.

Undoing these steps backward would be a first step toward increasing voter turnout. To step forward, the federal government could set up a competition for voter turnout among the states, awarding jurisdictions for dismantling barriers to voting and achieving truly representational elections.

Allow same-day registration for voting nationwide.

The problem of low turnout is most pronounced among young people. As the largest generation in history comes into adulthood, we should be working purposefully to engage them. Forty-six million young adults under 30 are eligible to vote, actually surpassing the 39 million eligible older adults[2] – and yet the turnout rate is 72 percent among older adults[3] and just 45 percent among youth.[4] Young Asian and Latino citizens are even less likely to vote, while the highest youth turnout rates in the past two elections have been among black youth, surging as high as 58 percent.[5]

The age gap in voting is pernicious, and dilutes the integration of young adults' issues – child care, college affordability, job quality, criminal justice, rental housing – into the political agenda. Part of the fiscal "generation war" narrative is driven by the relatively strong political voice of older adults versus the weaker voice younger Americans in Washington.

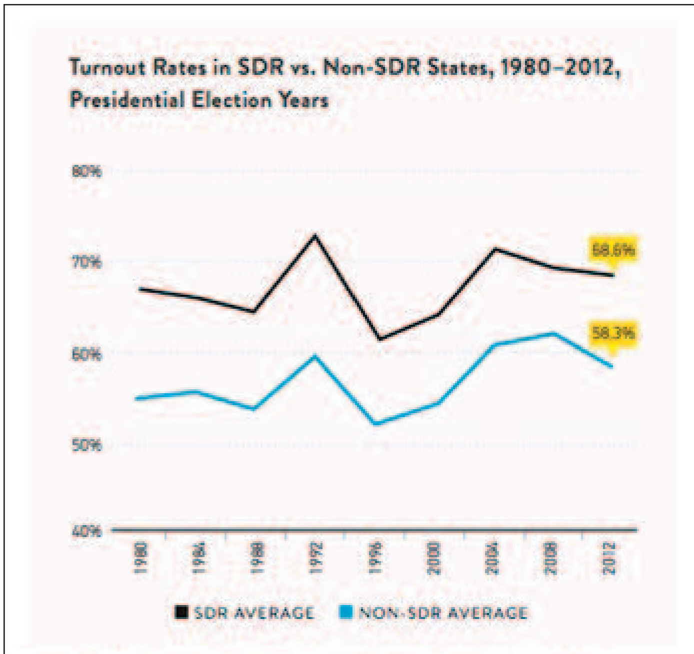
What can we do to narrow the age gap in voting? Registration is the biggest hurdle to voting for young people, who vote at rates similar to older Americans once they are registered. For example, 84% of eligible citizens under 30 who were registered in 2008 actually voted.[6] Yet over half of young people who did not vote in 2012 blamed not being registered ahead of time.[7] Registration is particularly burdensome for young people who move often for school, work or family and therefore must re-register multiple times, are less likely to drive, and – as compared to retirees – are less likely to have the time available for the bureaucratic processes of registration in addition to the time off necessary for voting.

To clear this unnecessary roadblock, the federal government can adopt a uniform standard allowing eligible voters to register to vote and cast their ballots on the same day: Same-Day Registration (SDR). Pioneered by Maine, Minnesota, and Wisconsin in the early-to-mid-1970s, thirteen states (California, Connecticut, Colorado, Idaho, Iowa, Maine, Maryland, Minnesota, Montana, New Hampshire, North Carolina, Wisconsin, and Wyoming) and the District of Columbia have now adopted the reform. Depending on the state, this one-stop process for registering and voting may be offered on Election Day, during the early voting period, or both. Eligible voters can also use Same-Day Registration to correct an outdated voter registration record and cast a ballot that will be counted.

States that allow Same-Day Registration consistently lead the nation in voter participation—and have a narrower age-based gap in voting. Four of the top five states for voter turnout in the 2012 presidential election all offered Same-Day Registration.[8] Average voter turnout was over 10 percentage points higher in SDR states than in other states.[9] Research indicates that allowing young people to register to vote on Election Day increases their turnout by as much as 14 percentage points.[10] Adopting this reform nationwide would help equalize the voting rates of older adults and youth at higher levels for both.

Promote participatory budgeting experiments at the federal, state and local levels.

Participatory budgeting engages citizens in direct deliberations about how to allocate portions of a government budget. It has been shown to engage people of color, immigrants and low-income people at higher rates than in electoral politics and holds the promise of increasing intergenerational civic participation and priority-sharing.



SOURCE: U.S. Elections Project, http://elections.gmu.edu/Turnout%201980-2012.xls

Voting is the most basic civic act. Yet all too often, it is the highest level of engagement that most citizens can attain. The actual decisions that affect all of our quality of life – how much to support education, social services, and capital improvements, how to regulate business and work, and how to distribute the costs for our public needs – usually happen without any public involvement beyond the voting booth. As Congress has become increasingly polarized, the important act of finding common ground, which is paramount given our nation's diversity of backgrounds and viewpoints, seems to be eluding us. That is why the policy innovation of participatory budgeting is so promising.

Since 1989, the city of Porto Alegre, Brazil has engaged up to 50,000 people a year in direct deliberations on how to allocate as much as 20 percent of the city's budget.[11] In 2011-12, New York City became the second and largest American city to use participatory budgeting, allowing 6,000 local residents from four city council districts to propose, debate, evaluate and then vote on projects spending over $6 million from the councilmembers' discretionary capital budgets.[12]

How did this come about? A grassroots group founded by women on welfare, Community Voices

Vallejo, CA: Engaging Youth and Older Adults Through Participatory Budgeting

In September 2012, barely more than a year after emerging from bankruptcy, the California Bay Area city of Vallejo took the historic step of becoming the first U.S. city to launch participatory budgeting (PB) citywide. The Vallejo City Council had voted earlier that year to allocate $3.2 million for PB, using 30% of the expected revenue from a recent voter-approved sales tax measure. The City contracted the non-profit organization The Participatory Budgeting Project (PBP) to implement PB Vallejo. A Steering Committee of 20 community organizations, nominated by the City Council, designed the rules and oversaw the process, including the citywide PB vote in May where close to 4,000 Vallejo residents cast ballots.

In planning the process, the PB Vallejo Steering Committee decided to prioritize engagement of groups typically underrepresented in political decision-making, especially, youth, older adults, and low-income residents. They hosted community assemblies at the local senior center and public high school, each of which brought over 100 youth and older adults to brainstorm projects they wanted to see funded through PB and volunteer to serve on delegate committees. Ultimately, two of the 12 winning PB projects chosen by voters will provide hundreds of thousands of dollars to fund physical improvements at the senior center and purchase STEM equipment for Vallejo public schools.

One of the eight budget delegate committees that turned ideas from the assemblies into concrete proposals for the ballot was the PB Vallejo Youth Committee. The Youth Committee involved 10 youth, 90% of whom were youth of color. Seventy percent of youth participants had little to no experience in being active in their communities or taking leadership roles. The Youth Committee developed project ideas, met with city officials and community organizations. In a four-month period, they developed four proposals for the PB ballot, one of which was among the winning proposals. In the lead-up to the PB vote, Youth Committee members gave presentations at local high schools about their experiences and the importance of youth participating in the PB vote. Of almost 4,000 ballots cast, 18% were from voters age 16-17.

During PB processes, youth developed new interests and passions through months of collaboration, research, and discussion. They subsequently become more active in the community, taking on leadership roles, participating in community meetings and working with community organizations. For some participants, PB opens up new potential pathways for leading their lives. Vallejo resident and high school junior Jenny Aguiar changed her career aspirations after participating in PB. "I used to be so interested in psychology, when I got out of high school. Now I want to major in something that's involved with the community, like this."

Jenny was part of the Youth Committee during PB Vallejo in 2013. She had never heard about participatory budgeting until PBP came to speak to her school assembly. She admits, "I came in for the free pizza but I stayed because I saw an opportunity to make change. Before this, I had little to no experience in working with my community." Jenny signed up to be a Budget Delegate and crafted proposals with other high school students. She says of her eye-opening experience that, "I now know I have the ability to help not just this community, but many more, and it is in part due to getting involved in the PB process. I want to see Vallejo progress towards a better future where people can say they were proud to grow up here." Jenny and the Youth Committee were instrumental in convincing their City Council to continue PB for another year. She also attended the International Conference on Participatory Budgeting in Chicago, where she spoke about her experiences in Vallejo and met other organizers and participants from all over the world.

For more information on the Participatory Budgeting Project and participatory budgeting in general visit http://www.participatorybudgeting.org and for more information on the City of Vallejo's participatory budgeting process visit http://www.ci.vallejo.ca.us/city_hall/departments___divisions/city_manager/participatory_budgeting.
Credit: The Participatory Budgeting Project

Heard, assembled a 42-group coalition and partnered with the Participatory Budgeting Project to bring the idea to the city council. The results from the six-month process were revealing. People of color, immigrants and low-income people participated in participatory budgeting at higher rates than in electoral politics. Almost half of the neighborhood assembly participants had not contacted an elected official in the prior year – and yet here they were, engaging deeply in decision-making about their community's priorities.[13]

Expanding participatory budgeting across the country holds the promise of increasing intergenerational civic participation and priority-sharing. With the right outreach, the New York project was able to bring both youth and older adults into the deliberative, community-building process. In the council district that made extra effort to recruit youth, their presence helped educate the otherwise older-skewing group about the need for safe places for teens to play. The winning project: new lights for the Tilden High School athletic field. Likewise, the young participants had an opportunity to consider the community beyond their day-to-day experience and interact on even footing with their elders.

"I really liked the way that the youth got involved in this project…because they thought about the community as a whole. They are the leaders of our future and they were able to do something and see it through to the end which is very important for their self-esteem," remarked Monique Chandler-Waterman.[14]

Another participant recalled being proud "…that a group of totally unrelated people of all ages and backgrounds can commit to come together to discuss important issues in our communities. That was wonderful."[15]

A council district with ten percent of its population over the age of 65 was able to attract a disproportionate number of older adults into the project through targeted outreach. At a time when the city's Department of Aging budget had been cut in half, this district's citizen assembly successfully voted for new vans for senior centers.[16]
Can we imagine creating participatory budgeting experiments with the federal budget? Given the polarizing ideological debate about fiscal priorities among elected officials, any process that gives Americans of all ages and races the ability to directly engage with one another – to test their assumptions, discover mutual aspirations for our families and our nation – is worth attempting.

Conclusion

America has become a much more diverse nation since we last heard moral leaders urging us to overcome our narrow instincts and interests. It's time for us to deeply engage with what it means to be one people in a true democracy: serving each another, allowing equal access to the levers of power, and being willing to invest in one another and in our common future.

RECOMMENDATIONS

1. Incentivize 100% voter turnout through state competition.
2. Allow same-day registration for voting nationwide.
3. Promote participatory budgeting experiments at the federal, state and local levels.

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The Road Not Yet Traveled: Why Millennials and Older Adults Are Reshaping U.S. Transportation Demand and How We Need to Prepare for It

James Corless, Director, Transportation for America

What if Americans no longer depended on cars to get around? What if public transportation were flexible and responsive to the routes and times that travelers need in real-time? Could bikesharing, carsharing, and ridesharing change the definition of public transportation? How could a new system of public transportation serve both young, carless millennials and the elderly, and everyone in between? What do we already have the technology to accomplish?

It's not just demographics that are changing. We are riding the convergence of shifts in demographics, technology, economics and social attitudes. These trends call for urgent and creative rethinking of a number of policy arenas, including how we plan for and fund our nation's transportation network.

Since the mid-20th century, transportation officials have projected an ever-increasing demand for driving. But more recent data shows a significant shift towards fewer and shorter car trips and a surge of demand for other options as diverse as public transportation, ridesharing, telecommuting, walking and bicycling.

Much of this demand is being driven from opposite ends of the demographic spectrum. On the one hand, millennials – those aged 16-34 today – show strong preferences for urban lifestyles that embrace driving as a choice rather than a necessity. And on the other, baby boomers are winding down their conventional commuting days, with many interested in downsizing their homes and moving to more compact, walkable neighborhoods in both cities and suburbs.

How We Got Here

The last revolution in consumer preferences and transportation policy came with the birth of the baby boom generation over 50 years ago. The baby boom generation totals more than 77 million people born between 1946 and 1964. [1]

Baby boomers are unique because they came of age during the unprecedented economic expansion that followed World War II, which fueled the rise of new suburban communities and the private automobile. After World War II, the Federal Housing Administration underwrote loans in new suburban developments, while explicitly dismissing existing city and town centers as outmoded and blighted.[2] At the same time, the federal government initiated the largest infrastructure project in U.S. history: the construction of the interstate highway system. The United States used its new affluence to build a life around driving.

Whereas previous generations tended to live in close proximity to employment centers, new suburban housing developments required frequent long-distance trips. With the support of substantial federal funding, metropolitan regions developed vast road networks to connect people to employment, healthcare, recreation, and friends and family. Automobiles ceased to be a luxury and instead became an essential component of daily life.

Meanwhile, a burst of post-war road construction, funded by the Federal-Aid Highway Act of 1956 and subsequent legislation, began connecting cities across the country and making new land accessible for developers building homes for automobile commuters. A rapidly growing suburban population drove more and more miles and new highways filled with drivers on their way to work and daily errands.

Baby boomers, the first "suburban generation," were at the forefront of these changes. Boomers earned more drivers' licenses than any previous generation, swelling the number of drivers on the road.[3] The number of cars on the road grew even faster, with the total number of vehicles tripling between 1960 and 2000. [4]

This era of suburban development saw the construction of massive transportation infrastructure and a growing bureaucracy. In the late 1960s, as urban freeways became snarled with rush hour congestion and cities struggled with divestment, the federal government stepped up its commitment to public transportation. The Urban Mass Transit Administration funded development of new mass transit in core cities and growing suburbs. Meanwhile, private transit providers—from urban bus and trolley services to "interurban" rail services—struggled against competition from private car commutes. As these services faltered into bankruptcy, many were absorbed by public and quasi-public authorities, which were able to maintain some basic level of service.

But public transit service received only a fraction of the federal funding devoted to the construction of the new Interstate highway system. As initially conceived, federal transit funding was a component of programs designed to alleviate urban poverty and, in the federal policy framework, mass transit remained essentially the transportation option of last resort. In 1982 the first dedicated funding for transit was added to the federal program when President Reagan approved a nickel increase in the federal gasoline tax, a penny of which was dedicated to public transit.

While the nation relentlessly pursued road building and suburbanization, the promise of fast commutes and high-speed roads began to falter. Sprawling development and increasing car traffic overwhelmed road building and traffic congestion became a constant part of suburban life. Rising costs for construction, land and fuel had made road building and long commutes financially unsustainable.

Demography, Consumer Preferences, and New Technology Drive Change

Today, the changing preferences of the two largest generations of Americans—older adults and millennials—are joining forces to reshape new development in ways that are once again reinventing our cities and towns. Spread-out suburban development, where car travel is the predominant or only option, cannot meet the growing demand for more walkable neighborhoods that are closer to daily activities. Not only are higher-density, mixed use developments returning to downtown cores and in-town neighborhoods, but traditional suburbs are also seeing the emergence of walkable, compact development.

The boomer population continues to live overwhelmingly in the suburbs, and this aging cohort is driving a graying of suburban America.[5] Traditionally, older adults are the least likely demographic to move from their homes, suggesting that many older adults will transition into retirement and old age in suburban environments. However, significant numbers of boomers are considering moving to smaller, more manageable homes in more walkable environments.[6] Though this may represent a comparatively small portion of the new older adult population, the sheer size of the generation means these downsizing movers will have a sizable impact on metropolitan area development patterns.

The growing population of active, suburban older adults will strain our existing transportation system. In the short term, many boomers may be able to comfortably stay in their homes and drive to reach their daily needs and stay active. But as aging boomers become less able to drive or choose, for example, to not drive at night or avoid highways, they may be cut off from cultural engagement, medical care and other pursuits. Low density, high-speed car traffic and limited provision for walking and pedestrian safety make today's suburbs challenging places for older adults to get around on foot. Limited public transit access will leave increasing numbers of older adults stranded without options.[7] Even the denser and more walkable areas where some boomers are choosing to resettle may not have the needed accommodations for older pedestrians, such as bus stop benches and longer signal times at crosswalks.

As boomers entering late adulthood are pushing up demand for options other than driving alone for every activity or need, millennials in early adulthood are joining them. As the largest generation of Americans ever, their preferences and habits will have a profound effect on our future.

Researchers have generally defined millennials as those born between 1980 and the turn of the millennium – Americans who came into adulthood in the new century. They represent one quarter of the population, and are the most racially diverse generation ever with more than 40 percent people of color. Indeed, they are a large part of the reason that the U.S. will become a "majority-minority" nation within three decades. Indeed, we already need a new vocabulary.

As millennials establish themselves, greater numbers than previous generations are choosing to live in compact neighborhoods with nearby restaurants, bars, shops and other amenities. Large numbers are moving to neighborhoods where they can get to work and to daily needs without owning a car by sharing rides, using public transit, walking or biking. A recent survey by real estate advisor RCLCO revealed that an astonishing 88 percent of millennials want to live in walkable, urban neighborhoods.[8]

Many millennials are avoiding driving and car ownership altogether. This is partly an economic imperative in an economy where job prospects are diminished. Millennials also are debt burdened, carrying an average of $45,000 in debt, mostly for education. Increasing fuel prices and costs for car ownership make driving less desirable and put vehicle ownership out of reach for increasing numbers of young people.

But research shows that even those with jobs are less likely to have driver's licenses, to own cars, and to drive to work than older generations.[9] Among those 16 to 34, the number of miles driven per person each day dropped 23 percent from 2001 to 2009, according to the National Household Travel Survey. This is because there were fewer drivers, making fewer and shorter trips. The share of 16- to 34-year olds without a driver's license increased from 21 percent to 26 percent from 2000 to 2010.

At the same time, new attitudes and technology are creating new mobility options. The younger generation is increasingly riding public transit, aided by mobile navigation and technology like Next Bus that provides real-time arrival information. This cohort is also making use of new transportation sharing options, like Zipcar and other car-sharing services; Uber and other car-hailing tools; and bikeshare systems which are proliferating across American cities. A recent survey showed that among 18-34 year olds, a greater portion said that being without their phone or computer would have a more devastating impact on the their daily life than losing their car.[10] A quarter of this age group also reported that transportation apps have reduced the amount they drive and 36 percent said these apps have made it easier to live without a car.

In these choices to drive less and get around by other modes, millennials are leading a major change in our transportation system. After decades of annual, near constant increases in the number of miles Americans drive, the past decade has seen a reversal. A new trend of constantly decreasing vehicle miles traveled (VMT) per capita began in 2005 and the total number of miles driven began a downward trend in 2008.[11] The recent recession and slow recovery are likely to temporarily depress this number of miles traveled, as people out of work are no longer daily commuters and people with fewer resources tend to travel less. But this trend began even before the recent recession began, indicating a more durable shift in driving habits.

The Role of Federal Transportation Policy

Our nation's transportation policies and funding have yet to catch up to the major demographic and cultural shifts under way. Although the federal transportation program represents less than a quarter of all public funds spent on transportation each year, it nevertheless sets much of the policy, rules and guidance that impact how the remainder of state and local transportation funds can be spent.

To this day, and despite an update of the federal transportation program in 2012 through a law known as "MAP-21", federal transportation policy bears the hallmarks of a program born in the mid-twentieth century. It is first and foremost a construction and capital program, providing billions of dollars to state departments of transportation and local public transportation providers to build and repair roads and bridges and purchase and upgrade buses and trains. It made a lot of sense when the U.S. was in its era of rapid suburbanization and the nation's challenge was to upgrade narrow farm-to-market roads to limited access highways. But we currently face very different challenges.

Funding still comes in distinct silos based on the mode of transportation: highway funds are distributed to state departments of transportation for highway projects and public transportation funds are distributed mostly to public transportation agencies for public transportation projects. Funding is driven largely by institutional needs rather than customer demand, and almost all funding is tied to a distinct project orientation (typically for construction, maintenance or operation), rather than for the purposes of operating a multimodal transportation network (for example, by improving coordination among different forms of public transportation providers, deploying technology to better manage traffic congestion, varying the price of tolls or parking to shift trips to different hours or different modes of transportation).

Clearly, the programs that deliver federal transportation funds must be overhauled. In addition, the institutions and agencies that actually plan and deliver projects must be examined for how effectively they handle their current responsibilities and how prepared they are to embrace and take advantage of the coming shift in consumer demand.

What We Have Versus What We Need: The Call to Reinvent Transportation Agencies

Updating our approach to transportation demands not only a change in federal policy, but also a thoughtful overhaul of the decision-making institutions that govern the flow of transportation funds at all levels of government. A number of different types of agencies handle the flow of transportation funds and decide which transportation projects move forward in any given year: (1) state departments of transportation (DOTs) handle all major highway projects in a state, and some also fund public transportation and passenger rail; (2) metropolitan planning organizations oversee transportation planning for large and small metropolitan regions; (3) public transportation agencies (typically special districts or independent public agencies) operate buses, trolleys and trains; and (4) public works departments within local governments typically handle the most local transportation projects such as the maintenance of city streets and county roads.

Here, we focus on public transportation agencies and their opportunities to meet the changing intergenerational demands for new forms of mobility. Today, there are more than 2,000 public agencies that provide an array of publicly funded transportation services, including buses, light rail, streetcars, trolley buses, commuter rail and ferries.

Although demand for public transportation is growing (in part from the demographic changes previously discussed), and ridership is at its highest since the 1950s, the transit industry is struggling to survive. Older systems in larger U.S. cities are suffering from decades of deferred maintenance and underinvestment. Newer systems in growing sunbelt cities grapple with declining federal investment and state governments that often prohibit state transportation funding from being spent on public transportation. And rural public transportation providers – often managed by non-profit or social service agencies – are faced with declining populations and tax bases, but growing demand for critical transportation services such as getting older adults to dialysis appointments or children to distant schools.

There is thus a remarkably strong case to be made for significantly increased investment in public transportation across the entire United States urban, suburban, and rural alike. Yet, not unlike education policy where reformers have rightly asked whether increased spending alone will be enough, so too must we ask whether the agencies and institutions that deliver public transportation services are ready to handle both increased investment and demand in the 21st century.

The short answer is, they're not.

Like many public institutions and bureaucracies that were born long ago, larger public transportation providers are stuck in a mid-twentieth century mindset. They typically run "fixed route" service on fixed schedules – using route numbers as the method to announce, albeit cryptically for the uninitiated new rider or visitor, where that particular bus or train will take you. In all but the very largest cities, waiting times can be 30 minutes or more, with midday, "off peak" and weekend service (when many older adults and low income riders need to use public transportation) even less frequent.

Fares are set in part under federal regulations that dictate discounts based on age and disability but not income. Bus routes often follow historical suburb to inner city commuting patterns rather than being responsive to current demands for where people need to go. And marketing and outreach efforts – understandably slashed in an era of shrinking public funds – have nevertheless contributed to a general sense that public transportation agencies aren't in touch with consumer interests and demands and that they continue to miss opportunities to broaden the appeal and convenience of simply getting on the bus or the train.

Contrast this with how an entrepreneur might establish a public transportation agency from scratch in the 21st century. The first task would be to understand the potential customer base and their mobility needs – from old to young, rich to poor, and everyone in between. The second would be to develop a technology-enabled, flexible system that would match vehicle types to travel demand. The routes in heaviest demand need the largest vehicles on frequent, fixed schedules. But many more routes might be more appropriately matched with smaller vans, and some might run on a real-time demand response system that would be governed by customers calling or texting for a ride. Finally, the very notion of public transportation itself might well be called into question by adding elements of carsharing, bikesharing and ridesharing. Individual pieces of these approaches are beginning to take off in cities across the U.S., driven in part by a growing demand from millennials. But in very few places are they truly coordinated and integrated.

This vision of a 21st century public transportation agency mirrors significant changes already underway in other sectors, particularly the utility industry. Many electrical power customers, for example, now have the ability to select the type of power generation they want to purchase – fossil fuels, solar, wind, etc. Transportation providers of the future may operate in a similar fashion. Customers might request getting from point A to point B, and the transportation "utility" provider might provide multiple options for the trip – some quicker and more expensive, others somewhat slower but cheaper. And much like energy programs now exist to discount costs for poor customers, a technology-enabled transportation future can easily do the same for customers on fixed incomes.

Interestingly, this vision for the mobility provider of tomorrow – one that would certainly have significant benefits for both older adults and millennials – may be emerging faster in developing countries around the world. Not unlike the rapid adoption of cell phone technology in the 1990s ahead of many parts of the developed world, countries like Brazil, Columbia, Indonesia and Kenya are pioneering "informal transportation" services, connecting a host of vans, jitneys and shuttles. Indeed, it was countries like these that pioneered so-called 'bus rapid transit,' the simple practice of running buses along dedicated rights of way to make them faster and act more like underground subways in places that could never even dream of affording one.

In the U.S., more flexible and responsive public transit services may also be sprouting in places that can't afford not to be entrepreneurial. New public transportation services are growing in places like Pierre, South Dakota and Havre, Montana, not from the traditional fixed-route transit providers, but from non-profit organizations that aren't transportation specialists but rather social service providers acutely aware of the mobility needs of their clients. These systems mix a few standard fixed-schedule routes with a host of demand-responsive services, all coordinated through a technique known as mobility management. Mobility management has been increasingly embraced in small towns and rural areas across America, in large part because an overall lack of resources requires high levels of coordination and efficiency. In metropolitan regions, such coordination and innovation seems to be harder to come by in the public sector.

As larger public transit systems struggle under the pressure of increasing demand and shrinking resources, many private services are beginning to fill some critical gaps. The growing number of carshare, bikeshare, and rideshare offerings in cities and suburbs is a testament to the potential for new technology to meet new

River Cities Public Transit: Coordinated Transportation for All Ages

Imagine riding through town for free because your loved one is a soldier on active duty; not having to worry about your grandmother making it to her doctor's appointment because Medicaid pays 100 percent of her trip; and knowing that your children are getting safely to their afterschool program.

In rural South Dakota, River Cities Public Transit (RCPT) does just that. RCPT is a private nonprofit organization that provides round-the-clock service every day to older adults, people with disabilities, veterans, students and people with lower incomes throughout central South Dakota.

In 1998, a number of agencies in Pierre, SD who provided their own transportation, including St Mary's Hospital and Capitol Area Counseling, joined together and created what is now River Cities Public Transit. RCPT has grown to coordinate transportation for many agencies and businesses in the community including hospitals, nursing homes, assisted living facilities, employment programs, domestic violence center, early childhood education programs, local tribes and jurisdictions, and the women's prison.

The project is funded through a creative coordination of 20 different federal, state and local sources. In recent years, RCPT has gone from providing about 20,000 trips annually to more than 340,000 rides that totaled about 1.6 million miles.

This style of transportation, known as "mobility management," is a coordinated use of South Dakota's various transit services that allow recipients to reserve rides a day in advance and cancel rides an hour before their scheduled pick up. In addition to on-demand services, RCPT offers fixed routes within the city of Pierre, rural routes between local jurisdictions, and inter-city routes. RCPT also provides transportation for children to and from school and extracurricular activities through their youth transportation program. Parents can preschedule trips for their children. This is an incredible benefit to parents as none of the counties in central South Dakota served by RCPT offer public school transportation.

The fare system is very complex with trip prices varying by route, distance, time, and whether a trip is subsidized by an agency or Medicaid. Fares typically range between $1.50 and $8.00, with longer inter-city trips ranging from $30 to $70 depending on distance. RCPT works to optimize efficiency through creative uses of their fleet of vans and buses. The same bus that brings workers into the city from rural areas in the mornings and evenings is used for youth transportation throughout the day.

For more information on River Cities Public Transit visit their website at www.rcptransit.com or see the case study of the program included in AARP's publication Weaving It Together: A Tapestry of Transportation Funding for Older Adults available at http://www.aarp.org/content/dam/aarp/research/public_policy_institute/liv_com/2013/weaving-it-together-report-transportation-funding-for-older-adults-AARP-ppi-liv-com.pdf consumer demand. It is being developed largely by tech companies entering the transportation arena, rather than transportation providers entering the tech arena.

It may well be that technology companies are going to increasingly ‘fill the gaps’ in metropolitan transportation networks for the foreseeable future, and the vision for a single public transportation provider that aggregates different technology-enabled mobility services may be too difficult to achieve given institutional and policy barriers. But there are significant downsides to this default arrangement.

Most importantly, private transportation services are likely to skim the highest-revenue routes and services and attract the customers that are most willing to pay a premium for speed and door-to-door service. Unless traditional public transit providers branch out into these newer services, they will be increasingly left with the least profitable routes and customers with the least ability to pay. This will make the challenge of running an agency that much harder and financially unsustainable. It will also reduce the political strength of an intergenerational coalition with income diversity to rally support for the traditional public transportation providers, something they will need increasingly in the years ahead.

Disruptive Policy Ideas

Attitudes, travel preferences and technology are changing rapidly in the US marketplace, but federal transportation policy hasn’t kept pace. The federal transportation program, as mentioned earlier, has its roots in the original 1956 Interstate Highway Act and hasn’t changed much since. The MAP-21 bill, adopted in the summer of 2012, consolidated programs and made a few changes, but fell far short of the type of robust investment or visionary reform that many had called for.

The natural inclination of many key players has been to give up on Washington in general and on federal transportation policy in particular. But throwing in the towel on the federal transportation program would be the surest way to exacerbate transportation problems for low-income people and fail to meet the changing needs of aging boomers and millennials.

Instead, there must be a redoubling of efforts to move federal transportation policy into the 21st century, starting with building new intergenerational coalitions who clearly share a mutual benefit from smarter approaches to transportation and increased levels of investment. As Congress begins debating the reauthorization of the federal transportation bill in 2014, it should consider the following three recommendations:

Incentivize innovative coordinated transportation models such as “mobility providers.”

Provide incentives for public transportation operators, nonprofit organizations, and local communities to engage in innovative practices such as coordination among existing programs and services, public-private partnerships, expansion of outreach and education programs for older adults, and the wider deployment of “intelligent transportation” technology that can help make transportation systems more efficient and customer-friendly.

Reward innovations through a “Transportation Race to the Top.”

Dedicate a portion of funding for competitive transportation grants, rather than typical formula funding for states. These competitive grants could mirror the Race to the Top program under the U.S. Department of Education, and programs should be created at both the federal and state levels to reward transportation innovations such as mobility management programs, deployment of technology to manage both traffic congestion and public transportation demand, incorporation of new mobility services such as ridesharing, carsharing and bikesharing into traditional public transportation systems, and the development of new innovative finance mechanisms that could provide additional funding for critical local transportation projects.

Increase dedicated federal funding for transportation in general and for public transportation in particular. We are literally facing a transportation 'fiscal cliff' at the federal level over the next two years. An annual infusion of $17 billion is needed just to stabilize funding, and an extra $13 billion per year could begin to modernize our transportation networks in order to catch up on the backlog of deferred maintenance while preparing for the shifting transportation demands brought on by demographic change.

Conclusion

Consumer preferences in transportation are beginning to undergo a tremendous shift, driven in large part by a desire for more convenience in transportation and living options by both millennials and older adults. Owning multiple vehicles, commuting long distances, using a car for every trip, living in residential-only suburbs and driving alone were the hallmarks of the baby boom generation that is now beginning to search for other alternatives that are more convenient, affordable, and improve quality of life.

On the other end of the age spectrum, millennials are driving a similar shift in demand for a wider variety of transportation options, whether carpooling, public transportation, walking, bicycling or even telecommuting. This shifting demand is beginning to accelerate right at the time when technology is on the cusp of delivering a new revolution in transportation services, in the form of carsharing, bikesharing, and ridesharing.

Unfortunately, both our federal transportation program and the public agencies that plan and fund transportation projects are woefully unprepared to embrace and accelerate this coming shift in demand. Congress must address these shortcomings through a package of funding and incentives as it begins debate on the 2014 federal transportation bill. And it will likely only address them if a new intergenerational coalition speaks up and makes its voice heard, demanding the changes in policy that can match and encourage the changes in demographics and consumer demand that could reshape the landscape of American cities and suburbs in profound and positive ways for a generation to come.

RECOMMENDATIONS

1. Incentivize innovative coordinated transportation models such as wide deployment of "intelligent transportation," education and outreach programs for older adults, and increased public-private partnerships.
2. Reward innovations through a "Transportation Race to the Top." By dedicating a portion of funding for competitive transportation grants, rather than typical formula funding for states. These competitive grants could mirror the Race to the Top program under the U.S. Department of Education, and programs should be created at both the federal and state levels.
3. Increase dedicated federal funding for transportation in general and for public transportation in particular.

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Response to The Road Not Yet Traveled: Making Transportation Work for Everyone

Anita Hairston, Associate Director, PolicyLink

As a carless millennial living in Washington, DC, I have a day-to-day lived experience of how non-driving transportation options impact my ability to get from home to work and my other daily needs. I am among the nearly 200,000 households in the region without a vehicle.[1]

When I walk out of my front door and prepare to cross one of DC's busy north-south roadways, I wonder how many cars will pass through the intersection before I can safely cross the street. I wait for the arrival of a bus, hoping that it is on time, and that if it is running late, it is only three or four minutes behind schedule and not 20 to 30 minutes. If I take a trip on the weekend to a part of the city where transit options are limited, I often try to catch a ride with a friend, or sometimes I pick up a car-sharing vehicle, or leave an extra half-hour for walking from the nearest transit stop to my destination.

Time, safety, and choice are concerns that are shared by all Americans regardless of age. However, millions of Americans live in communities where transportation options are unreliable, unsafe, or nonexistent. Several national trends point to this issue:

- Over 7.5 million U.S. households have no access to a vehicle, and nearly 700,000 of those households lack access to transit.[2]
- Nearly two-thirds of all residents of small towns and rural communities have few if any transportation alternatives to driving—41 percent have no access to transit, and another 25 percent live in areas with below-average transit services.[3]
- Fifty percent of older people who do not drive in the United States stay home on a given day because they lack transportation options.[4]
- Nearly 20 percent of African American households, 14 percent of Latino households, and 13 percent of Asian households do not have a car.[5]
- Older adults and people of color have significantly higher pedestrian fatality rates than middle-aged, non-Hispanic whites.[6]

These trends demonstrate that our nation needs smart, equitable approaches to enhancing mobility for all of us, regardless of age, income, race, or physical ability. As Corless argues, these trends should compel us to find ways to provide dedicated levels of robust funding for transportation in general, and public transportation in particular. As a nation, we must invest in our roads, bridges, buses, light rail lines, and sidewalks to meet the current mobility needs of our population.

And as the introduction to this report makes clear, that population is changing. The younger generation is increasingly racially diverse, while the older generation is predominantly white. That transformation points to an even greater need to make sure that transportation works for everyone, including the large proportion of millennials who are people of color.

One way to create a system that works for all is to focus on those most in need of affordable travel options, particularly public transportation. As Corless points out, millennials and older adults fall into that category. Many of them do not have access to a vehicle and are increasingly demanding homes located in walkable, transit-rich communities. The meeting of these two different but related trends opens up an opportunity for a smart, equitable approach to transportation policy that could benefit people of all ages.

But what makes a policy equitable? There are three critical questions that should guide us as we focus our efforts:

- Who benefits?
- Who pays?
- Who decides?

Who Benefits? - Using Analysis to Make Sure No One Is Left Behind

Across the nation, communities are finding that while millions of dollars are spent on transportation projects to connect people to jobs, childcare, grocery stores, and other daily needs, many people remain disconnected. For example, nearly two-thirds of jobs in a given U.S. region are not accessible via a 90-minute transit trip.[7] In New York City, 500,000 workers travel over 60 minutes each way to and from jobs that pay less than $35,000 a year.[8] These working individuals face dual transportation burdens of costs and time.

Given the significant disparate impact that transportation funding can have on low-income households, older adults, youth, communities of color, and other populations that rely upon public transportation, transportation policies must see around the corner to ensure that no communities are left behind when new bus routes, street, or sidewalk improvements are built or innovative transportation technologies are put in place.

To this end, transportation decision-makers should apply a race, age, and income lens to every transportation decision. The U.S. Department of Transportation's 2012 Environmental Justice Strategy[9] and 2012 civil rights guidance for transit projects[10] are steps in the right direction because they require transportation planners to analyze how policy changes and proposed projects will impact low-income people, communities of color, transit-dependent populations, and other vulnerable populations. Such analysis can ensure that new transportation investments at minimum do not have adverse distributional outcomes, and at best benefit those who need them most.

Improvement is achievable. New York's transit agency has proposed adding 25 new bus rapid transit routes that can slash travel times for transit riders by providing

Good News Garage

Imagine living in a sparsely populated area and not having a car to get around. Or suppose you work a low-wage job that depends on your ability to get to and from work – but work is miles away and you have no public transportation system to rely on. Or what if you happen to be a city dweller but getting to work means two bus changes and a ride on the subway – adding up to a very expensive and very long commute?

Those are the sort of dilemmas facing millions of lower-income folks who worry day-to-day whether they will get to work on time and keep a roof over their heads. They've learned the hard way that not having a car can mean putting their job in jeopardy, being unable to get their kids to childcare or a doctor's appointment, or not being able to get to a grocery store that offers fresh fruits and vegetables and other healthy foods.

Fortunately, there are alternatives. One of the most successful is the Good News Garage (GNG). A program of Lutheran Social Services, GNG operates in New England and is one of the first nonprofit social enterprise car donation programs in the United States.

GNG's mission is to create economic opportunity by providing affordable and reliable transportation options for people in need. Since its founding in Burlington, Vermont, in 1996, GNG has awarded more than 4,000 reliable vehicles to individuals and families in need.

Good News Garage polls its clients more than six months after receiving their car and found that:

- 89% of clients have experienced increased economic opportunity
- 86% of clients have experienced an improved quality of life
- 83% of clients consider their car, more than 12 months after receiving it, to be safe and reliable.

The organization also offers other services, such as its Ready To Go program in Vermont. Ready To Go drivers use donated minivans and schedule rides for clients to access essential life activities, including jobs, training and childcare. Ready To Go provides more than 30,000 rides annually across the state of Vermont and works in partnership with the Vermont Department for Children and Families, Economic Services Division to provide this service. In a survey of clients, the program found that 91% of Ready To Go riders report satisfaction with their rides.

For more information visit the Good News Garage website at http://www.goodnewsgarage.org.

dedicated travel lanes for buses and traffic-signal prioritization for transit vehicles. This proposal was driven largely by the efforts of Communities United for Transportation Equity, a coalition of faith-based, economic justice, and community development organizations, and the Pratt Center on Community Development to encourage the local transit agency to focus transit expansion resources on bus rapid transit to provide a faster, more affordable means of travel, particularly for low- wage workers living in communities that lack frequent, reliable transit service.

Who Pays? - Linking Goals To Local Needs

Today, many households are struggling to keep up with transportation costs. Between 2000 and 2010, median household incomes in the 25 largest metropolitan areas grew by 25 percent while transportation costs grew by 33 percent.[11] Moreover, moderate-income households, those making less than $45,000 annually, spent a greater share of their income on transportation than high- income households.[12] As the price of gas and public transit fares increase, we must consider the impact these costs will have on the ability of low- and moderate-income workers of all ages to afford basic needs including food, health care, housing, and utilities. In San Francisco, for example, a 2012 survey of transit riders found that nearly half of those surveyed could not afford a rise in transit fares.[13]

Making improvements to public transportation and walking infrastructure is one of the most effective ways to provide affordable transportation options. However, these investments should be targeted to the people and communities that are most in need of those options. We must set ambitious goals for transportation projects that reduce disparities across race and income. The current federal transportation law requires that local and state transportation decision makers set forth performance goals for the transportation system. As these decision makers seek to fulfill this mandate, they should consider:

- lowering annual transportation costs to no more than 20 percent of the household budget for low- and moderate-income families;
- targeting zero pedestrian deaths; and
- making 100 percent of low- and middle-skill jobs in a region accessible via a 60-minute one-way transit trip.

Making Bikesharing Available to Everyone

Bicycle sharing has become popular in communities across the country from New York to Los Angeles. When done right, this low-cost option provides additional mobility to many residents. However, when such plans fail to adequately consider their target population they can potentially leave behind the individuals that stand to benefit most.

In Washington, DC, the Capital Bikeshare program was touted as a low-cost option that could serve the District residents who lack access to a vehicle. A portion of these residents without a vehicle are young people of color with low incomes, so there was hope that Capital Bikeshare would serve such people. However, the program required a credit card in order to borrow a bicycle—and in DC, as many as one in five residents do not have bank accounts. By partnering with Bank on DC, a collaborative effort between district government, financial institutions, and non-profits to provide access to financial services and products to unbanked and under-banked households in the DC Metro Area, Capital Bikeshare implemented a program to help would-be Bikeshare users without a bank account get signed up for an account.

For more information on Capital Bikeshare visit www.capitalbikeshare.com and for Bank on DC visit www.bankondc.org

Some communities are already setting ambitious goals. Washington, DC, has set a goal that 50 percent of all travel happens on bus, light rail, or subway by 2032. Chicago has set a goal of zero pedestrian deaths in 2013. Achieving these goals would have multiple benefits, from providing greater accessibility and affordability for all residents to improving the climate. Federal funding should be directed toward those states, cities, and regions that prioritize making such improvements in the communities where the disparity in safety and access is greatest.

Who Decides? - Cultivating Local Leaders to Drive Equitable Decision Making

A third important element is determining who has influence on how transportation priorities are determined for a community.

In the middle of the 20th century, Rondo, a low-income community of color in Saint Paul, Minnesota, was split apart by highway construction, resulting in significant loss of history, culture, and community cohesion. In 2009, almost two generations later, a billion dollar, eleven-mile light rail project was proposed to connect Minneapolis and Saint Paul. Local transportation planners initially designed the light rail to bypass the Rondo community, even though its residents were more transit-dependent than other residents in other communities along the planned rail line. As a result of the advocacy of local equity advocates, the Rondo residents won a transit stop in their community.[14] What's more, they engaged in a community-driven transportation and land use planning process[15] to ensure that the light rail construction brings benefits to all residents of Rondo and connects them to the opportunities within the region.

Corless notes that in many parts of the nation, transportation agencies still "bear the hallmarks of a mid-twentieth century approach" to problem solving. We need only to look at the Rondo community to see that one of the hallmarks of the outdated approach is failing to listen to the voice of the community.

We must promote community engagement and leadership from local communities. To date, the federal government has taken a small step in this direction. The U.S. Department of Housing and Urban Development's Sustainable Communities Initiative requires that cities and regions that apply for a grant provide a strategy for engaging traditionally marginalized communities, and also that grantees dedicate 10 percent of their project budget to carry out community engagement activities.

Moreover, equity advocates have taken on the charge of bringing the wisdom of local leaders to the transportation process and have developed an approach to building regional, multi-generational, multi-ethnic leadership. In the San Francisco Bay Area, the Boards and

Leveraging Transit to Make Housing More Affordable

In the early 2000s, lower-income residents in the Logan Circle community in Washington, DC, recognized that affordable housing was quickly becoming scarce in their newly-revitalizing, transit-rich neighborhood. Residents utilized a land trust to stabilize the housing costs for families over the long term, so that households with modest incomes and no vehicle access could have an affordable home. In addition, local equity leaders in the Campaign for Mandatory Inclusionary Zoning, won a citywide inclusionary zoning policy, which set aside newly built affordable housing in transit-rich neighborhoods across DC.

At the encouragement of equity advocates, federal transportation policymakers have adopted this approach. In 2012, the U.S. Department of Transportation created a new framework for its transit expansion grants that incentivizes communities to adopt policies that create and preserve affordable housing near planned new transit projects. Such policies are key to realizing more inclusive communities where millennials and older adults alike have access to a range of affordable transportation choices.

More information can be found on the Logan Circle initiative at http://www.shelterforce.org/article/sidebar/2516/r_street_apartments_transit-oriented_affordable_housing_goes_green/ and on the D.C. wide campaign at http://www.nhi.org/online/issues/149/winningcampaign.html.

Commissions Leadership Institute[16] utilizes a robust curriculum to equip local leaders with the context and knowledge they need to serve on one of the region's decision-making/advisory bodies, including several transportation-related commissions. To date, all graduates of the program have been placed on a local/regional board or commission. The U.S. Department of Transportation could require that recipients of federal funds (i.e., regional transit authorities and metropolitan planning organizations) adopt a similar approach to support deep engagement of community leaders in transportation decision-making.

Given the demographic changes ahead and the important role transportation plays in linking people to opportunity, we cannot afford to leave anyone behind. The United States must make a significant investment in transportation to benefit key members of our population, and make those investments in the places and for the benefit of the people who need them the most.

Disruptive Policy Ideas

Require transportation planners to apply a race, age, and income lens to every federally funded transportation project and encourage every locally funded transportation decision to do the same. This would include analyzing how policy changes and proposed projects will impact low-income people, communities of color, transit-dependent populations, and other vulnerable populations.

Set ambitious goals for transportation projects that reduce disparities across race and income such as zero pedestrian deaths or making 100 percent of low- and middle-skill jobs in a region accessible via a 60-minute one-way transit trip.

Promote community engagement and leadership from local communities by requiring input from those impacted. Affirm and strengthen federal approaches that require that cities and regions to provide a strategy for engaging traditionally marginalized communities. Promote models that equip local leaders with the context and knowledge they need to serve on transportation commissions and other decision-making/advisory bodies.

Recommendations

1. Require transportation planners to apply a race, age, and income lens to every federally funded transportation project and encourage every locally funded transportation decision to do the same.
2. Set ambitious goals for transportation projects that reduce disparities across race and income.
3. Promote community engagement and leadership from local communities by requiring input from those impacted.

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For more information see, http://urbanhabitat.org/uh/bcli.

Choosing Our Built Environment: Demographic Change, Housing, and Cultural Capital

Erika C. Poethig, Institute Fellow and Director of Urban Policy Initiatives, The Urban Institute

How does our built environment—buildings, transportation systems, parks, sidewalks—influence the way we interact with each other? What would it look like if we intentionally created a built environment that encourages people to connect? How do the housing needs of the millennial and baby boomer generations relate to each other? How can we change the way we think about housing to bring people together in multigenerational communities?

The feel of our cities, towns, and villages shapes our lives. The style of architecture, density of green space, modes of transportation, proximity to neighbors, and many other aspects of the built environment have a real impact on community culture—and in most cases, this built environment was constructed by an earlier generation according to earlier preferences.

As the United States becomes more diverse in age and race, it is important to consider the power of our built environment, particularly housing, to foster a shared sense of community. Within our households, the size, shape and form of our housing affect the way we organize our daily interactions with each other. At the neighborhood level, housing design can influence the sense of shared responsibility between neighbors for maintaining and creating a healthy and safe community. Choices like the mix of rental housing and owned housing impact the mix of generations and income groups that live in a neighborhood. We should embrace our growing age and racial diversity by constructing built environments that knit people together across age, race, and income.

Building Housing for Older Adults on a College Campus

In 1992, Ithaca College donated 28 acres of land across from the campus for Longview, a new housing facility for older adults. The College helped design the programmatic use of the building, as well as course-related intergenerational activities. The vision of the partnership was: To create a shared environment that provides members of the College and Longview communities with opportunities to engage in intergenerational social and educational experiences that enhance the quality of life. In Spring of 1999, intergenerational activities began and have continued since then. In 2008, Longview expanded to provide continuing care for residents, while enhancing the partnership with college and increasing the opportunities for intergenerational living and intergenerational learning.

Longview residents, college students and faculty benefit immensely from the proximity of the housing. Residents can attend classes at Ithaca College or at the Ithaca College classroom on-site, and Longview residents have access to the College's facilities, like the bookstore, pool, fitness center, sporting events, cultural events and the library. Students lead many activities at Longview and have ample chances for internships, field placements and community service course requirements. Physical and Occupational Therapy students and staff provide training to resident aides, thereby helping teach clinical instruction while educating staff. College faculty can engage in research and service activities, as well as enriched curriculum opportunities.

For more information on the partnership between Ithaca College and Longview visit http://www.ithaca.edu/gerontology/longview.

How We Got Here: America's Changing Built Environment

By the mid-twentieth century, the United States was at the cusp of a major shift in living patterns. Suburban growth had accelerated, increasing segregation by race and income. But as younger families moved to the suburbs and away from the city neighborhoods in which they grew up, families also grew further apart. The fragmentation of daily life deeply concerned urbanist Jane Jacobs. In Death and Life of Great American Cities, she observed that: "The more successfully a city mingles everyday diversity of uses and users in its everyday streets, the more successfully, casually (and economically) its people thereby enliven and support well-located parks that can thus give back grace and delight to their neighborhoods instead of vacuity."[1] These public spaces, she argued, become places where children, their parents, grandparents, friends and neighbors gather in both unstructured and structured ways that contribute to democracy.

Years later, Jacobs' observations about the built environment would be validated by a major study that measured the impact of various attributes of neighborhoods on human development. This study, the Project on Human Development in Chicago Neighborhoods, found that a quality called collective efficacy – defined as social cohesion among neighbors combined with their willingness to intervene on behalf of the common good – protected neighborhoods from negative dynamics like violence and produced positive outcomes in youth development.[2] Neighborhoods with high collective efficacy had places where older adults, children and youth interacted through shared commitments to community gardens, sports leagues and other neighborhood activities. This interaction, they hypothesized, produces collective efficacy.

So Jacobs was right: the built environment plays an essential role in fostering positive intergenerational interactions that produce better outcomes for the community as a whole.

Demographic Change and Consumer Demand for Housing

Fifty years after Jacobs' made her observations about city life, suburban sprawl and white flight removed significant chunks from the populations of 11 of the 15 largest American cities Baltimore, Buffalo, Cleveland, Detroit, Philadelphia, Pittsburgh and St. Louis experienced steady population decline between 1950 and 2000, leaving homes vacant and abandoned well in advance of the current housing crisis. As Edward Glaeser and Joseph Gyourko observed in their article "Urban Decline and Durable Housing," "homes can be built quickly, but disappear slowly."[3] Since a city's housing stock is so durable, each generation is faced with the same choice: to retrofit housing built by earlier generations to meet modern needs, to tear down and rebuild, or to move to an area with new housing.

There is a great deal of speculation about how the millennial generation will reshape the urban built environment through their housing and transportation choices. Recent survey research commissioned by the Urban Land Institute suggests that millennials prefer denser, more walkable neighborhoods that allow them to drive less or not at all and to rent versus own. Sixty-three percent of millennials indicated they are likely to move in the next five years, and of that group, 40 percent stated they would choose multi-family housing.

The choices millennials make about whether and when to have children, and where to raise them, will affect market demand in cities and suburbs. Recent survey data also suggested that married couples with children are declining as a share of the overall U.S. population, especially as baby boomers age. But multigenerational households are growing as a share of the population, as younger adults live at home longer and older adults join existing households that their children have formed. New evidence also suggests that millennials may not do as well financially as their parents and are saddled with more student loan debt that prohibits other kinds of investments like homeownership.[4]

Baby boomers are increasing demand for affordable urban housing, too.[5] Many older Americans want to "age in place,"[6] but others will increasingly contribute to the housing supply by selling their primary residence and moving to some form of age-restricted rental housing or joining another household. While comprehensive data on this trend will not be available for another decade, a recent analysis of 50 large cities by

the brokerage firm Redfin found that between 2000 and 2010, more than a million baby boomers moved out of areas 40 to 80 miles from city centers[7] and a similar number moved to within five miles of city centers. Because the baby boom generation is so large, baby boomers will release more housing units into the overall supply than other, smaller generations can absorb[8] — especially in suburban areas that do not match millennials' preferences for density and walkability. Local housing markets will be affected to different degrees depending on their demographic structure and ability to attract new residents. Housing markets in the northeast and midwest, where the population is older, will be challenged with more housing vacancies.

Looking ahead, the racial and ethnic composition of the housing market will also change significantly. Hispanics are projected to represent 58 percent of the growth in homeowners and 33 percent of the growth in renter households by the 2020s. By these same calculations, Whites are expected to represent 11 percent of the growth in homeowners, but 25 percent of the growth in renter households. Similar trends hold true for Black households.[9] The increase of immigrant groups in the housing market may increase the demand for multigenerational housing, since many have cultures that value multigenerational family living.

Adapting Inherited Infrastructure

Housing can be adapted to changing consumer demands in two ways. First, the use of different building materials, techniques and technologies can transform the way space is used. Second, residency can change in response to market demands: housing originally built for purchase by one generation may become a rental property for another generation, or vice versa. Community composition can change if luxury housing becomes more affordable through a process called filtering, meaning its quality declines over time or its attributes are less attractive in the current market. In fact, the majority of rental housing is comprised of detached single-family homes that may have once been owned. And, on the flip side, many urban neighborhoods have gentrified through the conversion of affordable multi-family rental properties into condominiums and co-operatives.

Other housing is simply demolished and replaced by construction that is (or is perceived to be) more responsive to current consumer demands. This taste for newer housing is a critical driver in the expansion of America's metropolitan areas.[10]

Suburban sprawl is largely the result of the silent generation's decision to leave the city, in part to pursue newly built housing. This shift in housing market demand and the availability of credit for new homes in the suburbs led to the development of many new cities, towns and villages. At the same time, perfectly decent housing in many cities and rural towns was abandoned. In many metropolitan areas, this shift further segregated housing and neighborhoods by race and eventually by class. The children of the silent generation, the baby boomers, repeated this pattern: a combination of market forces and federal policies encouraged them to buy new homes in new exurban communities. American metropolitan areas sprawled even further.

Today, the housing crisis has exacerbated the problem of adapting existing housing to modern needs. Many communities in the northeast and Midwest have aging populations, housing stock and infrastructure and limited in-migration that could slow housing turnover. Other communities in the south and southwest have overbuilt in areas that are not sustainable or aligned with the millennial generation's taste for denser neighborhoods. Communities that can come together across generations to support housing and neighborhoods that meet multiple needs will be more successful.

The Role of Government Policy

State and local government policy play the largest role in shaping the built environment through laws governing the location, quality and type of housing that is available to meet consumer demands. The federal government is primarily focused on ensuring housing affordability for renters and owners, facilitating access for racial and ethnic minorities and other groups protected under the Fair Housing Act, and scaling up innovative local policies and practices. The U.S. Department of Housing and Urban Development (HUD) works to create and preserve affordable rental housing and guaranteeing mortgages for first-time homebuyers and low-wealth households. The Federal Housing Administration (FHA), which predates the creation of HUD, has been an important source of affordable credit since 1939. After World War II, FHA played a significant role in financing homeownership opportunities for returning soldiers and their families in the expanding suburbs.

Although a by-product of the FHA was to create a new generation of homeownership, its original intent was to stimulate the building industry coming out of the Great Depression. As a result, it favored new housing in the suburbs. This meant that FHA lending was less available in the cities for existing housing and consequently not an accessible source of financing for Blacks and other minorities. This shifted over the next thirty years: as traditional credit continued to be inaccessible to African Americans, earlier constraints on FHA were lifted so that it could meet their need. FHA was often the only source of credit for minority households until subprime lending expanded its reach in the late 1990s through the 2000s. In the past two years, minority first-time homebuyers were twice as likely to tap an FHA-insured product as a home loan financed by either Fannie Mae or Freddie Mac. Nearly 80 percent of first time homebuyers (most of whom are between the ages of 25 -40) used FHA insured mortgages to buy their first homes.[11]

Federal Policy and Intergenerational Needs

The disparities in homeownership and wealth across generations and ethnic groups underscores the important choices we have today about the future of the overall housing finance system. If credit is more limited, tougher to get for younger generations, baby boomers will have a more difficult time selling their homes and moving to other supportive housing arrangements as they age. But even if credit is more available, baby boomers may be vacating homes in locations that are not as appealing to people under 40 years of age who want more transit-friendly, dense, walkable neighborhoods with amenities. Although many American cities meet these criteria, suburban areas will have to be "retrofitted" to accommodate aging baby boomers and attract younger generations.

In addition to providing affordable credit for homeownership, FHA is also an engine for financing rental housing and residential care facilities that serve the elderly. During the recent recession, demand for financing from FHA for multi-family housing grew rapidly, especially in places where conventional lending was inaccessible without federal credit enhancement. The surge in demand for credit was driven by the increase in the number of rental households across the country, especially in places where the mortgage crisis caused dramatic changes.

Rising household formation also increased demand for credit, as young people began to leave their parents' homes in order to form their own. The increase in renter households has put so much pressure on rents that HUD reported a 43 percent increase in the number of Americans with "worst case housing needs" since 2007.[12] In 2011, worst case needs affected 3.24 million families with children, 1.47 million older adult households, 2.97 million other "nonfamily" households (unrelated people sharing housing), and 0.80 million "other family" households.[13] The growth in households with heavy rent burdens underscores the need for federal rental assistance.

These trends make it clear that the generations share the same needs in the housing market: wider affordability, more multi-family housing, and better credit for rental households.

Federal Policy and Race

A second and historically important role that the federal government plays is the enforcement of the Fair Housing Act of 1968. Due to the United States' history of segregation, the Fair Housing Act prohibits discrimination on the basis of race, color, religion, sex, national origin, disability, and familial status. Over the years, some states have added protected classes for sexual orientation, age and student status.

Under the requirements of the Fair Housing Act, mortgage lenders, brokers, property owners and local governments are prohibited from discriminating on the basis of these classes. It is more difficult to demonstrate that a local government is actively limiting housing opportunities for any of these classes. However, recipients of federal funding – local governments – are required to "Affirmatively Further Fair Housing" by removing local barriers to housing opportunities. Fortunately, there are some good examples of communities that have implemented housing strategies that offer residents choice, but also ensure access to neighborhoods. As the U.S. goes through a period of major demographic change, resulting in the turnover of millions of housing units, this responsibility will be increasingly important.

In July 2013, the Obama Administration updated the rule that governs this responsibility. In the past, many communities struggled to analyze the impediments to fair housing, because they did not have access to adequate data and analysis. Because the structure of opportunity looks different for older adults than families with children who rely more heavily on school quality, it is important to help communities design strategies that meet a variety of needs. In support of this effort, HUD will provide local communities with more tools to compare the type of access different households (families with children, older adults, etc.) have to quality schools, transportation, job opportunities, health care, and other key amenities.

Federal Policy and Innovation in the Housing Market

The federal government also influences the supply and affordability of housing by scaling up innovations tested at the state and local levels. Federal funding streams for rental housing and community development are quite flexible, allowing local jurisdictions and developers of affordable housing to build and preserve housing that meets local needs. Communities can blend federal funding with other private, philanthropic and public sources to experiment with new approaches to meeting those needs. For instance, starting in 1998, local jurisdictions started to experiment with new housing arrangements that supported grandparents taking care of grandchildren. These affordable housing developments, built with federal housing assistance, provide on-site services for both older adults and young children that comprise "grandfamilies". After the creation of several grandfamily developments, Congress passed the Legacy Act of 2003 that authorized funding for up to four demonstration projects for grandparents or relatives raising children. Since 2003, two projects have been built in Chicago, Illinois and Smithville, Tennessee.

Since so many decisions that drive housing and neighborhood character are made at the local and state levels, the federal government invests in building the capacity of local jurisdictions to adopt innovative strategies and remove barriers to affordable housing. Through investments in technical assistance and planning resources, HUD has enabled communities to use flexible federal resources more effectively to address local market demands. At the same time, it has identified local regulations that impede innovation and offered case studies of local policies that work well. For instance, in some communities, "granny flats" or "accessory dwelling units" (ADUs) are prohibited by local governments as a form of legal housing. However, they can be an important housing option for young people and older adults choosing to live in multi-generational households. In 2008, HUD's Office of Policy Development and Research published a case study of ADUs that documented how communities have used them to meet a local housing need.

Disruptive Policy Ideas

Given the changing consumer demands driven by our demographic transformation, federal policymakers need to consider opportunities to facilitate creativity at the state and local level. At the same time, we need to preserve and grow resources to meet a growing need for affordable homeownership and rental housing.

Housing finance reform and rental housing.
Without access to affordable credit, younger generations can't buy the homes that the baby boomers need to sell in order to facilitate their next life stage. Congress is hotly debating the reform of the housing finance system, and even the President imagines a reduced role for the federal government in guaranteeing mortgages. This is likely to raise the cost of credit, making access to homeownership more expensive. So even if Congress strengthens the FHA to ensure access to credit for low-wealth borrowers, younger generations may not have the savings to afford down-payments. Any new reform to the housing finance system should include a fee charged to transactions that could help support key investments in a more balanced housing policy. Such a fee could finance a revolving loan fund for down-payment assistance or matching savings accounts for low-wealth borrowers.

At the same time, both older adults and younger generations have increasing demand for rental housing—adding to pressure on rents. This is all the more reason why we need to consider rebalancing our housing policy to support greater affordability of rental housing. Resources should be shifted to support renters as well as homeowners. A fee on mortgage transactions could also add capital to the National Housing Trust Fund, which is designed to subsidize rental housing for the lowest-income Americans.

Finally, the mortgage interest deduction needs to be reformed so that more middle-income Americans benefit from the subsidy.

Creating supportive housing environments for older adults.
Only 25 percent of those eligible for affordable housing are able to access it. In many cases, those who do live in affordable housing may be "over-housed." Currently, the federal and state governments spend billions to subsidize nursing home care for older adults who may not need such intensive treatment, but lack other options. We need to create a spectrum of housing options for aging people with different needs. Closer alignment between federal and state spending on health care and federal and state spending on housing would create better living environments for older adults and also free up existing affordable housing options for younger generations.

We should explore ways to support multigenerational communities so that more older adults can "age in place." How can resources from HUD and HHS be used to support older adult in remaining part of their communities? The Support and Services at Home model in Vermont is a great example. Using a Medicaid waiver, this partnership connects the health and long-term care systems to nonprofit affordable housing providers statewide. Together these systems facilitate streamlined access to the services necessary to remain safely at home. Other states are beginning to replicate this model under health reform but it has not yet reached scale.

Retrofitting existing housing to be ADA compliant can benefit both older adults and the broader, multigenerational community. Curb cuts, wide doorways, automatic doors, and no-step entrances all benefit young families with children in strollers who need access to walkable streets and opportunities to shop in their local communities. Expanding universal design standards benefits the entire community and facilitates multigenerational living.

Incentives for better planning and analytic resources for communities.
Millennial demand for flexible housing arrangements surrounded by more transit, biking and walking options will fundamentally shift market demand. Communities that are denser, easier to navigate and that offer a range of housing options will be more attractive to younger generations as they age. Some, like metropolitan Chicago, have used resources from their federal sustainable communities planning grant to develop strategies for suburbs where these trends are playing out in real time. "Homes for Our Changing Region" has developed sub-regional plans to help suburbs model

future demographic trends and figure out how to meet future demand by building new or retrofitting existing housing.

Homesteading for the 21st Century.

The housing crisis left communities with challenging inventories of foreclosed homes that may take years to convert back to occupied properties. During the last cycle of increased vacancy, the federal government created incentives for "urban pioneers" to buy federally-owned homes, and, with some sweat equity, improve the quality of those homes over time. While such programs need to be carefully monitored to prevent fraud and abuse, they could benefit younger generations who may not have enough savings to buy property, but who do have a strong interest in shared housing and urban living. Cities like Leipzig, Germany, which struggled with high vacancy rates after the unification with Western Germany, have seen the benefits of such programs to encourage young people to "homestead" in properties and neighborhoods that are less desirable for older generations with children due to school quality.

Homesharing: Addressing the student debt crisis.

The homeshare model matches older adults who want to stay in their homes, have extra space, and need modest care, companionship, and help with house

Homesharing – Matchmaking to Expand Housing Options for All Ages

Never one to mince her words, Gray Panthers Founder Maggie Kuhn, hated the idea of senior living facilities, which she criticized for cutting older adults off from mainstream living. In her estimation, such facilities and communities were simply "glorified playpens."

To remedy the situation, in 1982, Kuhn launched the home-sharing movement. She envisioned a widescale movement that would encourage older adults to share their homes with younger adults in exchange for companionship and in-kind services, such as help with laundry and shopping. And to bring her vision to fruition, Kuhn established the Shared Housing Resource Center (now known as the National Shared Housing Resource Center). The center serves as a "clearinghouse of information for people looking to find a shared housing organization in their community or to help get a program started."

The center notes that while both older and younger adults benefit from homesharing, "The community is also a beneficiary…. Shared living makes efficient use of existing housing stock, helps preserve the fabric of the neighborhood and, in certain cases, helps to lessen the need for costly chore/care services and long term institutional care."

The homesharing idea caught on and is now a worldwide phenomenon. Countries as diverse as Australia and Brazil have adapted homesharing to address serious social issues, In Sao Paolo, Brazil, for example, some communities are using homesharing as a way to provide homes for youths living on the streets or aging out of the foster care system.

In the US, homesharing is seeing a resurgence as both older and younger adults look for ways to cope in an uncertain economy. Today, one in seven Americans between the ages of 16 and 24 are neither working nor in school, according to a report released in late October by Opportunity Nation, a bipartisan national campaign to expand economic mobility and close the economic gap in America. Many are saddled with student debt and scrambling to find ways to stay afloat. Homesharing could offer them the opportunity to gain some footing while helping the growing numbers of older adults hoping to "age in place."

For more information on homesharing visit the National Shared Housing Resource Center at http://nationalsharedhousing.org.

maintenance with young people who need affordable living spaces and have the time and energy to contribute to maintenance and companionship in exchange for housing. Already popular in Australia and some European countries, homesharing is growing more slowly in the U.S. Homesharing could enable baby boomers to "age in place." Given the growing student debt crisis, homesharing could provide students with an affordable housing option. Going a step further, the federal government could reduce student loan debt by offering to lower rates by a point for students who participate in a formal homesharing arrangement that helps older adults in the community.

Conclusion

The United States' demographic transformation has also transformed preferences for the built environment. As young people delay family formation and older people live longer and healthier lives, multigenerational living is becoming more and more common. Millennials and baby boomers alike seek built environments that are navigable by foot or by public transportation, rather than by car. We need to creatively adapt the housing infrastructure we've inherited from the era of suburban sprawl to support the growth of multigenerational, multiracial, and multi-class communities. In so doing, we can solve financial and lifestyle challenges faced by young and older generations alike. Importantly, by bringing people of different ages and races together in shared communities, we can also facilitate the creation of a common culture.

Recommendations

1. Rebalance housing policy to support greater affordability of home-ownership and rental housing by:
   a. Charging a fee to mortgage transactions that could add capitol to the National Housing Trust Fund, finance a revolving loan fund for down-payment assistance or match savings accounts for low-wealth borrowers.
   b. Reform the mortgage interest deduction so that more middle income Americans benefit from the subsidy.
2. Creating supportive housing environments for older adults by:
   a. Encouraging state experimentation to allow HUD and HHS resources to support older adults "aging in place."
   b. Expand universal design standards to benefit all generations and facilitate multigenerational living.
3. Encourage the use of federal sustainable communities planning grants to develop strategies that model future demographic trends and figure out how to meet future demand by building new or retrofitting existing housing.
4. Create more incentives for young people to "homestead" in properties and neighborhoods that are less desirable for older generations.
5. Facilitate homesharing as a way to address the student debt crisis while supporting aging in place.

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Response to Choosing Our Built Environment: Demographic Change, Housing, and Cultural Capital

Megan Bolton, Research Director, National Low Income Housing Coalition

There was a time when housing markets were relatively predictable. New households formed, lived in rental units for a while, perhaps in an urban center, and then bought houses in the suburbs for their growing families. After the children had formed new households of their own, the aging couples either remained in their family homes or downsized and made room for a new growing family. Of course this was only the narrative for a particular subset of the country's population, specifically families that were white and middle- or upper-class, but that was a big segment of the population and so made housing markets relatively stable. As Poethig discusses, this trend began with the silent generation and carried through to the baby boomers, with quite a lot of help from federal policies and market forces. But times have changed, and household behaviors across all generations and income levels look different than they once did. Federal policies must evolve to meet the changing demographics and desires of today's households.

The Housing Crisis, Demographic Change, and the New Demand for Multigenerational Housing

The United States is recovering from a major housing crisis that altered the way Americans view homeownership. No longer seen as the sound investment it was once thought to be, many people have decided to put off homeownership and stay in their rented homes. Furthermore, millions of households who went through the trauma of foreclosure moved from the ownership market into the rapidly tightening rental market. The homeownership rate dropped to 65% in the 2nd quarter of 2013, down from a high of 69.2% in the 4th quarter of 2004 and marking the eighth year of decline.[1] There are 1.2 million fewer homeowners now than in 2006.[2] Even with recent signs of recovery in the homeownership market, there will be continued demand for more rental housing to meet the needs of both millennials and older adults.

Before and during the housing bubble, the construction of multifamily housing declined. As a result, those entering the rental market today face a limited supply of attractive options and affordable prices. This, combined with a lagging job market and high levels of student debt, has led many millennials to remain in or move back into their parents' homes.[3]

The market is beginning to respond. Since 2011, multifamily lending and construction have increased and many single-family homes have been converted from owner-occupied to renter-occupied units to meet the growing demand for rental housing. As the economy improves, the hope is that millennials will be able to form new households in greater numbers and enter the housing market.

As millennials struggle to enter the housing market at all, many other generations are making the shift from owning to renting. The number of renter households increased by 80% among 55-64 year olds between 2002 and 2012.[4] The aging of the baby boomers continues to pose new challenges for city and county planners across the country. As Poethig discusses, some older adults will choose to remain in their homes and "age in place," while others will sell their homes and move back to city centers into smaller units that are closer to services and retail. A recent survey of 50 cities shows that between 2000 and 2010, the number of baby boomers in areas 40 to 80 miles outside of city centers declined at much steeper rates than the number of those in areas just five miles outside of city centers.[5]

The big unknown is whether the homes these older adults sell, often in suburban areas, will be appealing to younger aspiring homeowners. Recent trends suggest that both young adults and aging baby boomers are deciding to stay in or move back to urban areas, even if they choose to buy. People of all generations are finding many characteristics of city life, such as proximity to jobs, shorter commute times, and access to retail, restaurants, services, and various public transit options more attractive for a host of environmental, social, and other reasons.

The aging of the baby boomers combined with the increasing number of millennials who have remained or moved back into their parents' homes means that there has also been a significant rise in the number of multigenerational households in the U.S. From 2007 to 2009 the multigenerational household population increased by 10.5 percent, from 46.5 million to 51.4 million people.[6] This spike coincides with the Great Recession and high unemployment rates, indicating that many households came together to combine resources to make it through a difficult time. As the economy improves, this trend will reverse to some extent, but many people have found important benefits to living together as an extended family and will continue to do so.

Even if people of different generations do not live under the same roof for extended periods of time, they are more likely than ever to live in the same community. Because both the young and old want to be closer to city centers, federal, state, and local governments should encourage intergenerational models of housing and urban development, while also ensuring that younger people have the ability to move into the houses that the older generation is vacating.

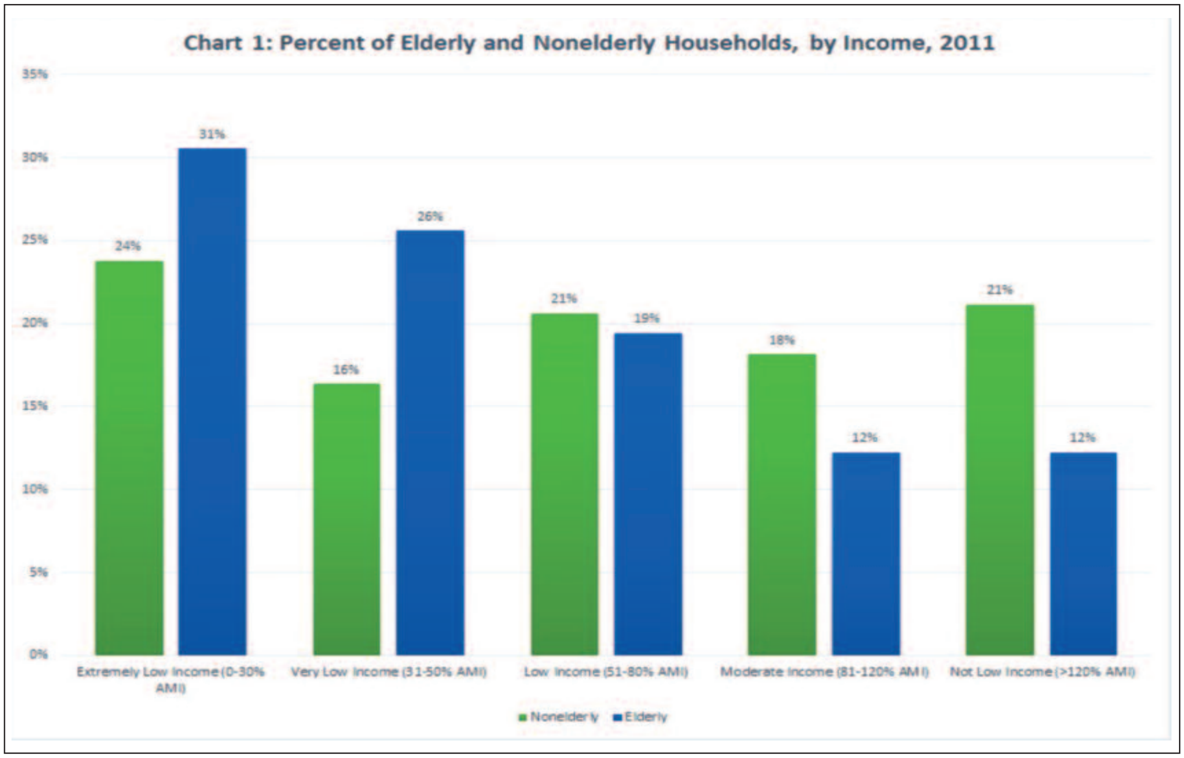
Race, Income, and the Rental Market

Changing demographics and housing demand are also influenced by variations in income and wealth. The economy is recovering, but many people lost jobs, income, and savings during the Great Recession and continue to struggle to get back on their feet. The poverty rate, income inequality, and the wealth gap between the white population and racial minorities are unacceptably high. Black and Latino families suffered disproportionately in the housing crisis, because much of the wealth held by people of color is in their homes,

rather than in savings or investments. From 2005-2009, the inflation-adjusted median wealth among Latino households fell by 66 percent. Among black households, it fell by 53 percent. The decline among white households was just 16 percent.[7] Black and Latino households had been making substantial gains in the homeownership market, but the housing crisis reversed that trend.

The loss of income and wealth among all people of color is yet another that households are again turning to the rental market or looking for alternatives to large single family homes in the suburbs, such as condos or co-ops. Households with incomes at or below 30 percent of the area median (AMI) in their communities are defined by HUD as extremely low income (ELI). ELI households now make up one out of every four renters.[8] The number of renters rose by about one million from 2010 to 2011. While the number of renters grew across all income categories, the largest increase occurred among ELI households and households with incomes above 120% of AMI.[9] The supply of rental housing also expanded, but 61 percent of new rental housing was affordable only to renter households with incomes above 80% of AMI.[10] With the high cost of construction, most of the newly built units have asking rents that are well above what lower income renters can afford.

Federal housing subsidies currently only reach one in four people who are eligible for assistance. In the years to come, it will be even more difficult for low-income households to afford decent housing. The Budget



Control Act and sequestration have cut funding for all HUD programs including public housing, housing vouchers, project-based Section 8, Section 202 (for older adults), Section 811 (for people with disabilities), and HOME (HOME Investment Partnerships Program provides formula grants to states and localities that communities use to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people).

Unfortunately, the people most affected by this shortage of affordable housing and the cuts to federal programs are our most vulnerable citizens. Almost one-third (31 percent) of all ELI households are headed by a person with a disability, and one-fifth have an elderly member. Furthermore, elderly households* are more likely to fall into the ELI category. Thirty-one percent of all elderly renter households are considered ELI, compared to 24 percent of all non-elderly renter households

Black and Latino households make up a disproportionate share of the ELI renter populations. Black households are 19 percent of the total renter population, but 26 percent of ELI renter households. Hispanic households are 18 percent of the total renter population, but 20 percent of ELI renter households.[12] Funding the production of new housing that is affordable to ELI households would provide jurisdictions and developers with many more options for mixed-age, mixed-use housing that could revitalize communities and best serve the needs of all generations.

Housing affordability affects more than just low-income renters. As the demand for rental housing grows and rental vacancy rates decline, rents are soaring in many markets across the country. The proportion of households who spend over half of their incomes on housing costs has been on the rise for a decade.[3] Homeowners saw the biggest increase in severe housing cost burden during the housing boom years and renters saw the biggest increases during the Great Recession. As baby boomers age and the number of elderly households grows, , federal policies must be enacted to adequately serve these households. Housing programs that serve the very poor should be on the mandatory side of the federal budget and would not be subject to the annual appropriations process. These programs provide housing stability, which enables households to contribute more, both financially and civically, to their communities.

Pemberton Park for Grandfamilies

A grandparents' lounge. A computer lab. An arts and crafts room. These are some of the amenities offered by Pemberton Park, Kansas City's apartment community devoted to grandfamilies, or grandparents raising grandchildren.

Pemberton Park is a nearly $8 million-dollar venture that includes 36 apartments (two-, three- and four-bedroom units) in two buildings. The Cougar Capital Group, an affordable housing developer, financed the project with $7.3 million in federal tax credits, while $435,000 came from private assets.

"Everyone says it's a needed service because, nowadays, we have a lot of grandparents raising their [grand]children," said LaToya Walker, Pemberton Park's social services coordinator and case manager. She is part of the onsite educational and social support programs offered by Phoenix Family Housing, whose parent organization, The Yarco Companies, manages the Pemberton Park property.

Since Cougar Capital developed the apartment community two years ago, the educational and social support programs offered to residents include nutrition classes, financial literacy courses, computer classes, and educational advocacy. Walker, who's worked at Pemberton Park for a year, had to change the name of a parenting class to "life skills classes" to attract residents who were initially hesitant about learning how to be parents, something they said they already knew.

So why parenting classes for a generation who's already raised children? These grandparents, as Walker puts it, "are a whole decade away from these teens they are raising." This social media age requires them to know how to navigate the internet and various platforms such as Twitter and Facebook to monitor their teens' online behavior. The way older adults raise their grandchildren, Walker added, has to be structured differently than how they raised their children.

Pemberton Park's grandparents are "learning new techniques to help them be more effective parents,"

said Walker, who also provides psycho education to help grandparents understand how young people think.

Pemberton Park residents also get help applying for the Supplemental Nutrition Assistance Program (SNAP), Medicaid, Medicare and childcare subsidies.

Additionally, residents receive programs from Pemberton Park's partnering organizations like Urban Impact (provider of education advocacy training), Boys & Girls Club of Greater Kansas City (provider of summer programs), United Services (provider of utility assistance) and the Kansas City Health Department (provider of free vaccinations).

There's also My Father's House, a ministry of The United Methodist Church of Resurrection, that provides Pemberton Park residents with donated household products: vacuum cleaners, chairs and beds.

These onsite programs make Pemberton Park the first of its kind in Kansas City. "They [nonresidents] are shocked to hear there is a place like this for people that need it," Walker said. "We've created a community that looks at each other as a close knit family."

That close knit family involves residents looking out for one another and mentoring to the community's young people. On a Saturday in November, the Pemberton Park neighbors celebrated a Christmas gift giveaway for the grandparents (a similar event for the youth is planned for December).

According to Walker, this doesn't happen at other apartment facilities where, most often, the residents keep to themselves. Of Pemberton Park, she said, "Here, they know who their neighbors are."

For more information visit www.liveatpembertonpark.com.

Poethig outlines the ways in which the federal government, mostly through the FHA, encouraged homeownership beginning in 1939 and how FHA lending tended to favor new housing in the suburbs over housing in the cities. The federal government should continue to support homeownership and ensure that younger and racial minority households are able to enter that homeownership market if that is what they desire. However, it is clear from many of the changing demographics and preferences discussed here and by Ms. Poethig that the federal government needs to do more to ensure that housing markets in cities, and specifically rental markets, are meeting the demands of a growing, diverse population.

Disruptive Policy Ideas

Tax reform and investment in rental housing.
Poethig is right that it is time to rebalance our federal housing policy by placing a greater emphasis on rental housing affordability and less emphasis on homeownership. One way to do this is through reform of the mortgage interest deduction (MID).

The MID is currently the second largest federal tax expenditure and only those homeowners who itemize their annual tax return can claim it. By reducing the size of a mortgage eligible for a tax break from $1 million to $500,000 and converting the deduction to a 15% nonrefundable tax credit that everyone with a mortgage could claim (regardless of whether or not they itemize), 16 million more homeowners would get a tax break. If this reform were phased in over five years, it would generate approximately $200 billion in new revenue that could be used to fund the National Housing Trust Fund (NHTF).

The NHTF, enacted in 2008, has yet to be funded. Once funded, 90 percent of funding would go towards increasing and preserving the supply of rental housing for ELI households and very low income households (with incomes of 50 percent of AMI or less) and the other 10 percent could be used for assisting first-time homebuyers. Funding would be allocated to states based on the need for housing and then states would disburse funds based on the state's priority housing needs as outlined in its approved Consolidated Plan.

The NHTF would give communities the ability to ensure housing affordability and build the type of housing that is in demand. The NHTF regulations require states to provide priority for projects based on features such as geographic diversity or the "merit" of the project. Examples of projects with merit include housing that is accessible to transit and job centers, and housing that serves those with special needs. The demographic shifts discussed in this paper indicate that this is exactly the type of housing currently in demand by both baby boomers and millennials. The NHTF could be used to promote more opportunities for mixed-age units and communities. At the same time, this proposal to reform the MID would also alleviate some of the housing cost burden faced by homeowners who currently cannot claim the MID by providing them with a tax credit. A 15% nonrefundable tax credit also makes homeownership more attractive to potential homeowners with lower incomes, who may not have been able to claim the MID, thus enabling younger households to purchase the homes that baby boomers will be vacating.

Expanding programs that support sustainable, mixed-income and mixed-age communities, while ensuring that all may benefit from the improvements to these communities.
Program such as sustainable communities regional planning grants and the Choice Neighborhoods Initiative

(CNI) have potential to bring changes to neighborhoods that people seem to desire, but both programs are small and currently benefit just a handful of jurisdictions. The regional planning grants help communities expand housing choices and bring residents closer to areas of opportunity. Providing jurisdictions with the incentive to bring departments together to think seriously about the best way to integrate housing, infrastructure and job centers is a positive development and should be expanded. The Choice Neighborhood Initiative provides communities with the opportunity to revitalize distressed neighborhoods and bring much needed services to these areas by replacing distressed public and assisted housing with mixed-income housing. Along with ensuring that these new developments contain residents with a mix of incomes, a mix of ages could also be encouraged.

The key to making these programs successful is that the communities receiving these grants ensure that revitalization does not displace low income residents, who instead can benefit from the new opportunities that become available. It is imperative for planners to complete a housing needs assessment and an Analysis of Impediments to Fair Housing Choice to develop a full understanding of the needs and barriers to their community's housing options.

Conclusion

As aging baby boomers sell their homes in the suburbs and join and millennials in the city, wonderful opportunities for renewal arise. Housing strategies should promote generationally integrated neighborhoods with affordable housing options for existing residents, incoming baby boomers, and millennials alike. Now is the time for policy to support the creation of more diverse and multigenerational communities, renewing our national identity as a melting pot and strengthening our cultural capital.

RECOMMENDATIONS

1. Rebalance housing policy to support greater affordability of home-ownership and rental housing through mortgage interest deduction reform that encourages mixed age units and communities.
2. Expand programs that support sustainable, mixed-income and mixed-age communities, while ensuring that all may benefit from the improvements to these communities such as sustainable communities regional planning grants and the Choice Neighborhoods Initiative.

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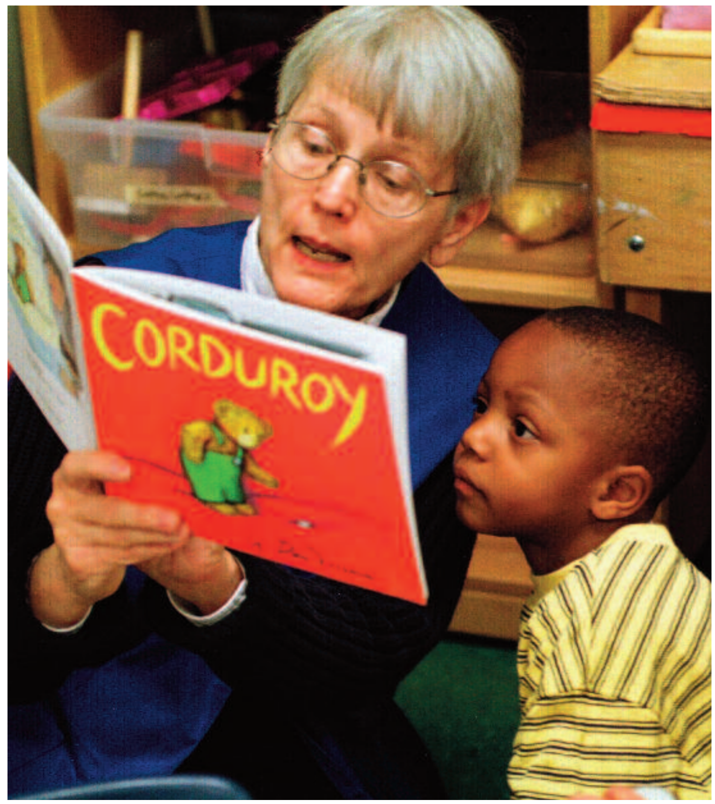
Call to Action: Out of Many, One

The United States is a resilient country, rich with diverse individuals and communities that respond to changes, challenges, and chances. This report and recommendations bring forward innovative ideas for those who aren't afraid to smash the silos in policy and practice that have increasingly led to unhealthy generational segregation. Instead, with intentional planning as our authors point out, we can unleash the untapped energy of all generations to master a complex future together.



The experts who joined us on this journey enriched our thinking and, we hope in return, we expanded theirs. As the poll results indicate, younger and older Americans are aware of changing demographics, and they are remarkably accepting of the changes. While they don't believe policy makers are doing a very good job of addressing demographic change, these bookend generations do believe their local communities are adapting. This is an encouraging place to start – and build upon efforts to unite Americans of all ages today and in the future.

Differences between the generations have always been real, as real as the fact that we are bound together by a web of interdependence in order to survive and thrive. However we are now facing new challenges. We cannot allow a zero-sum frame to set up a false conflict between grandparent and grandchild, neighbor and neighbor. As our founding story states, we are interconnected – E pluribus unum: out of many, one. Each generation represents a human capital asset that is critical to the success of our collective future.

We limited this first cross generational analysis of changing demographics to four key topics. Think about how many other areas are ripe for review and retooling. The possibilities are endless. We must use a strength-based approach – one that is age-maximized to include the voices of all generations and not age-limited. And that encourages us to remember- it's not a fight, it's a family. Or as one of the scholars from our focus groups said – I just realized we're in the same space and we should be dancing together.

Together Generations United and the The Generations Initiative intend to widely share this report encouraging community and thought leaders to advance the recommendations. We challenge you to join us and pledge to use an all generations lens whenever you consider issues and opportunities. And while you're at it, smash a few silos. Aspire to strengthen the American story – out of many, one.

Author Biographies

Anthony P. Carnevale, Professor and Director, Georgetown University Center on Education and the Workforce
Dr. Anthony P. Carnevale currently serves as research Professor and Director of the Georgetown University Center on Education and the Workforce, a position he has held since the Center was created in 2008. He has a wealth of experience working at the intersection of education and employment policy. Among his leadership positions, Carnevale has served as Chair of the Human Resources Sub-Committee of the White House Commission on Productivity under President Ronald Reagan, as Vice President for Public Leadership at the Educational Testing Service (ETS) and as Director of Human Resource and Employment Studies at the Committee for Economic Development (CED). During his time at ETS, he was appointed by President George W. Bush to serve on the White House Commission on Technology and Adult Education. And while at CED, he was appointed by President Bill Clinton to chair the National Commission on Employment Policy.

Aaron Smith, Co-Founder and Executive Director, Young Invincibles
Aaron Smith is Co-Founder & Executive Director of Young Invincibles. Aaron is a native of Yonkers, New York, an honors graduate of Swarthmore College ('04), and a cum laude graduate of Georgetown University Law Center ('10). Since co-founding YI, Smith has appeared in the NY Times, Wall Street Journal, Washington Post, MSNBC, Fox News, CNN, Politico, and PBS NewsHour, among other media outlets, discussing a variety of issues impacting young Americans from the cost of college to unemployment to health care. In December 2010, he testified before the Senate Commerce Committee, and has met repeatedly with President Obama and top lawmakers around critical youth policy issues. Smith was selected as a young Jewish leader as part of the Jeremiah Fellowship in 2011, was a Politic365 Game Changer in 2012, and is a member of the Young Entrepreneur Council. Aaron believes strongly in the power of young Americans to change the world.

Shirley Sagawa, Acting Chief Certification Officer, National Conference on Citizenship
Shirley Sagawa is Acting Chief Certification Officer for the National Conference on Citizenship, responsible for leading the development of the National Service Technology Platform for the Franklin Project. She is also Senior Policy Advisor to America Forward, a policy coalition of social entrepreneurs, a fellow with the Center for American Progress, and an Adjunct Professor at the Georgetown Public Policy Institute. She is author of The American Way to Change: How National Service and Volunteers are Transforming America, (Jossey-Bass 2010), and co-author of The Charismatic Organization (Jossey-Bass 2008) and Common Interest, Common Good: Creating Value through Business and Social Sector Partnerships (Harvard Business School Press). Sagawa led the Obama Administration transition for the national service agency and served as a presidential appointee in the first Bush and Clinton Administrations. She developed the Social Innovation Fund and was instrumental to the creation of the Corporation for National and Community Service and AmeriCorps. She began her career as the Chief Counsel for Youth Policy for the Senate Labor Committee. She is a graduate of Smith College, the London School of Economics, and Harvard Law School.

Heather C. McGhee, Vice President of Policy and Outreach, Dēmos
Heather C. McGhee is the Vice President of Policy and Outreach. She helps to set Dēmos' strategy organization-wide and oversees the Communications and Advocacy Departments. She is a frequent writer, speaker and media commentator on issues of democracy reform, economic opportunity, racial equity and financial regulation. In 2010, she became a contributor to Countdown with Keith Olbermann on Current TV. She is also a regular guest on MSNBC, Fox News and CNN. Her opinions, writing and research have appeared in numerous outlets, including the Wall Street Journal, USA Today, National Public Radio, the Washington Post, and the New York Times. She is the co-author of a chapter on retirement insecurity in the

book Inequality Matters: The Growing Economic Divide in America and its Poisonous Consequences (New Press, 2005). In 2009, she co-chaired a task force within Americans for Financial Reform that helped shape key provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act. In 2008, she served as the Deputy Policy Director in charge of Domestic and Economic Policy with the John Edwards for President campaign, helping craft that campaign's agenda-setting policies to end poverty, halt global climate change, reform financial services, and other far-reaching aims. She holds a B.A. in American Studies from Yale University and a J.D. from the University of California at Berkeley School of Law.

James Corless, Director, Transportation for America

James Corless is the Director of Transportation for America, an alliance of elected, business and civic leaders from communities across the country, united to ensure that states and the federal government step up to invest in smart, homegrown, locally-driven transportation solutions. Prior to Transportation for America, Corless was a senior planner for the Metropolitan Transportation Commission in the San Francisco Bay Area where he managed the agency's efforts to promote smarter growth, transit-oriented development and mobility options for low-income communities. Corless was the author of California's groundbreaking Safe Routes to School law and legislation that paved the way for smart growth "blueprints" to become part of the regional transportation planning process throughout the state.

Anita Hairston, Associate Director, PolicyLink

Anita Hairston is Associate Director for PolicyLink working on transportation policy. She advances PolicyLink priorities that relate to promoting equitable and fair infrastructure investments, with a particular focus on surface transportation. Prior to joining PolicyLink, Hairston spent six years with the Washington, DC Office of Planning, where she served first as a Community Planner, working on neighborhood and citywide plans and ultimately as the Chief of Staff, providing leadership to the agency's media activities, legislative initiatives, and several of its major projects. She has also worked as a planning consultant on several projects, including a regional smart growth plan for the San Francisco Bay Area. Hairston holds a Masters Degree in City and Regional Planning from the University of California, Berkeley and is a member of the American Institute of Certified Planners.

Erika C. Poethig, Institute Fellow and Director of Urban Policy Initiatives, The Urban Institute

Erika C. Poethig is Institute Fellow and Director of Urban Policy Initiatives at the Urban Institute. In this role, she assembles experts from throughout the Institute to tackle policy challenges facing urban America in the 21st century. Most recently, Poethig served as acting assistant secretary for policy development and research at the U.S. Department of Housing and Urban Development. She was also a leading architect of the White House Council for Strong Cities and Strong Communities. Poethig has also served as deputy assistant secretary for policy development. At the John D. and Catherine T. MacArthur Foundation, she was associate director for affordable housing. She also served as assistant commissioner for policy, resource and program development at the City of Chicago's Department of Housing. Previously, she was associate project director of the Metropolis Project, which produced the Metropolis 2020 agenda for regional leadership around the major issues faced by the metropolitan Chicago area. Poethig was a Phi Beta Kappa from the College of Wooster, a Fulbright Scholar at the University of Vienna, and graduated with honors with a master's degree in public policy from the University of Chicago.

Megan Bolton, Research Director, National Low Income Housing Coalition

Megan Bolton is the Research Director at the National Low Income Housing Coalition. She first joined NLIHC as a Research Analyst in June 2009. In her time at NLIHC, Bolton has led the efforts to create a national database of federally assisted rental housing to provide advocates with the information they need to preserve the existing stock of affordable housing. She also coordinates all of NLIHC's major research projects, including the annual release of Out of Reach. Before moving to D.C. to pursue her master's degree, Bolton spent almost five years working as the Portfolio Analyst at the Low Income Investment Fund in San Francisco. Bolton has an MPP from the George Washington University and a BA in anthropology from Penn State University.

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