

| BUSINESS VIEW |

Face the economy as it is

“I face the world as it is” was a much-quoted phrase in President Obama’s Nobel address. Today, we want to consider a derivative thought — how important it is to “face the economy as it is.”

Our country is emerging from a severe financial crisis. While it is now reasonable to anticipate an improving economy, we must all face the economy as it is and take steps that will make the most of the recovery.

The good news is that even small steps can make a big difference. Even though New England has suffered less than overbuilt or auto-dependent regions, many here are struggling. Families that were already marginalized have slipped further behind, while others are finding themselves in crisis for the first time.

If we face the economy as it is, we see state, local and federal government resources under tremendous strain. Public coffers seem insufficient to address the needs of both assistance-eligible families and those that have not been assistance-eligible but are experiencing hardship due the economic downturn.

If we face the economy as it is, we know that emergency assistance is key for families in crisis. But we must also take a longer-term view and recognize the need to assist families, in large ways and small, as they climb out of poverty and into economic empowerment.

At United Way we have seen the lack of reliable child care prevent parents from entering the workforce. At the Fed our recent analysis of labor markets in Springfield shows that while jobs requiring entry-level skills do exist, transportation and the lack of contacts prevent

many who need jobs in central Springfield from connecting with those opportunities. And we note that too often the long-term investments in, say, early childhood education or job-readiness training or financial literacy are cast aside in difficult times.

If we face the economy as it is, we see individuals and families in crisis, but we also see opportunities.

We see opportunities to take steps that will help individuals and families climb lastingly out of poverty and achieve a level of financial stability that allows them to be contributing members of their community, equipped to weather economic storms.

We encourage New England’s private sector to support these initiatives, and to consider that it can be in their own self-interest to do so.

One model program of the sort that companies and individuals would do well to support is the new Financial Stability Center in Lynn opened by the United Way and SPIN Inc. The center aims to help individuals and families move beyond safety nets and achieve financial stability through an array of opportunities — financial education, computer and job skills training, assistance with applications for educational financial aid, and housing and homebuyer counseling.

If we face the economy as it is and work together, we can emerge from this prolonged economic crisis stronger.

MICHAEL K. DURKIN
AND
ERIC S. ROSENGREN

MICHAEL K. DURKIN is president and CEO of United Way of Massachusetts Bay & Merrimack Valley. **ERIC S. ROSENGREN** is president and CEO of the Federal Reserve Bank of Boston