MISSION
To promote sound social policy and public debate on national priorities, the Urban Institute>
gathers and analyzes data>
conducts policy research>
evaluates programs and services>
educates Americans on critical issues and trends

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ABOUT THE ART:
The photographs accompanying this report are the work of Andrew Z. Glickman of Bethesda, MD. Glickman’s work has been exhibited by the Art Institute of Chicago and supported by the D.C. Commission on the Arts and Humanities. Work from his subway series will appear later this year in a public installation by the Los Angeles Metropolitan Transportation Authority. © Andrew Z. Glickman. All rights reserved.

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THE URBAN INSTITUTE

To promote sound social policy and public debate on national priorities, the Urban Institute>
gathers and analyzes data>
conducts policy research>
evaluates programs and services>
educates Americans on critical issues and trends
For the past eight years, I have had the privilege to serve as the Chairman of the Urban Institute. Early on I observed how the Institute had managed to reap the rewards of both past good work and diligence and map new directions without losing sight of its mission or ignoring fast-paced change in how and where government decisions get made. As I step down, I am struck by how those words apply equally today because the Institute has maintained a disciplined focus, pursued strategic collaboration between the Institute’s board and its senior management, and, above all, attracted and retained a superb group of smart, dedicated, and resourceful analysts.

My fellow board members have established high functional standards. They have set strategic policy, provided general direction, and exercised rigorous oversight of executive management. In an era of increasing and appropriate scrutiny of executive stewardship, the Institute’s board has demonstrated enormous sensitivity to the public trust that anchors a nonprofit tax-exempt organization. Our responsibility has been made easier because the two chief executive officers who have served in the Institute’s 35-year history have been completely forthcoming about the Institute’s condition, challenges, and opportunities at all times.

My predecessors—Arjay Miller, Bob McNamara, Bill Scranton, Charles Schultz, Bill Ruckelshaus, Carla Hills, David Maxwell, and Joel Fleishman—have each contributed importantly to the Institute’s success and legacy. I am proud to have served as one link in such a prestigious chain of leadership.

And in its two presidents, Bill Gorham and Bob Reischauer, the Institute has been blessed with rare combinations of management talent, intellect, focus, and compassion.

One of my deepest sources of satisfaction as board chairman during the past eight years has been to watch the Institute flourish and evolve in both good and bad economic times. In 1995, the year I became chairman, the Institute had 223 employees and $37.5 million in operating expenses. In 2003, there were 384 employees and operating expenses totaled nearly $70 million. Funding opportunities in some of those earlier years were as plentiful as they have been sparse in the latter years, affected mostly by the economy and changing national priorities. By any measure, these numbers validate the trust that funders, both private and public, place on the Institute’s work. Commitments to quality and objectivity have, indeed, paid off.

Not just talented and dedicated, the Institute’s staff is also imaginative, responding efficiently and creatively to the new challenges of sound-bite communications and abbreviated attention spans. Even so, our researchers continue to expose the truth thoroughly and with precise nuance. I feel confident the Institute will continue to purvey fact in a world of anecdotes and spin. And meeting that challenge is needed now more than ever.

Of more importance than the growth of staff and budgets has been the expansion into new areas of research. During the past eight years, the Assessing the New Federalism effort was launched to shed much-needed light on the significant changes that have taken place in welfare policy. Justice, education, and tax policy have all emerged as focal points of the Institute’s research during my chairmanship. And a major effort was launched to better understand philanthropy and the nonprofit sector of our economy.

As I hand over the responsibilities of chairmanship to Joel Fleishman, who served in this capacity in 1994 and 1995, I have great confidence in the strength and resilience of the organization and the wisdom and skill of my successor.

RICHARD B. FISHER
CHAIRMAN
President’s Message

The Urban Institute marked its 35th anniversary in 2003. As was true three and one-half decades ago, the Institute remains dedicated to providing policymakers, the media, and the public with objective information and sophisticated but clear analyses that help explain the problems facing the nation and the advantages and disadvantages of alternative solutions.

During the first half of 2003, the attention of policymakers and the media focused on issues that fell beyond the Institute’s traditional ken—the war in Iraq, the terrorist threat at home, the space shuttle Columbia disaster, the SARS epidemic, and the Northeast power blackout. But by year’s end, many of the problems on which Institute researchers have amassed impressive expertise were attracting increasing notice.

As federal revenues, measured relative to GDP, dipped to their lowest level since 1950 and budget deficits swelled to record nominal amounts, the debate over the nation’s fiscal policy reignited. Institute researchers provided new analyses of the seriousness of the projected deficits and the sustainability of the nation’s fiscal commitments to the elderly, disabled, and poor. The Tax Policy Center, a joint undertaking with The Brookings Institution, released a steady stream of estimates and analyses that highlighted the long-term costs, distributional impacts, and other consequences of the tax cuts enacted in 2001, 2002, and 2003.

In December, after years of wrangling, the president signed legislation that both added a much-needed prescription drug benefit to Medicare and revamped the program’s structure. But even after enactment, controversy surrounded this legislation. Just as Institute analysis laid out the policy options available to expand Medicare’s benefit package and restructure the program, our work will help policymakers refine and implement the 2003 legislation and try to modernize such program elements as the payment mechanism for skilled nursing facilities.

At both the state and federal levels, concern about the uninsured grew as their ranks began to swell again and health care costs continued to soar. Institute analysts parsed the increase in the uninsured, examined their shortfall in health care utilization, and laid out policies that could significantly shrink their numbers. Federalism and Health Policy (Urban Institute Press 2003) explored the nation’s complex division of public-sector responsibility for ensuring adequate health care for low-income Americans.

While the Congress failed, once again in 2003, to reauthorize the landmark 1996 welfare reform legislation, the Institute’s Assessing the New Federalism project continued to mine and inject into public debate the rich veins of data in our 2002 National Survey of America’s Families. As reauthorization moves forward, these analyses of child care, child well-being, welfare leavers, health insurance coverage, food and housing insecurity, child support, and other key components will help Congress assess the strengths and weaknesses of reform so far.

Throughout the turbulence of 2003, immigration and education remained high on policymakers’ agendas. Institute analyses continue to expand our understanding of immigrants’ roles in the country’s social and economic life and the challenges that the newest Americans pose for communities and the nation. In the field of elementary and secondary education, our studies of accountability, graduation rates, teacher quality, and school reforms will help state and local decisionmakers, as well as policymakers, the media, and the public with objective information and sophisticated but clear analyses that help explain the problems facing the nation and the advantages and disadvantages of alternative solutions.

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as federal officials whose roles expanded with passage of the No Child Left Behind Act in 2002. As the nation heads into a presidential election year, the policy spotlight will fan out, encompassing issues that Urban Institute research has illuminated over the years. Among these are housing opportunities for vulnerable populations, the influence of not-for-profit and philanthropic institutions on family and community life, government support for the working poor, pension adequacy, the geographic concentration of poor and vulnerable populations, the challenge of preparing communities to reabsorb the 1,600 men and women now released daily from the nation's jails and prisons, and the employment progress and prospects of single working mothers.

While most of the Institute's analysis remains focused on domestic issues, we have helped emerging democracies strengthen their institutions of civil society and build local government capacity for over two decades. In 2003, we worked on such projects in some 23 countries, helping meet the challenges of economic development, fiscal reform, and decentralization of authority and fiscal responsibility.

As the fiscal pressures mount and Congress and the president strive to reduce the growth of government spending, elected officials are certain to face increasingly difficult decisions. In this environment, the need for objective data and analysis—the Institute’s hallmark for over three decades—will be greater than ever. It’s also my hope that work now under way will help government deal with some of its coming challenges before they make headlines and will ensure that those that do hit the front pages are handled rationally and dispassionately.

The Urban Institute’s decades-spanning success is, in no small part, attributable to the thoughtful guidance of our Board of Trustees and its chair. After eight years in the position, Dick Fisher decided to step down from the chairmanship in 2003. He helped the Institute seize new opportunities in good times and better weather the harder times. His contribution to the Institute’s integrity and financial strength is, simply, immense. I will miss his enlightened leadership but feel fortunate that we will still benefit from his frank and practical counsel as a board member. Fortunately, our bench is deep and Joel Fleishman, who served as the board chair in 1994 and 1995, has again picked up the reins.

As I look out to 2004 and beyond, I am confident that the Urban Institute’s twin missions—gathering, analyzing, and sharing data and ideas to promote sound public policy and evaluating government programs—remain durable and right for the times. I also remain impressed by the dedication, resourcefulness, and imagination of the Institute’s excellent staff and proud of the Institute’s nonpartisanship and road-tested commitment to practical scholarship and effective research dissemination. Credible and fully engaged, the Institute remains prepared to handle whatever challenges the future brings.

Sincerely,

HONORS

Len Burman was named an associate editor of Public Finance Review.

Harriet Duleep became a deputy editor of the journal Demography.

Janelle Kerlin received a Woodrow Wilson International Center East European Studies Research Scholar Grant to convert her dissertation into a book.

Jeff Passel was named one of the five most important American demographers of the past quarter century by American Demographics magazine.

Rudy Penner received the Jesse Burkhead Award for the best article published in Public Budgeting and Finance in 2002.

Adeel Saleem won a Wall Street Journal Student Achievement Award just before joining the Institute’s Tax Policy Center.

Gene Steuerle was appointed by the Secretary of Health and Human Services to the National Committee on Vital and Health Statistics.

David Brunori’s State Tax Policy: A Political Perspective, an Urban Institute Press book, was named an “outstanding academic title” by Choice magazine.

Jeremy Travis won the Gerhard O.W. Mueller Ward from the Academy of Criminal Justice Sciences for his work promoting comparative criminal justice research. He also won the International Community Corrections Association’s Margaret Mead Award for his work on prisoners re-entering society.

www.taxpolicycenter.org was named one of the best Web resources on tax and budget deficit issues by The National Journal.

STAFF HONORS AND AWARDS

2003 ANNUAL REPORT

T H E U R B A N I N S T I T U T E
Data Gathering & Analysis

Only too aware of how numbers can be misused in policy debates, we do our best to define public problems accurately, assess their scale and pace of change, and calculate the costs of alternative solutions. Often, that means creating or customizing research methodologies to build and manage databases, track trends, conduct cost-benefit analyses, monitor government activities and revenues, count vulnerable populations, survey participants in public programs, or map data.

Examples from 2003:
- Analyzing data from round three of our National Survey of America’s Families.
- Tracking the employment and earnings of single parents.
- Analyzing IRS data on local nonprofit education groups to assess their role in improving and reforming public schools.
- With colleagues in Moscow, documenting in selected Russian cities how participation in housing-allowance programs varies with the eligibility criteria.
- Surveying enrollees in the State Children’s Health Insurance Program in ten states.

Policy Research

Our researchers know how to assess the costs and benefits of social policy—the basis of sound public decisions. Our objectives are to gauge effects, compare options, show which stakeholders stand to gain or lose from a program change, debunk policy myths, and inject solid facts into both expert and public debates.

Examples from 2003:
- Analyzing the effects of various tax proposals on charitable giving, the distribution of income, and income sheltering.
- Clarifying the terms of the debate as states and schools implement the No Child Left Behind Act of 2002.
- Evaluating research on differences in mortality rates between the insured and the uninsured.
- Analyzing states’ responses to recent revenue declines.
- Estimating how Social Security redistributes lifetime income among various generations and groups.

Program Evaluation

Our assessments of government programs’ performance and impacts help decisionmakers determine which programs work “as is,” which need to be revamped, and which have outlived their utility or failed.

Examples from 2003:
- Evaluating the HOPE VI public housing revitalization experience.
- Providing technical support for a review of the National Science Foundation’s investments in mathematics education.
- Assessing the efficiency and effectiveness of state crime-victim compensation and assistance programs and recommending improvements.
- Evaluating the effectiveness of nonprofit programs for victims of domestic violence.

Public Education

Strategic communication of our research results translates into media briefings and interviews, expert seminars, journal articles, fact sheets, op-eds and columns, books, reports, and a heavily used web site. We customize our outreach for audiences—whether researchers, reporters, advocacy groups, government agencies, or policymakers—with differing needs and deadlines.

Examples from 2003:
- For budget experts of all political stripes, our annual experts’ roundtable on the president’s newly released annual budget.
- For researchers and students, a forum with Georgetown University Public Policy Institute on how affirmative action evolved.
- For policymakers and advocates, easy-to-read briefs and fact sheets spotlighting new data on immigrant families and workers.
- For researchers, reporters, and advocacy groups, a seminar on Medicare prescription-drug benefit proposals.
- For students and researchers, the Policy Decoder, an online glossary of policy terms.

What The Urban Institute Does

Our four spheres of activity complement each other to strengthen our research. Together, they also undergird our work abroad helping local governments and civil society in 23 countries connect and cooperate.
Medicare has long been a political football. But this year the rules of the game have changed. For more than two decades, Democrats got to argue that Republicans were trying to cut Medicare, and Republicans to counter that a budget cut was actually no more than a slowdown in the rate of increase. Differing views about how to structure Medicare were rarely joined.

Those simple days of arguing about Medicare’s budget are over. To get the Medicare Prescription Drug Improvement and Modernization Act of 2003 passed, Republicans retreated on some of their Medicare restructuring goals, but not from views fundamentally different from those of Democrats on how to provide benefits to the forty million elderly and disabled in the program. The two parties also disagree on how to control expenditures, which will soar as baby boomers age and the number of beneficiaries served doubles. So far, the Prescription Drug bill tilts just slightly toward privatizing Medicare—the Republican solution.

In this partisan tug of war, partisans from the right place unwarranted faith in price competition among private health insurers as a replacement for the traditional Medicare program, an approach that Wall Street Journal editorialists likened to “Soviet-style” price controls. So much for the convincing evidence that traditional Medicare has been as good or better than private health care plans at providing access to quality care and controlling costs!

Program defenders from the left place unwarranted faith in the status quo, impervious to the inequitable and inefficient spending that the program permits. Indeed, countries with universal social health insurance programs have been more willing than we have to address these tough issues.

For years, the Urban Institute has provided rigorous evidence that has informed health policy, whether by demonstrating that lacking health insurance indeed does affect the health and well-being of those without coverage, or showing the strengths and weaknesses in state-based health safety nets for low-income individuals, or developing prospective payment systems for traditional Medicare. More such research on Medicare can help move the debate’s center from faith to actual evidence—and break the current impasse. Right now, unbiased evidence used responsibly is what the doctor ordered for Medicare.

DR. ROBERT BERENSON
SENIOR FELLOW
HEALTH POLICY CENTER
FINDINGS | 2003

Who gains and who doesn’t when policy commitments are made, ended, or maintained? And how much does each course cost? Our research helps policy-makers and program administrators answer these questions.

Widely cited Institute findings in 2003:

- One of every three ninth graders—some 1.3 million students—will fail to graduate from high school in four years.

- Spells of unemployment lengthened from an average of 13 weeks in 2000 to 17 weeks in 2002.

- Material hardship is 25–30 percent lower among married than unmarried families with children.

- Roughly two-thirds of U.S. schoolchildren who don’t speak English proficiently are native-born.

- If all America’s 41 million uninsured were to get public health insurance, national medical spending would rise by 3 to 5 percent.

- Immigrants make up 11 percent of all U.S. residents, but 14 percent of the labor force and 20 percent of all low-wage workers.

- Of those leaving welfare in 2002, 35 percent still collected food stamps—up from 28 percent in 1999.

- Spending on Medicaid, the largest item in most state budgets after education, rose by roughly 25 percent between FY 2000 and FY 2002.

- Lowering the age of eligibility for Medicare benefits from 65 to 62 would virtually eliminate uninsurance for people age 62 to 64—at an annual cost of about $5.4 billion.

- Had states raised taxes in 2002 and 2003 by the same percentages they did in 1991 and 1992, they would have had $33 billion more in revenues—enough to close two-thirds of their budget gaps.

- In the greater Washington, D.C., area, four out of five low-income families that spend at least 30 percent of their income on shelter live in the suburbs.

- Contributing $4,500 to the Health Savings Account recently proposed would generate a $1,575 annual tax deduction for a family in the highest tax bracket and less than half that for a middle-income family.

- Twenty-nine percent of Native Americans trying to rent housing outside tribal lands faced discrimination in three focus states.

- Thirty-six percent of poor children living with single mothers received child support in 2001, up from 31 percent in 1996.

- An estimated 1 million U.S. veterans are gay men or lesbians.

- In 2002, half of the 405,000 children receiving foster care by kin under court supervision were from low-income households. Most such low-income kids lived with their grandparents.

- Over one third of welfare recipients either do not know their benefits are time-limited or do not know when they will end.

- Some 33 million, mostly middle-income, taxpayers will have to pay the alternative minimum tax (AMT) by 2010.

- At the end of 2000, before the recession’s full impact hit, some 25 percent of nonprofits providing human services were losing money.

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The first baby boomer applies for Social Security in 2008. Over the next 15 years, the stream of new retirees becomes a torrent. Society has promised them Social Security benefits that continually rise faster than inflation, generous health care financed by Medicare and Medicaid, and a new program that helps pay for prescription drugs. Unfortunately, baby boomers did not produce enough tax-paying children to finance these promises without substantially increasing the tax burdens on their children and grandchildren. Between 2002 and 2030, the 65 and over population will double while the working age population will rise only 13 percent.

Urban Institute scholars are studying the problem from a variety of perspectives. One Income and Benefits Policy Center study on Social Security reform examines how the recommendations of the President’s Commission on Social Security Reform would affect Americans by race, sex, and income levels. Another explores the interactions between Social Security reform and Supplemental Security Income benefits. Researchers also are studying the adequacy of baby boomers’ retirement savings and factors that affect contributions to 401(K) plans. In “Budget Crisis at the Door,” Eugene Steuerle and I showed that a decline in defense spending relative to GDP financed the growing cost of the elderly over past half century, but the defense budget is not big enough now to sustain the process another 30 years. We have also produced a series of policy briefs on Social Security. Meanwhile, the Institute’s Health Policy Center has conducted numerous studies of Medicare and the burden imposed on Medicaid by increasing demands for long-term care. The Labor and Social Policy Center has studied the effects of eliminating the Social Security retirement test.

Few institutions can boast of so much work on such an important problem.
Accountability—More than a Buzz Word

Buzz words have always swarmed around education reform. Over the years various terms have come and gone, but schools and what goes on in schools have remained largely unchanged. This history notwithstanding, the current buzz word in education reform—“accountability”—may herald a new day.

Some states have been developing accountability systems based on student test performance for nearly a decade. Others, spurred by the federal No Child Left Behind Act, are trying to catch up fast. These accountability systems have two basic components. First, they are test-based. Student performance on tests is used to determine how well a school is doing. Second, test scores have consequences. Schools reap rewards for high performance and sanctions for a poor showing.

The extent to which accountability systems improve schools is an open and controversial question. Some experts see test-based accountability as a death-knell for creative and high-level intellectual work in schools. Others see it as the salvation of U.S. schools, which don’t stack up well in international comparisons. Thanks to this controversy and the pressure it has generated, accountability systems are getting school professionals’ attention. Visiting schools in Florida, which has a comprehensive and well-developed accountability system, saw principals, armed with three-inch binders of detailed test performance information on individual students, attempting data-driven management. This represents a sea change in school management.

Examining the effects of test-based accountability is a major focus of Urban Institute researchers. Do accountability systems lead to greater school productivity? At what cost? What are the consequences for students with differing abilities and backgrounds? How does test-based accountability compare to market-based accountability? The devil will be in the details. The types of tests, the “triggers” for sanctions and rewards, and the opportunity costs that schools face as they direct more attention to test performance must be sorted out if “accountability” is to be a driving force in education reform and not just another short-lived buzz word.

JANE HANNAY
DIRECTOR
EDUCATION POLICY CENTER

The Assessing the New Federalism Project

The Assessing the New Federalism project is entering a new phase in its multiyear review of state responses to the 1996 welfare act, the 1997 children’s health insurance program, and changes in other social safety-net programs. After three rounds of the National Survey of America’s Families, we can provide both the big picture and the detailed analysis on health care, employment, family structure, child care, child support, food stamps, welfare, and child and family well-being. As more responsibility for the safety net has shifted to the states, our goal has been to provide facts, trend information, and practical recommendations to a new set of policymakers and advocates. Tens of thousands of Internet visitors use our data and reports. Our “Snapshots of America’s Families” revealed that 63 percent of individuals who have left welfare report running out of money to buy food. We also analyzed the multiple barriers to employment among welfare recipients who can’t find work and the significant rise in the number of children in low-income families receiving child support in 2001 compared with the number in 1996. Our “Short Takes on Welfare Reform” and “Fast Facts on Welfare Reform,” two other series, address key questions before Congress. Looking ahead, we will soon release the state-level data from the 2002 survey—a great aid to program administrators. We also continued to keep legislators, advocates, the media informed of devolution’s many faces and impacts. Some 200 people attended our July forum at the National Press Club to unveil and debate our new book: Federalism and Health Policy. In conjunction with the Robert Wood Johnson Foundation’s Covering Kids Back-to-School Initiative, we released five additional “Snapshots” on welfare reform’s seventh anniversary.

SELECTED PUBLICATIONS:

▶ Gregory Acs and Heather Koball, “TANF and the Status of Teen Health Policy, The ongoing national debate draws from our seven years of data and analysis on how children and families are faring as states play a greater role in defining social programs.
The Education Policy Center

In this new era of standards-based reform, our extended capacity to work with large education databases will let policymakers and officials know whether students are being left behind.

Two years after the No Child Left Behind Act (NCLB) was enacted in 2002, the nation waits to see whether schools can meet the new education laws’ challenge. The Education Policy Center stands as a national leader in evaluating federal policy initiatives and monitoring state responses to the law’s emphasis on accountability, flexibility, and high-quality teaching.

We drew national attention to NCLB’s often-overlooked requirements for measuring high-school graduation rates and recommended that the Department of Education spearhead a scientifically rigorous effort to establish quality standards for accurately measuring this critical indicator of schools’ progress. Our major statewide study of educational accountability and competition in Florida also moved forward.

Here we examined school responses to the state’s accountability mandates, completed a second round of data collection, and surveyed parents. Our study of urban high school reform in Baltimore allows a more local perspective on the nationwide movement for higher education standards.

In return for heightened accountability, NCLB offers schools more flexibility in using federal education dollars. We are currently evaluating the implementation of a federal flexibility demonstration program for states and districts.

An experimental study launched in 2003 examines the effectiveness of out-of-school-time programs to improve academic achievement. Many schools must implement such programs to meet NCLB requirements.

Part of our research on teacher quality, our assessment of National Board Certification, found that African-American and male teachers are much less likely than their white and female counterparts to get certified. In addition, teacher performance on standardized tests correlates highly with certification. We are now estimating the impacts of certification and teacher quality on student achievement gains.

The 2005 edition of Developments in School Finance features our analysis of teacher compensation, a crucial factor in attracting high-quality candidates to teaching.

How many academically qualified minority students receive baccalaureate degrees in science, math, engineering or technology, continue on to graduate school, and enter the workforce? We are finding the answers by evaluating the National Science Foundation’s Louis Stokes Alliance for Minority Participation Program.

The current health-insurance crisis puts our research front and center in state and national debates. A comprehensive review of the research literature undertaken in 2003 produced highly plausible evidence that having health insurance reduces mortality rates and improves general health status. Better health, we found, leads to better education, more job opportunity, and higher earnings. Other studies examined racial and ethnic disparities on who is insured and how they pay their insurance premiums. In addition, we studied the recession’s impact on employer-sponsored insurance, public coverage, and the number of uninsured.

We continued our work examining reasons for Medicaid spending growth and showed the impact of rising enrollment and increased health care costs on Medicaid expenditures (which now exceed Medicare spending). In another study, we showed that Medicaid costs per person, adjusted for health status, are actually lower than for those with private insurance. Medicaid is a high-cost program because that which serves are in poor health. We also are analyzing how states have responded to fiscal pressure—how they make decisions among tax increases, Medicaid spending reductions, and reductions in spending on other state government functions.

The 2005 publication of Federalism and Health Policy capped five years of broad-ranging work on how health care for low-income people is financed. The book also lays out systemic reforms aimed at solving and affordability.

We continue to explore why so many low-income children who are eligible for Medicaid and State Children’s Health Insurance lack coverage. Despite broadening awareness of both publicly financed programs, parents of uninsured children seem daunted by the application process.

In studies of the other end of the age spectrum, our researchers are examining the risk, timing, and needs for long-term elderly care. This work takes us into nursing homes to gauge quality assurance and into communities, where informal caregiving might stretch Medicare dollars.

**SELECTED PUBLICATIONS:**

- Christopher B. Swanson, Keeping Count and Losing Count: Calculating Graduation Rates for All Students under NCLB Accountability, Urban Institute, 2003.

**STAFF:**

- John F. Holahan (Director)
- Robert A. Berenson (Senior Fellow)
- Alshadye Yemane
- Stephen Zuckerman
- Emily Anthony
- Kendra Bischoff
- Duncan Chaplin
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- Nicole Young

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- Christopher B. Swanson, Keeping Count and Losing Count: Calculating Graduation Rates for All Students under NCLB Accountability, Urban Institute, 2003.

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- Nicola Woodroof
- Nicole Young

**SELECTED PUBLICATIONS:**

The Income & Benefits Policy Center

Society’s most vulnerable citizens—the poverty stricken, the disabled, and older Americans—require accessible, reliable, and equitable safety net and social insurance systems. Our research informs policymakers about how well current systems meet the needs of the most vulnerable Americans.

Are government benefits programs designed to remove families from severe economic hardship, or are they merely reaching the intended groups? Our ongoing evaluation of initiatives to increase food-stamp use should help federal policymakers improve vulnerable Americans’ access to nutrition assistance. With the Assessing the New Federalism Project, we continue to monitor welfare and other government safety net programs to highlight effective policies and reveal program flaws. A study released in August 2003 showed that one in ten adults who leaves welfare doesn’t find work and loses touch with the welfare system. Another study examined how families coped without jobs or government cash assistance get by.

Policymakers’ interest in work incentives for people with disabilities is deepening. A landmark 1999 law created a new system and incentives for helping disabled people find work and support themselves and their families. Collaborating with Commonwealth and Cornell Universities, we produced 10 reports on the Ticket to Work and Work Incentives Improvement Act. We also monitored children receiving disability benefits, especially as they entered adulthood. Our research goal is to find out how many child recipients participate in the coming-of-age programs, such as vocational education and special therapies, and how those who stay on disability differ from those who leave.

Our retirement and aging research moved forward on many fronts in 2003. We compared projections of retirement income and measures of economic well-being for retiring baby boomers with outcomes for current retirees. Among baby boomers, our research found that those with no high school degree and limited work experience may be considerably worse off than those in the same boat in the past. Other research has assessed how well baby boomers are prepared for retirement. We also examined the economic status of single mothers in later life. Results showed that 26 percent of these older women subsisted on below-poverty-level incomes, compared with 5 percent who remained married while their children were young. We also found that increases in employment for single mothers during the 1990s will likely make retirement more comfortable for future generations of women who raised children alone.

Research like ours requires methodological prowess. Comprehensive microsimulation computer models first developed by Urban Institute staff in the early 1970s have been updated to project the long-term impacts of government and private savings programs and to assess how current tax and benefit programs affect family incomes. A new tool under development will provide a way to assess how these programs affect marriage incentives in 30 states.

SELECTED PUBLICATIONS:


The International Activities Center

This past year took our technical experts into many countries, some for the first time. In war-torn Iraq, to stabilize communities, we worked with Mercy Corps to spur economic opportuni- ties in agriculture and small business, including starting a women’s textile manufacturing coopera- tive made up of widows from the Iran-Iraq war. In Honduras, we helped local officials balance competing needs for access to housing and basic services with those for commercial and industrial growth. Through the World Bank, we are working in Armenia to boost water-delivery service reliability. Much of our technical assistance to local governments is through USAID, which sees strong local governments as crucial to any strategy to decentralize policy development and administrative structures. In Bosnia-Herzegovina, a USAID-funded project builds squarely on our past experience strengthening the capacity of think tanks and monitoring local organizations. However, this is our first project specifically aimed at bolstering local think tanks. Our success in Eastern Europe and the former Soviet Union has led to similar work in Croatia, where we’re beginning a four-year program aimed at fiscal reform, economic development, and galva- nizing citizen participation in local, decentralized activities. This new program builds on the Institute’s work on local governance in Croatia that dates back to 1995. The latest such USAID initiative took us to Montenegro, where we’re helping implement important legislative reform of property taxation, local government finance, and other key functions. Successful urban management is another initiative we’ve replicated in many countries. In South Africa, we expanded housing opportunities to the poor. As one example, we helped policy-makers develop community-legislation for the Department of Housing as a way to increase housing lending by South African banks to lower-income households. In Indonesia, we helped launch a Center for Local Government Innovation—a repository of local government innovations, as well as a wellspring of expert advice and policy analyses.

We collaborated with Urban Institute staff in other centers in 2003 to conduct workshops and prepare materials aimed at developing local government officials’ basic management skills. For the InterAmerican Development Bank, we offered an interactive day-and-a-half of training on useful outcomes to 120 of the bank’s Latin American operational staff.
Any years ago, I was invited by the Deputy Minister of Korea’s powerful Economic Planning Agency to participate in the initial meeting with a member of the senior staff of a major international donor organization, freshly appointed to the country to work in the sector where I was advising. This person wasted no time stating that this was his first visit to Korea and his first assignment on this sector. That said, he began dispensing policy advice for reforms in his “new sector,” based on practices in his Western European home nation. This is the donor community’s worse nightmare—an arrogant official, shooting from the hip, ruining what may have been a promising opportunity.

The remedy for avoiding such disasters in exporting successful housing, social assistance, and labor-market practices from the U.S. and other industrialized nations to transitional and emerging countries has yet to be patented. But important lessons have been learned. Possibly the most central is that effective technical assistance depends much more on “tailoring” successful western policies and programs to local reality than on the technical solution’s virtuosity. That means taking local conditions into account—understanding why things are done in a certain way now, and why prior reform initiatives failed. “Localizing” in this way requires the advisor to spend time meeting with local officials and experts and visiting program offices to fully grasp the present system, then floating ideas for change to local experts, front-line supervisors, and national officials. A common failure in transitional economies, for example, is the poor targeting of social assistance resources. International experts too often push “proxy means tests” (statistical models that predict a household’s income, given certain limited information about the household) without first thoroughly assessing whether they are technically feasible in the region. Other means-testing proposals have foundered on the rocks of the gray economy: if there is no official record of income earned, households will understate their full incomes in applying for benefits and administrators have no way of knowing.

A second lesson is to work closely with local think tanks and experts. Both can organize a flood of facts about local conditions, lend wisdom about the personalities involved, and garner credibility for proposals with the local elite. Common sense? Maybe, but generations of international consultants ignore what previous generations learned the hard way. Without question, technical competence is essential, but listening, adjusting advice accordingly, and playing second fiddle willingly and well are what makes for success in the transfer of western policy practices to other countries.

RAY STRUYK
SENIOR FELLOW
THE INTERNATIONAL ACTIVITIES CENTER
The Justice Policy Center

We identify the most effective strategies for dealing with the problem of crime and the criminal justice system’s response to it.

An average of 1,600 prisoners return home daily from state prisons. Within one or two years, more than two-thirds are recommitted. Our projects exploring this phenomenon multiplied in 2003. At the national level, our Reentry Roundtables brought together experts with different perspectives to study the nexus between reentry and the institutions of civil society. We convened meetings in Chicago, New York City, San Diego, San Francisco, and other cities to discuss the role played by jobs, education, youth development and housing in successful reentry. We joined with national groups—National Governors Association, Council of State Governments, and the National Institute of Corrections—to explore the issues from a policy perspective. At the state level, our study, “Returning Home: Understanding the Dimensions of Prisoner Reentry,” examines reentry in four states. At the local level, we’re evaluating specific reentry cases to identify the most effective strategies. We also published reports on the state of parole in America, the trends in prisoner reentry, and the effectiveness of prison programs. In late 2003, we released our book, Prisoners Once Removed: The Impact of Incarceration and Reentry on Children, Families, and Communities.

Understanding how young offenders can be rehabilitated before they become chronic offenders remains one of our key goals. In late 2003, we began evaluating an Office of Juvenile Justice and Delinquency Prevention program aimed at youth gangs in public housing in Los Angeles, Miami, Milwaukee, and Richmond. We are also working in New York City with federal and local law enforcement agencies to examine ways to reduce the use of firearms in youth violent crime. In a partnership with the New York City Department of Education, we are analyzing school safety issues, including ways to reduce crime and violence within schools. We also continue to evaluate the foundation-supported “Reclaiming Futures” project by delving into 11 communities that individualize care for substance-abusing youth.

Closer to home, a number of high-profile crimes in 2003 prompted public officials in Washington, D.C., to consider new juvenile justice policies. We obtained data to analyze the city’s youth violence. The result was our widely cited report recommending that policymakers not send more juvenile offenders to the adult justice system. In particular, we urged the city to look at alternatives to a bill that would lower the age at which juveniles may be tried as adults from 16 to 15. We pointed to Maryland and Missouri, where expanded use of crime prevention programs and increased youth opportunities have been shown to provide better options for young offenders.

America’s newest immigrants are worse off than those who crossed our borders earlier. A series of briefs published in 2003 pointed out that few public policies promote naturalization—an important step to a better life. Other findings—from our survey of 3,447 immigrant families—show that legal immigrants who arrived after the 1996 welfare law are poorer than those who came before the law passed.

Our research on projects aimed at reducing street homelessness drove the important point that for success it is important that communities have a commitment to ending chronic homelessness and they establish a homeless assistance network of services and providers. This is what happened in Columbus and Philadelphia. In contrast, we found, San Diego’s network had major gaps—especially in permanent supportive housing—which hindered their work.

Several new projects explore family structure, both traditional and nontraditional. Responding to new federal interest in building healthy marriages, we are evaluating whether well-designed interventions can help families stay together. Another study examine the relationship between job instability and marriage. An initial paper found that job changes and job instability lead to lower wages and reduce the likelihood of getting and staying married. As for the “marriage premium” on wages, we found a definite correlation between marriage and higher earnings. Our demographic portrait of gay and lesbian couples in the United States shows that they live in nearly every community, often offering an economic boost.

Work on ensuring the safety of children took many forms in 2003. Using data from the National Survey of America’s Families, our child care team analyzed the extent to which families rely on relatives for child care and who cares for children of color. A major new research project was started to contrast child care providers who participate in the federal subsidy system with those providers who don’t. With researchers from the University of Chicago, we began evaluating a program that provides support services to youth who are aging out of the foster care system. A new book, Kinship Care: Making the Most of a Valuable Resource, offers the most definitive account yet of child-welfare agencies’ increasing reliance on relatives as foster parents. This book frames the emerging debate on how well kinship care ensures children’s safety, stabilizes their living arrangements and enhances their well-being—three basic goals of the child-welfare system.

SELECTED PUBLICATIONS:


SELECTED PUBLICATIONS:

The Center on Labor, Human Services, & Population

Seasoned safety-net experts, labor economists, and demographers evaluate emerging trends and analyze issues ranging from the effectiveness of programs affecting children and families to immigrant work patterns.

Staff:


USA Today, December 2003.


We're tracking discrimination trends, revitalization of distressed areas, evolving housing market trends, and relocation of former residents of demolished housing developments to ensure that policies and programs work in America's urban neighborhoods.

During the demolition of the Chicago Housing Authority’s largest properties in 2003, we surveyed 569 residents of the Ida B. Wells development, more than half with annual incomes below $5,000. The challenges they face as their buildings are demolished led us to warn that close to a thousand legal and illegal residents of the Wells development may end up without a home or lose the right to replacement housing. We recom- mended new buildings for seniors and supportive housing units for those with special needs. Our 2003 report on housing conditions and trends in the District and its suburbs found that, after decades of decline, demand for housing in many parts of the city is rebounding, and new homes are being built. This turnaround is helping to revitalize many of the city’s neighborhoods and spending patterns in various cities. Our study of Pittsburgh’s nonprofit human service providers showed they are not awash in money despite revenues of nearly $1 billion in 2000. That year, Pittsburgh’s nonprofit providers spent less per resident in poverty than six other metro areas. Cleveland’s nonprofit human service agencies spent $4,550 per resident in poverty, Philadelphia spent $5,853, and Pittsburgh spent $3,712. In November, our National Center for Charitable Statistics unveiled a major new software tool for tracking local and national trends in the nonprofit sector. DataWeb gives researchers and others access to the financial picture of over 1,400 nonprofits throughout the country. Other research on fundraising and administrative expenses is disclosing the costs of charitable work more accurately.

The latest numbers show a decline in philanthropic giving. This decline renders each gift and resource more vital to society and makes rigorous analyses of charitable trends and nonprofits’ financial activity more important.

SELECTED PUBLICATIONS:

SELECTED PUBLICATIONS:
- Harry Hairy and Linda Lamkin, editors, Series on Outcome Management for Nonprofit Organizations—a set of 6 guides for practitioners.
- Elizabeth J. Reid, editor, In the States, Across the Nation, and Beyond: Democratic and Constitutional Perspectives of Nonprofit Advocacy, vol. 5, May 2003.
- Mary Kopczynski and Mark Hager, The Value of the Performing Arts in Five Communities, March 2003.

STAFF: Elizabeth Boris (Director) Eugene Steuerle (Senior Fellow) Jennifer Auer Amy Brimmer Carol J. De Vita Chioraiba Fung Kembel Colladay Mark Hager Janelle Keiko Linda Lamkin (NCCS Program Director) Constance Lindsey Frances Ostrom Pho S. Palmer Tom Polka Elizabeth Reid Sheryl Romen Carole Rosenblatt David Smith Daniel Swenson Eric C. Twombly Justin Weinstein-Tall Stacy Whittlock

The Center on Nonprofits & Philanthropy

In 2003, we challenged common assumptions about nonprofit human services and spending patterns in various cities. Our study of Pittsburgh’s nonprofit human service providers showed they are not awash in money despite revenues of nearly $1 billion in 2000. That year, Pittsburgh’s nonprofit providers spent less per resident in poverty than six other metro areas. Cleveland’s nonprofit human service agencies spent $4,550 per resident in poverty, Philadelphia spent $5,853, and Pittsburgh spent $3,712. In November, our National Center for Charitable Statistics unveiled a major new software tool for tracking local and national trends in the nonprofit sector. DataWeb gives researchers and others access to the financial picture of over 1,400 nonprofits throughout the country. Other research on fundraising and administrative expenses is disclosing the costs of charitable work more accurately.

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SELECTED PUBLICATIONS:


We calculated—and widely communicated—the broader implications for the alternative minimum tax (AMT) assuming 2003 economic projections and the extension of the 2001 and 2003 tax cuts. We expect this tax to morph from a class act to a mass act over the next decade, making it about as common by 2010 as the mortgage-interest deduction is today. The AMT’s rampant growth will encroach dramatically on the middle class, imposing a second set of tax rules on about one-third of all taxpayers. It penalizes taxpayers who marry or have children. Yet, reforming the AMT would be expensive and politically difficult if the AMT had been indexed for inflation, and had the 2001 tax cut not been enacted, this scenario wouldn’t be looming.

A major update of our state-of-the-art microsimulation model allowed us to take a close look at how families will experience the 2001 and 2003 tax cuts. The biggest winners in the short run include lower- and middle-income families with three or more children and households, with or without children, earning $1 million or more. The former can take advantage of an expanded child credit and the latter benefits from cuts in tax rates and on capital gains and dividends. However, families earning $10,000 or less miss out on both and those on the AMT will see their tax relief diminished.

Looking ahead, “Budget Crisis at the Door,” published in late 2003, warns of coming budget strains as the leading edge of the baby boom population reaches Social Security eligibility in 2008 and life expectancy edges upward. Declining revenues due to the burst in the stock market bubble and the recent tax cuts have only added to the pressure.

Our researchers also examined the fiscal crisis that hit the states starting in 2001. We found that, unlike in the last recession, states have been reluctant to increase taxes—particularly broad based sales and income taxes—putting a squeeze on government services.

In a joint venture between the Urban Institute and the Brookings Institution, we bring broad expertise and clarity to current tax policies, gauge how fairly new laws treat today’s taxpayers, and predict whether and how future generations might feel any squeeze.

The Tax Policy Center

In a joint venture between the Urban Institute and the Brookings Institution, we bring broad expertise and clarity to current tax policies, gauge how fairly new laws treat today’s taxpayers, and predict whether and how future generations might feel any squeeze.

Springtime brings not only flowers, but the annual hangover from new tax legislation. This year’s headache: taxpayers with dividends will have to fill out a new 29-line worksheet to calculate the dividend “relief” bestowed last year.

More bad news is coming. Each year, more and more taxpayers will have to figure their taxes twice—once for the regular tax and again for the alternative minimum tax (AMT)—until 2010, it will be one in three. Designed in 1969 to ensure that high-income people pay at least some tax, the AMT is morphing into the bane of the middle class—especially those with children.

Policymakers pay lip service to simplicity, but it regularly loses out to other pressures in the political process. For example, the taxation of dividends and capital gains could easily have been simplified in 2003, but not without paring the benefits to those at the top. The AMT could have been repealed or reformed, but not without scaling back the marquee tax cuts of 2001 or further swelling the deficit.

There are at least three reasons why our income tax must be simplified. First, a complex system is inefficient. The time and money spent on tax preparation could both be used more productively. And complexity is the breeding ground for tax shelters, which suck investment capital away from productive activities.

Second, undue complexity makes the tax system less fair. People in similar situations can be taxed very differently depending on which tax breaks they qualify for and know how to use. And those tax shelters allow high-income people to avoid paying their fair share of taxes.

Third, complexity undermines support for the progressive income tax, driving hassled taxpayers to support radical alternatives, such as the “flat tax,” which would unavoidably shift the tax burden onto the middle class.

Making our tax system less complex means educating the public about the causes of and cures for complexity. Our Tax Policy Center helps by analyzing new and proposed legislation, highlighting the effects on tax complexity (and other policy goals). We helped ignite a national debate on the AMT and will continue to fuel it with fresh data, perspectives, and ideas.

LEN BURMAN
CODIRECTOR
TAX POLICY CENTER
Immigration, immigrants, and concerns over their impacts have been a continuing theme throughout U.S. history. If Americans today romanticize the immigrants of the past, they generally view the most recent immigrants with varying degrees of suspicion, mistrust, and even outright hostility. In this milieu, the Urban Institute’s work on immigration brings sound, empirically based research and facts to policy debates on immigration and immigrants.

Over the last two decades, the Institute’s work on immigration policy (who gets into the country) and immigrant policy (what happens after they arrive) has addressed pressing policy concerns:

- **Scale of Immigration**—The number of immigrants arriving in the country is larger than ever before and the number living here has more than tripled in the past generation. Our research has documented this growth and measured the increasing share who are here without authorization.

- **Impacts of Immigrants**—Immigrants leave their mark on most institutions in the country. The Urban Institute has examined impacts on schools, the labor market, health care, governments, and more. Immigrants pay significant amounts of taxes. Yet, the imbalance we have found between the taxes paid and the services used can impose heavy burdens on state and local governments in places where immigrants live.

- **Integration of Immigrants and Their Children**—Historically, most immigrants have progressed from modest beginnings to economic levels approaching those of natives. Their children and subsequent generations have leapt further still. Since the current wave of immigrants scores lower on measures of well-being than natives and differs in critical ways from previous ones, our research addresses new patterns of immigrant advancement and assesses the barriers they face.

Migration has become more prevalent worldwide in the past half century. Large numbers of immigrants will continue to make their way to the United States, attracted by political freedom, economic opportunity, and family ties. And the Urban Institute’s research will continue to offer insights into the causes and consequences of migration together with options for dealing with the impacts.

JEFFREY PASSEL
PRINCIPAL RESEARCH ASSOCIATE
CENTER ON LABOR, HUMAN SERVICES, AND POPULATION
New Directions in 2004

Together, Institute researchers participate in some 225 new or multiyear projects at a time. The whole always exceeds the sum of its parts. Still, the new projects highlighted here illustrate our work’s range and relevance:

- Evaluating the nation’s drug courts and the Serious Violent Offender Reentry Initiative.
- Analyzing differences in health insurance coverage rates by race, ethnicity, and immigrant status.
- Assisting with the creation of the Mortgage Guarantee Fund of Kazakhstan, which will offer mortgage insurance to households with modest incomes.
- Examining how older, disabled children make the transition into adulthood.
- Calculating the impacts of parents’ living arrangements on children’s well-being.
- Developing a state income tax calculator for our state-of-the-art tax model to enable us to better estimate how taxes and tax credits together affect household finances at various income levels.
- Designing a demonstration project so that the Social Security Administration can determine how best to increase employment among Social Security Disability beneficiaries with serious mental illness.
- Studying the dynamics of racially and economically diverse neighborhoods in cities and suburbs.
- Evaluating the impact of community-oriented initiatives to promote healthy marriage.
- Assessing how consumption changes as people age and how families meet those changing needs.
- Estimating the costs and effects of encouraging states that retain child-support payments to defray program costs to instead pass these funds on to families.
- Evaluating federally funded services for youth who are “aging out” of foster care.
- Sizing up the future of public housing in America.
- Studying what child care providers gain and lose in the current child care subsidy system in five U.S. counties.
- Analyzing the well-being of very young children of immigrants.
- Comparing immigrant families’ use of food stamps before and after the 2002 farm bill, which restored access to this benefit.
- Gauging the geographic reach and capacity of nonprofits and congregations serving children in the greater Washington, D.C. metropolitan region.
- Exploring the No Child Left Behind Law’s implementation and early impacts in school with high numbers of immigrant children.
- Studying how nonprofit organizations use and might use outcome measurements to improve efficiency and effectiveness.
- Assessing the capacity of charities and congregations to manage volunteers.
- Analyzing marriage incentives in federal and state programs.
- Evaluating math and science reform’s impacts on student achievement in the Washington, D.C. public schools.
- Analyzing Medicaid participation rates for children and adults.
- Investigating the meaning of organizational excellence and the multiple approaches to effectiveness used by community foundations.
- Assessing the effects of small-school reform on student retention and achievement in Baltimore.
Information Technology

Innovative research and disciplined management increasingly rely on state-of-the-art information systems. Our Information Technology team works with researchers and administrators to develop, integrate, and update these systems and the Institute’s web site.

In 2003, IT staff wrote the code and designed the web-based system that allowed Institute researchers and field staff to enter and analyze data on discrimination against the disabled in the housing market. New field office staff can add information from afar, and—backed up by IT staff in Washington—enter data and analyses at any time of any day of the week.

IT lent its expertise to two modeling upgrades this year. We helped expand the Institute’s DYNASIM model, which projects how the U.S. population’s composition and income changes over long periods. We expanded DYNASIM’s capacity to simulate changes in mortality, disability, labor force participation, wages, and labor force hours; streamlined the modeling process; and boosted the model’s performance efficiency. Working with research staff to refine our TRIM model, which many government agencies use to estimate the short-term costs and household impacts of policy proposals, IT’s programmers set up the tables for the Office for Economic Cooperation and Development’s examination of how well the welfare and tax systems of various developed countries work.

Additional programming for the TRIM model provided the Department of Health and Human Services with data for its annual “Indicators of Welfare Dependency.” We also modified TRIM to more accurately reflect receipt of child support income. Another improvement: IT programmers modified TRIM to account for certain states’ “continuous enrollment” provisions that allow Medicaid enrollees to stay in the program for a fixed number of months even if their income starts exceeding eligibility thresholds.

Helping revamp the Tax Policy Center’s web site, IT made it easier to browse tax-related publications and data online.

Communication

Four teams work together under the communications umbrella—public affairs, publications, UI Press business & marketing, and the web—to help researchers communicate their findings to all who can use them.

BOOKS
In-depth analyses of public policies and programs.

CONFERENCES, FORUMS, AND BRIEFINGS
Information and ideas for policy analysts, program practitioners, public officials, and the media.

EDUCATION
Easy to read research-based materials for students and the public.

MEDIA LIAISON
Close work with the national, state, and local media to provide facts and perspectives on trends and news.

OP EDs
Policy perspectives published in state, national, and international media.

RESEARCH REPORTS
Research findings, results from program evaluations, and analyses of emerging trends.

SOURCEBOOK
A biennially updated guide to Institute experts.

TESTIMONY AND PRESENTATIONS
Facts, background, commentary, and research findings delivered to members of Congress and other decisionmakers, fellow researchers, and program managers.

UPDATE
A weekly electronic newsletter highlighting events, research, and publications.

WEB SITE (www.urban.org)
An award-winning electronic tour of the Institute’s research, publications, experts, and activities.
Where We Live

Where we live matters. Most parents want their kids to grow up in neighborhoods with great schools and safe streets, where other children don’t lure them into dangerous or illegal activities, and where adults reinforce the values of responsibility and work. Considerable research confirms that growing up in a distressed neighborhood can put a child’s future at risk. In particular, neighborhoods with very high poverty rates are typically plagued with failing schools, high crime and violence, and dismal job prospects.

Historically, U.S. housing policies have paid more attention to bricks and mortar than to neighborhood health. Many subsidized apartments have been clustered in poor inner-city neighborhoods, actually raising their rates of poverty and accompanying woes. To make matters worse, most of these neighborhoods have been black, and housing projects helped reinforce racial segregation. The consequences have been devastating, both for needy families and for their communities.

During the 1990s, federal housing policies changed course, but daunting challenges remain. Construction of subsidized apartments in communities that aren’t poor is often vehemently opposed—“not in my backyard!” When poor families try to use housing vouchers to move to better neighborhoods, they face stiff barriers. And when governments replace crumbling low-income projects with mixed-income developments, the total pool of units available for the poorest families shrinks. These are some of the dilemmas facing policymakers today as they shape the next generation of affordable housing programs in an era of scarcer and scarcer resources.

MARGERY AUSTIN TURNER
DIRECTOR
METROPOLITAN HOUSING & COMMUNITIES POLICY CENTER
### Financial Summary

Summary of Financial Information for Fiscal Years Ending December 31, 2003 and 2002 (in thousands)

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
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<td>Operating Activities</td>
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<tr>
<td>Revenues</td>
<td>77,800</td>
<td>81,000</td>
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<tr>
<td>Expenses</td>
<td>(77,300)</td>
<td>(81,000)</td>
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<tr>
<td>Subtotal</td>
<td>500</td>
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<tr>
<td>Non-Operating Activities</td>
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<tr>
<td>Revenues</td>
<td>9,400</td>
<td>(4,700)</td>
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<tr>
<td>Expenses &amp; Transfers</td>
<td>—</td>
<td>(1,000)</td>
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<td>Subtotal</td>
<td>9,400</td>
<td>(5,700)</td>
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<tr>
<td>Total Change in Net Assets</td>
<td>9,900</td>
<td>(5,700)</td>
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<tr>
<td>Net Assets Beginning of Year</td>
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<td>71,300</td>
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<tr>
<td>Net Assets End of Year</td>
<td>$75,500</td>
<td>$65,500</td>
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Funding:

- **Foundations 90%**
- **Other/State & Local 2%**
- **Federal 8%**

The Urban Institute Press publishes books and reports by researchers and analysts at the Urban Institute and elsewhere to improve thinking and discourse on pressing social and economic problems.
When Evidence Meets Policy

The social sciences use a range of methods, including the quasi-experimental approach used in our evaluation of the Community Healthy Marriage Initiative. As we summarize evidence, we keep a sharp and critical eye on the methods and data used so that recommendations are based upon the most rigorously formulated evidence.

How can researchers best convey results? Communicating research findings to policymakers is also complex. New archival methods and emerging methods of research synthesis make it ever easier to summarize findings. Yet, not all information speaks to the moment’s context. Not all studies mesh with one another. When discussing findings, we keep a keen and critical eye on the methods and data used so that recommendations are based upon the most rigorously formulated evidence.

Defining a problem with action in mind, policymakers need to know its size and scope and how many people may be helped or hurt by a proposed solution and how. Responding to defined problems, they want to know what has worked before, as well as the potential costs and benefits of alternative approaches. Reviewing action, they want to know whether new practices could be improved. The Institute assesses each at stage. For instance, before recommending action, government analysts have used our TRIM micro-simulation model to simulate various policy, economic, and demographic scenarios. After new policies are adopted, we independently evaluate the results of welfare programs, worker training, and educational programs.

What is good evidence? Reliance on good evidence is a core value in our pragmatic society. We want our courts, our doctors, and our policymakers to make the best use of data and science. Yet, not all evidence is created equal. The social sciences use a range of methods, data, and reporting standards. In the vast information reservoir built over the past 30 years, what research best answers the questions facing government today? To gauge impact, researchers prefer, where feasible, to use random assignment techniques, as we do in our evaluations of Head Start and Foster Youth Programs. But when this “gold standard” among researchers isn’t feasible we develop and apply other rigorous evaluation methods, including the quasi-experimental approach used in our evaluation of the Community Healthy Marriage Initiative. As we summarize evidence, we keep a sharp and critical eye on the methods and data used so that recommendations are based upon the most rigorously formulated evidence.

How can researchers best convey results? Communicating research findings to policymakers is also complex. New archival methods and emerging methods of research synthesis make it ever easier to summarize findings. Yet, not all information speaks to the moment’s context. Not all studies mesh with one another. When discussing findings, we keep a keen and critical eye on the methods and data used so that recommendations are based upon the most rigorously formulated evidence.

Matthew Stagner
Director
Center on Labor, Human Services, and Population

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