

everyone had finished high school. Yet in the Roanoke Valley, we still have a 40% dropout rate. Why is this?

There are, of course, many reasons, but the key to the dropout problem is to provide in-home and neighborhood work with the families on an individual basis, to motivate the parents and the child to continue the child's education. OEO and our local community action program is developing such techniques with success. Our school system is not set up to do this kind of in-home work. To attempt to delegate the responsibility for breaking the cycle of poverty to the existing organizations will dilute greatly this effort. In fact, they have had this opportunity for several generations and failed.

Over 20% of the American population is still in poverty. As you see from our chart, the Roanoke Valley is typical of the national statistics. While 20% is a large figure, it is still a minority of our population. It's natural that HEW with its educational and training programs will concentrate on the majority of our people. We need a special organization such as OEO to develop specific programs for this minority. It is making progress and it can solve the problem in another 10 or 15 years, if given the opportunity. I am confident that you, that the Congress of the United States, want to develop the best possible program for the families living in poverty. Until three years ago, there was no program, no specialized facility, or department. Now there is, but the work is just beginning. Don't dismantle it. Improve it.

A criticism which I have heard about OEO is that it is inefficient. I am sure that its administrative system and procedures can be improved. But from my experience, OEO is efficient and effective. I am informed that OEO has a total administrative cost, including personnel, facilities and everything related to the central bureau of just 3%. Our local TAP administrative cost is about 10%. This is less than our administrative cost in our shoe business. In my visits with other Anti-Poverty Programs in other cities, I have seen no evidence of waste, overlap or misappropriation.

The inexperienced person often underestimates the complication and difficulty in setting up a new organization. Our shoe business has existed for 40 years and we find new inefficiencies every day. In our local community action organization, we had tremendous problems putting together a staff and developing our systems and procedures. There were no experts in poverty to hire—certainly not at salaries we could afford. I personally interviewed 30 qualified educators for the top three posts. We could not offer more money—only less. We could not offer security—only a one year contract. No fringe benefits. Only an opportunity to help people. This problem went on down the line. It was a new organization. There were no established operating procedures, no systems. We have been through five business managers and three bookkeeping systems in 21 months. Yet we are functioning and making progress. In fact, one benefit in not having qualified people available, we have trained many of the disadvantaged and hired them in productive jobs.

OEO has had the same problems except more so. They have had to start everything from scratch. I don't know how many community action organizations like ours they have helped organize from scratch, but many I am sure. They have developed many novel programs to help the poor such as Headstart, Job Corps, Community Development, Neighborhood Youth Corps, Upward Bound, Legal Aid, Foster Grandparents, etc. All of these programs are new. The existing federal agencies have helped, but OEO has initiated them, coordinated them. And OEO will initiate many more if it is left intact and has the opportunity.

As you know, the heart of the Anti-Poverty Program is at the local level with the community action organization. Here business and industry are involved and are participating even more as programs are expanded. Local efforts need to be strengthened and the local participation broadened. But you would not strengthen the local community effort by having its programs handled by three or four different federal agencies. This would complicate the coordination and encourage more duplication.

At the local level, we are working with people, with families. For example, if a young child from a poverty family is in Headstart or a day care program, we have an opportunity to work with each member of this family—an older child to keep in school, a parent to train for work and get off welfare or whatever this family's problems are. And, of course, we could do much more if there were more money.

Our community action organization functions as a business and works with all local agencies. We have been encouraged by OEO and carefully directed by