



Possibilities: Scenarios of 2026 Remaining Vital in the Future



Pressley Ridge

Serving Children and Families Since 1832



Message from B. Scott Finnell, Ph.D., LCSW

President and Chief Executive Officer
September, 2006

Pressley Ridge will soon embark on its next strategic planning process.

In preparation, a series of scenario sessions were held beginning in the winter of 2006. These sessions were designed to envision what the world might be like in 20 years and what the implications might be for the children and families we serve. These sessions were facilitated by Mr. Fred Miller of The Chatham Group in Boston, Massachusetts, and utilized the best thinking of the Pressley Ridge Board of Directors, key Pressley Ridge staff members and invited community leaders. Materials from The Alliance for Children and Families were distributed to all participants in advance of undertaking the scenario planning process. Work groups were then formed to study certain areas, such as pharmacological advancements, the use of information technology in service provision and changing demographics in the United States.

To begin the scenario planning process, participants were first asked to identify important drivers that would influence society in the future. Among the drivers identified were global economics, scientific advancement, politics and values, the role of education and the anticipated speed of technological change. Participants were next asked to identify major uncertainties that underlie these drivers, and subsequently identified political climates, U.S. values, catastrophic events, workforce availability and the speed of change among the uncertainties.

Ultimately, two major uncertainties, economic growth and scientific advancement, were determined by group consensus as having the potential to be a major influence on society. In turn, they will impact the services that Pressley Ridge will provide in the future. Both of these uncertainties were then conceptualized on continuums—

from no significant advancement in scientific research affecting our work to significant advancement, and economically from a stagnant economy with 3% or less annualized growth to a rather robust economy of 5% annualized growth. When these two continuums are constructed in a two-by-two matrix, they form the four environments in which our teams created scenarios. Each scenario is written as if it were a front-page story of a local newspaper (or, what may be more realistic, a highlighted link on your ISP's homepage).

Quadrant 1 Robust Economy with Slow Scientific Advancement	Quadrant 3 Robust Economy with Rapid Scientific Advancement
Quadrant 2 Stagnant Economy with Slow Scientific Advancement	Quadrant 4 Stagnant Economy with Rapid Scientific Advancement

Contained in this booklet are the scenarios and the indicators that we at Pressley Ridge will be monitoring to see if aspects of the scenarios are developing. Scenario planning's purpose is *not* to predict the future. We know that no scenario could ever be 100% predictive of the future. However, scenario planning provides an environment which enables leaders to think outside their present circumstances, imagine possibilities in the future and then begin to brainstorm how an organization that has been serving children and families since 1832 can continue to be vital for future generations.

We are proud to share this work with the entire Pressley Ridge family—our boards, staff and the many community stakeholders who are important to our work. I encourage you to read the materials and share your reactions with us. I look forward to hearing from you.

Sincerely,



B. SCOTT FINNELL, Ph.D., LCSW
President and Chief Executive Officer

“Great Expectations Unrealized”

Quadrant I Scenario: Robust Economy with Slow Scientific Advancement

The year 2026 is looking a lot like 2006 for the human services industry.

Social service organizations have found themselves right where they were 20 years ago, on the cusp of potential positive change through advancement of behavioral health sciences. The one-time promise of rapid advancement in behavioral health related science never materialized. Instead the nation has witnessed several groundbreaking major advancements in the physical sciences. Joe Smith of Pressley Ridge, a leading human services organization in Pittsburgh, Pennsylvania, states that it was not because the human services industry was unwilling to embrace advancements in behavioral health related science. “Government support for behavioral health related science has not been on the agenda of our government for as long as I can remember.” Unfortunately for the human services industry, most experts agree that it is the support from the government that could have lead to advancements in behavioral health related science.

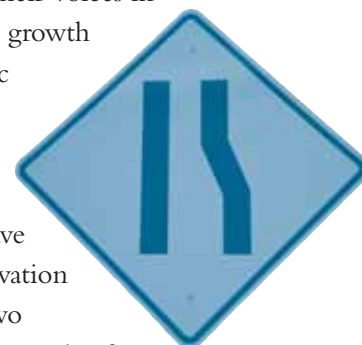
Joe Smith is right when it comes to the government’s spending practices in the human services industry. The focal point of the presidency all the way back in 2006 was to focus our economic prosperity on eliminating the country’s growing debt, building up our energy reserves and protecting our global and national interests through bolstering the defense fund. For the most part that policy did not change in the last 20 years.

Where did it all go wrong? You only need to look back as far as the Iraq war, which tied up approximately \$600 billion of government spending by the time our troops were finally brought home in

2009. In addition, our nation’s leaders over the past 20 years have ignored the visible effects of global warming that have contributed to disaster after disaster in the south and west regions of the country. Instead our nation’s leaders continued to highlight the pockets of growth scattered elsewhere across the nation.

It is the same people in the disaster-ridden areas of the south and the west that have now become the voices of the nation toward social policy change. The growing number of people in the south and west over the last 20 years allowed for a shift in power politically by increasing their voices in government. A large part of this growth was due to an influx of Hispanic and Asian populations in these regions. Southern and western states such as North Carolina, Florida, Texas, and California have provided opportunities for innovation in social services over the last two decades because of the changing needs of their citizens. Large brick and mortar offices are long gone, with almost all service delivery happening in the home and communities of the consumers. There is even talk of consumers sitting on the boards of select organizations in these states in order to better guide service delivery. Collectively we have seen the push for change coming in the last 20 years but it has been only in the last 10 that we have seen its gradual effect on the human services field.

We have all read about the culture wars that began spreading across the nation 10 years ago. A lot was made by experts of the continuous demographic shift in the south and west and what it will mean for the future of the United States. At the time experts felt that the ethnicity, religion and social class of these populations constituted the divide between the growing population in the south and



west as opposed to the rest of the country. What later became evident were the differing ideological views as they related to current social policy. Funny enough the politicians on Capitol Hill only took notice when these minority groups began using their power to influence change in the country's current policies.

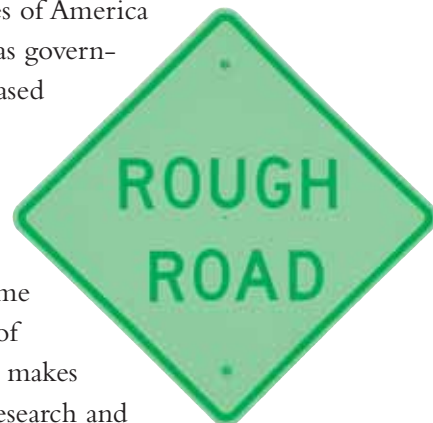
Unfortunately the influence of Mother Nature along with overpopulated cities in the south and west resulted in this urgent push for change. The destruction of the southern and western states from Hurricane Enrique in 2015 led to the collapse of the region's infrastructure. Everyone saw it coming aside from the politicians still basking in the glow of a robust economy. The devastation in these areas alone resulted in the need for services for both young and old from an industry long ignored. Social service organizations found themselves dealing with issues far beyond their capacity with the same resources as 10 years ago.

Sadly, in this time of need the nation was witnessing the effects of the government's budget cuts, which resulted in the contraction of social service organizations. The contraction of social service organizations created a stasis in the types of services provided to children and adolescents. Organizations providing a broad number of services found more stability in the current economy due to their ability to provide individualized services. Organizations that provided overspecialized services began disappearing due to their inability to provide the multiple services needed for children, resulting in limited funding streams. Joe Smith states, "Pressley Ridge's long-term success is rooted in its ability to offer a broad number of services including education, treatment foster care, community-based services and for extreme cases, residential care."

It must be noted that all was not lost in some areas across the nation. Some of the local initiatives in

the high-growth areas across the nation were able to support high levels of social service spending. In these areas local tax revenues were able to support programs that in some cases attracted families from slow-growth areas so that their children could get more help. Overall, however, social services contracted across the country.

What has now become evident to the social service organizations that have remained viable is their connection with their consumers. The lack of government presence in the last 20 years resulted in the introduction of consumer-driven care. Failure to adapt to consumers who now have the power to influence policies and procedures governing systems of care; choice of supports, services, and providers; setting of goals; designing and implementing programs; monitoring outcomes; and determining the effectiveness of all efforts to promote mental health and wellness led to the demise of overspecialized services. Simply put, their inability to adapt to change proved their services undesirable in the eye of the consumers. Sally Jones of Child and Family Services of America says, "Twenty years ago it was government-supported evidence-based practice that determined market demand in the eyes of consumers. In the last ten years we have witnessed a shift back to outcome measurement due to a lack of consensus on deciding what makes evidence, what qualifies as research and who decides what the evidence-based treatments are." What has stayed consistent over the past 20 years is consumer influence on market demand.



It would be remiss to say that government influence was the only source of funding that has put a strain on the human services industry. Over the last two decades, trends in philanthropy became

increasingly tied to successful outcomes of service providers. Companies, as well as individuals, became more and more particular about who received their money. Philanthropy in the last two decades has been seen as an investment opportunity. Companies and individuals alike were basing their return on investment on the outcomes of these organizations and groups.

Unfortunately, the social service organizations have found it hard to compete with the outcomes of hospitals and other similar services in the last ten years. Hospitals are able to provide clearer examples of successful outcomes as opposed to the smaller successes found in mental health services. This has proved to be a clear advantage for hospitals and a clear disadvantage for social services over the years. The choices of these companies and individuals to invest in hospitals, hospices and other similar entities further contributed to the burden of social service organizations and to the slow advancement in behavioral health related sciences.

The only rare exceptions to the lower rate of support for social service organizations occurred where a given organization was able to demonstrate a model of self-sufficiency either through advanced management techniques or through entrepreneurial efforts. These organizations were able to garner philanthropic support in order to continue their efforts as models for other social service organizations.

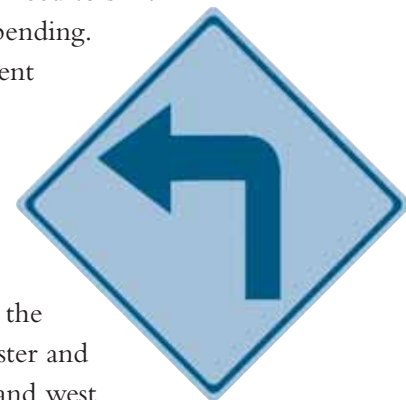
Today, organizations find themselves focusing their energies into outcome measurement as they did 20 years ago in order to differentiate the quality of services provided. Competition has grown for partnerships with top universities in order for these college dollars to be invested in these social service organizations and to better position themselves in the eyes of the consumers. On the other end, universities have looked to organizations to provide

a setting for research to be conducted as well as a place for students to be trained.

In the last 20 years we have seen a wide public debate ensue over whether we need to shift our thinking in government spending.

From 2006 to 2016 advancement in behavioral related science never occurred due to a lack of funding and resources.

As we all know, change in the human services industry does not happen overnight. In the last 10 years we have seen disaster and population shifts in the south and west regions of the country transform into a united voice for change. Questions were raised over the years on whether the government made the right decisions by ignoring change in social policy and focusing their attention on energy and defense. Pressure has now gradually mounted on the government to put their money and resources into the previously ignored field of mental health and children's services. It is because of this slow progression that we now find behavioral health related science once again on the cusp of change.



Indicators to watch to see if this Scenario is unfolding:

- 1. Economic growth by region**
- 2. Population growth and diversity by region (Primarily continued growth in the south and west)**
- 3. Research spending on physical and mental health issues**
- 4. Contraction of social service agencies**
- 5. Polarization of country by region**

6. **Consumer-driven care
(Consumer-created policies)**
7. **Emergence and influence of state-appointed
advocates in consumer-driven care**
8. **Immigration trends**
9. **Evidence-based practice efforts**
10. **Catastrophic disasters**
11. **Collapse of infrastructure in the south.**

“Living in Death Valley”

Quadrant II Scenario: Stagnant Economy with Slow Scientific Advancement

Extraordinary Events Make for an Anemic Economy

A proverbial cloud of gloom has hung over the United States for the past two decades as the nation has faced challenges from natural disasters to increased energy shortages. A cascading set of circumstances have negatively affected an economy already reeling from inflation including:

- *a nationwide bird flu epidemic*
- *the 8.7 earthquake and series of severe aftershocks along the San Andreas Fault in California and*
- *an increased incidence of terrorist bombings in U.S. cities*

The prolonged international conflicts involving Iraq, Iran and North Korea have worn upon the psyche of the American people, as have high interest rates and oil prices averaging \$150 per barrel. There is a sense that many people have lost confidence in the country. In light of these extraordinary events, economists have been forced to completely

rethink their theories, as the classic 3–7 year cycles of economic growth have not materialized. The average rate of growth in the United States over the past 20 years has been an anemic 2.9%.

The United States is no longer the lone superpower on the global stage. China successfully marginalized the United States in Latin and South America both economically and militarily. The nation’s high school students have continued to fall behind the curve in math and science mastery compared to their peers in China, India and South Korea. The 2020 census data indicated a pattern of foreign-born professionals leaving the United States (presumably to raise their families in their native countries).



Little Left Over...

As predicted, the country has witnessed the over-65 population increasing faster than the rest of the population since 2006. The AARP is now an extremely powerful association, using their political influence to take resources away from other areas and segments of the population in order to provide for their membership. Unfortunately, in this stagnant economy, there is little left over for their children and grandchildren.

Social rifts are occurring between generations. The aged baby boomers have become an enormous drain on public services due to the dissipation of their wealth. In turn, the younger generation is feeling the heavy burden of taking care of people who some feel give little back to society. The seniors feel that they have worked hard all of their lives and have the right to use their political vote to further their own interests, not those of children or young adults. Younger adults are struggling with

their own diminished expectations regarding the life they hoped to build for their own families.

Philanthropy has remained as stagnant as the economy. Nationwide, corporate giving is on the decline and foundation giving is more competitive. While generous gifts from high-profile persons grab the occasional headline, “disaster fatigue” set in after the epidemic and seemingly endless devastation of California earthquakes. Overall, Americans are keeping their money within their families and their communities.

A Loss of Confidence in Technology

In spite of high optimism in the potential of neuroscience, anticipated advancements in psychopharmacology and genome research have not come to pass. Americans have largely lost confidence in the potential for technology to improve the quality of life in general and mental health care in particular. Political lines of conflict have been redrawn from the traditional liberal-versus-conservative battles to conflicts between those who continue to be intrigued by the potential for technology to enhance the lives of humans versus those who want to “put the brakes on,” referred to as Techno-Luddites. Techno-Luddite supporters have controlled the executive and legislative branches of government since the 2020 presidential election. Not only is the United States no longer a Mecca for scientists from around the world, America’s best scientists have been emigrating in droves to Singapore, China (since the voluntary annexation of 2015 included Taiwan), India and former Third World nations such as Tanzania and Bangladesh.

Efforts to treat common childhood conditions such as Oppositional Defiant Disorder and Post Traumatic Stress Disorder have been replaced by a prevention movement, supported by research, but outrageously expensive to implement and woefully underfunded. The one exception to this

general lack of success is treatment for depression. The marketing of Deludin in 2016 heralded a new era, providing rapid symptom relief with virtually no side effects. Since unprecedented action by the FDA in 2022 made Deludin available over the counter (under the generic name of prochlorodimyxetine), PCDMX has been affordable to all and used universally to treat depression and even depressive thoughts.

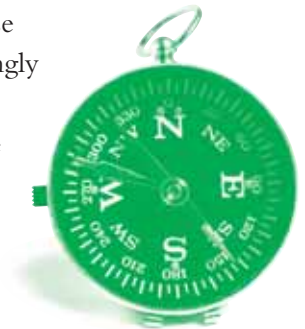
The Generational Divide

The elderly and the well-to-do have excellent health care. For others, government-funded health care benefits are minimal, especially in the area of mental health. Employees of companies now find wellness program participation is an expectation, rather than an option. There are substantial disincentives (higher contributions to insurance premiums and higher co-payments) for employees who do not participate in and adhere to program guidelines. There is hope that this approach will eventually lessen the overcrowded health care system.

The younger generations (those born after 1990) have increasingly felt the burden of medical resources being directed to the older generations (especially those born before 1965).

Overt behavioral disorders, including Conduct Disorder and Oppositional Defiant

Disorder, already prevalent in childhood and adolescence, are increasingly common problems for those in their twenties and thirties. It is immensely frustrating to know that even though treatment for these conditions is ineffective, they could easily be prevented, but by costly means that are not available to underprivileged citizens. Parents are devastated by the realization that they are bringing up children who are at high risk for developing the same untreatable conditions that bedevil them.



Children and families with the least resources are most affected and experience high rates of domestic violence and child abuse.

Faltering Economy Hits the Region Hard

While the problems described above are present to a significant degree nationwide, there are regional pockets where they are much worse. The identified trends (older population, older workforce, stalled economy, underserved young/poor population) are even more prominent in the Pennsylvania/Ohio/West Virginia region. Across the region, people have migrated away and the trickle of new arrivals has done little to supplement the loss. The prominent exception to this pattern has been the Maryland/Delaware/Washington, DC area. Washington, DC

sprawl has reached as far west as Cumberland, MD, bringing with it droves of young professionals and families.

But for the DC area, the workforce is shrinking, although more people are working past the age of 60 than

ever before. While there are plenty of people looking for employment, few have the qualifications to work with troubled children, and those who do have to accept a lower paycheck. For social service professionals, fluency in English and Spanish is the norm rather than the exception. Both the workforce and the population have grown more diverse since 2006.

While the Washington, DC megalopolis has seen steadily declining rates of poverty, crime and mental illness since achieving statehood during Hilary Smith's second term, these same rates have skyrocketed in states just to the west (including most of West Virginia, Pennsylvania and Ohio). Personal debt and foreclosures on homes have escalated. Alcohol and drug abuse rates have

increased dramatically in the region since 2010.

Arrest rates for youth are up and school attendance is down. There is a broad, deep sense of hopelessness. Even though the illness of depression is easily treated, homicide, suicide and crime rates in these three states rank in the top five nationally.

Follow the Money or Get Left Behind?

Non-profit organizations serving the underprivileged continue to struggle to find sources of funding and are forced to be highly selective. Small agencies unable or unwilling to change to meet the needs of a changing population and economy have fallen by the wayside. Government initiatives and philanthropic organizations dictate the groups served, as evidenced in the programs for children of war veterans and resources available only to families of Wal-Mart employees. Agencies struggle with decisions over whether to remain true to long-standing agency values or to "follow the money." On the front lines of service, Teacher/Counselors work hard to help their clients, but are disheartened by the knowledge that the people who most need their care don't have access to it.

Indicators to watch to see if this Scenario is unfolding:

1. **United States becomes relegated to a more minor role in world affairs**
2. **Military spending increases to protect borders**
3. **Investment pulls out of the United States**
4. **Interruption in the 3-7 year cycle of economic growth**
5. **Growth lags in comparison to the rest of the world**



6. China changes law regarding intellectual property and investments rocket upwards in that country
7. More restrictions placed on scientific research
8. Decrease in children and youth service payment rates
9. Struggle over resources between those over 65 and those 30-40



“Onward and Upward”

Quadrant III Scenario: Robust Economy with Rapid Scientific Advancement

Economic growth in the United States has doubled in the last 20 years, thanks to a steady growth rate of 5% per year. Growth was not evenly distributed across the country, however, nor was growth even throughout the world. But thanks to the continuing market influence of the baby boomers (who want to live longer, better and will pay the money to do so) scientific advancement moved forward rapidly. Immigration has remained fairly status quo—the laws in place are loosely enforced since employment is so strong that no one is pushing the issue.

2026: A Look Back—Has Prosperity Fulfilled Its Promise?

“Are you better off than you were twenty years ago?” With apologies for paraphrasing the late U.S. President Ronald Reagan, some people are beginning to ask that question. And in many ways, the answer is yes.

Think of all that has changed in the last 20 years. The poorest among us have a standard of living and access to technology that is the envy of the world. We may not design or create it here, but American investment makes it possible. Today’s educational opportunities could not be conceived of just 50 years ago. With corporate earnings remaining high, those of us working for large international firms are able to take advantage of government mandated bi-annual continuing education study conclaves that are held in the farthest corners of the globe. We just register via our personal post-digital device and we’re part of the live stream.

The United States was always known as a consumer society in the later years of the last century; but with our current economy we’re really going gangbusters. Those post-digital devices allow us to voice what we want and later that day it’s delivered to wherever we want it. With only three sales providers left in the country it’s been hard to hold down prices and inflation. The government tries to hold down gouging—but how do you define gouging when most don’t care what it costs? Of course the malls of our grandparents’ day are gone—but with everyone able to afford so much, the small places just couldn’t provide us the selection we were looking for anyway. Even if they could our small allotments of transportation energy couldn’t be squandered on trips to a mall. Price has become a secondary consideration—we’re much more concerned with getting it fast—in the size and color we want.

What we care about as a society these days is pretty easy to track now that the United States has gone to Internet elections. With our generally higher levels of education and rampant access to free information we are pretty savvy about what the political parties are doing to curry our votes. Political strategists are able to define what people are thinking to the point that elections are won or lost on the slimmest of margins—sometimes to the fifth decimal point. And the marketing gurus—between the available information and communications technology in place—target their messages pretty much on an individual basis.

It's amazing that nearly 90% of us are pursuing college degrees—the percentage is even higher if you look at the southern and western parts of the United States where the younger folks are. Of course, the pursuit of higher education really ramped up once Wal-Mart started requiring rapid technology degrees for all entry level workers. Most school districts don't provide a high school diploma anymore. They've become meaningless since you really can't get a job unless you pursue the extra two years of technology school. Four-year colleges won't admit you without the technology degree either.

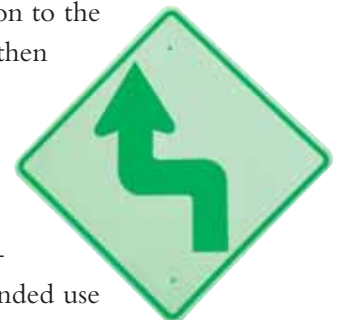
With all of the international cross-pollination of ideas and breakthroughs it's interesting to remember that many people thought at this point we would be experiencing either widespread or non-existent immigration into the United States. But as it turns out, it's pretty much the same as it was 25 years ago. In some cases people have found that technology doesn't require them to leave home for a better education or better job. For those where immigration is desired they're pretty much free to do so. Full employment has made everyone pretty tolerant of immigration—legal or otherwise.

It's a good thing that we're better educated and more financially secure than ever before. Ever since

they found “The Key”—a hidden genetic map that each of us is born with, the quality of health care has added over 10 years to the average life expectancy. “The Key” led rapidly to the development of the personal health device that monitors and records all of our activities—and provides instant reports on unhealthy behaviors and activities to Acme Universal Health Insurance. It's three strikes and you're out—deviate from your personal prevention plan more than three times and you're without health insurance. No health insurance and your level of care drops to what was offered as standard 50 years ago. Every once in a while some old boomer from the northeast starts complaining about privacy invasion—but we're all better off when everyone takes care of themselves the way they should. And if we don't monitor folks the taxes to pay for universal health care will continue to go up and up.

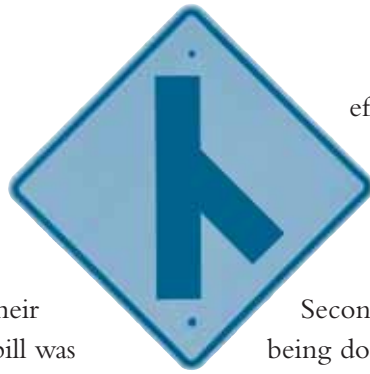
One of the best things about “The Key” is that it paved the way for the “Super Pill” that can be adapted to erase any previously diagnosed or anticipated straightforward mental illness. It's a good thing the “Super Pill” was invented in Southeast Asia—the results of the early trials were disastrous. They would have been shut down in the United States when faulty dosages created additional mental health problems rather than erasing the diagnosed illness. It only took five years to catch on to the process of customization—and then we were able to get anyone on track who needed it.

Some organizations are starting to say that they are seeing unintended consequences from extended use of the “Super Pill”—a significant decline in life expectancy among those using the pill for an extended length of time. But isn't a 70-year life of quality better than a 90-year life of misery? And it's really helped the crime rate too.



By the way, the “Super Pill” hasn’t been well received among all adults in the population. Many say that children adapt well because they still have a chance to learn life skills to go along with the alleviation of their mental health issues. But when the pill was administered to adults—especially those 40 years of age or older—they had no life skills to go with their improved mental health. A few old-style non-profits tried to hang on to serve this population. But the general well-being of the country led to a belief that these kinds of services just weren’t needed anymore and both public and private monies went away. Those non-profits eventually closed their doors and the people caught in the middle of this difficulty were either taken in by family or refused the medication since they still would not add value to society. Under those circumstances they became eligible for the Bill and Melinda Gates-run clinic and living shelter housed on land in the Middle East that used to be a war-torn danger zone. The clinic provides what was once considered “old-time therapy” that is beamed to residents via a sensor system that Bill’s company Microsoft donated. Automatic translators handle what language is being spoken in real time. The treatment has been surprisingly effective in a number of cases. Who would have thought that the “art” of talk therapy would still have a place in today’s global society of science and technology first?

It is interesting to note that while most of the straightforward mental health issues of the past (clinical depression, anxiety, addictions, etc.) are handled by the “Super Pill,” other issues seem to be surfacing. First, the people who do need multiple forms of treatment are much more complicated cases than in the past. They have multiple issues and concerns that have to be worked on—something the “Super Pill” cannot yet do. A lot of times mental health illnesses are mixed with the issues brought on by long-term neglect, maltreatment and other



effects of poverty and addictions. It will probably be another generation until the “Super Pill” starts to alleviate these kinds of problems.

Second, some new mental health issues are being documented by treatment professionals. Some researchers are tracing a connection to the amount of human interaction people have. With all of us—children and adults alike—spending most of our time on-line, we just don’t interact with people one-on-one as much as our ancestors did. Early research is hinting that when these folks start interacting regularly with people they like and identify with their symptoms decrease. But the people working in this field are also noticing that some of the harder-to-treat folks just don’t seem to know how to interact successfully. There’s talk of adding human interaction skills training to the values education curriculum offered in cyber schools.

What about those of us who have opted out of the progress that has made life better for so many? About 15% of the U.S. population has refused to have “The Key” turned for them or their children or accept universal health care. Their reasons are many—privacy, religion, a belief that different isn’t abnormal. A good portion of them have decided not to engage in the many continuing educational opportunities available to them either. They have decided to live off the land—replicating the co-op farms of the 1960s and 1970s. The equipment they use would have been considered sophisticated then—but with their lack of rapid technology degrees they can’t begin to operate the latest and best equipment that would quadruple their output. They would be doing a lot better financially if they would just rethink their value system a little.

Even their idea of working together in groups has become rather quaint. Remember when everyone thought that working in teams all housed in the

same building was the way to go? No one goes to those work-only buildings anymore. You work from your business pod in your home. You have instant access to everyone and everything you need. Why waste time and energy going somewhere? Besides, it's easier to work from home with the kids all participating in cyber charter schools. There's a real upside to families spending more time together and not arriving home grouchy and tired from the miserable commutes of 25 years ago. In part, that's what the personal post-digital device was designed to do. Even the performing arts facilities that people went to are gone. We can enjoy those things whenever and wherever we want. Occasionally a group will do a live performance as a throwback to museum days. But on-site attendance is small. Congregating in a group for just about anything just doesn't happen much anymore.

So yes, there are those who think the changes brought about by our soaring economy and rapid scientific advances are not perfect. But then, when were things ever perfect? And if the system works for most of us, does it really matter?

Indicators to watch to see if this Scenario is unfolding:

1. **Increases in cyber charter schools with decreases in traditional school enrollment**
2. **Increases in percentage of people working from home**
3. **Increase in mental health diagnoses related to stress**
4. **Signs of move toward universal health care (i.e., increase in numbers of people on Medicare/Medicaid, less insurance lobby opposition)**

5. **Increased government and private monitoring of Internet use**

6. **Increase in demand for bi-lingual/multi-lingual workers/ education**

7. **Increased pressure to have people job-ready – especially in the technical arenas**

8. **Improving economic indicators (consumer price index, savings up, consumer debt down, etc.)**

9. **Income distribution becomes flatter**

10. **Some form of the “Super Pill” appears**

11. **Issues of poverty receive renewed attention and support**

12. **Increased request for community based/home services for interventions related to health and poverty**

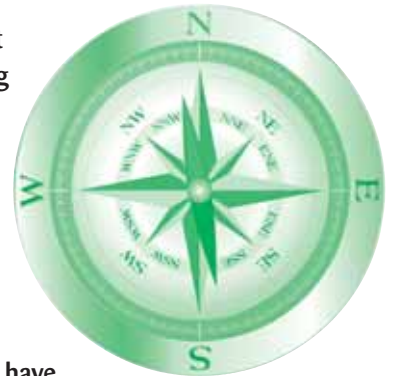
13. **Increase in federal allocations being tied to outcomes**

14. **Mental health population changing (younger/ older, more complex, treatment demanded for what was once considered “normal”)**

15. **Increase in Internet use for routine life needs**

16. **Increased number of pharmaceuticals in clinical trial**

17. **Increase in reimbursements for diagnoses based on brain imaging**



“Let a Hundred Flowers Bloom”

Quadrant IV Scenario: Stagnant Economy with Rapid Scientific Advancement

The Hundred Flowers Campaign, also termed the Hundred Flowers Movement, (Simplified Chinese: 百花运动; pinyin: bǎihuā yùndòng) is the period referring to a brief interlude in the People’s Republic of China from 1958 to 1966 during which the Communist Party authorities permitted or encouraged a variety of views and solutions to ongoing problems. The phrase comes from a Chinese poem—“Let a hundred flowers bloom: let a hundred schools of thought contend.” Mao used the phrase to signal what he sought from the intellectuals in the country.

The Economic Outlook for 2026

During the last 20 years, America has begun to look more and more like Europe of the 1980s and 1990s: the economy has suffered from rising debt, persistent inflation, increased demand on entitlements, and a series of disasters (natural and terrorist), causing a steady drain on national resources. As a result, economic growth has remained relatively stagnant, averaging approximately 3% per year for the last 20 years. Regrettably, nationalistic tendencies have increased U.S. isolationism, resulting in international backlash. Further exacerbating the situation, oil prices have remained very high.

The Political Landscape in 2026

Changing demographics have placed significantly more power in the hands of former minorities and the aging boomers. With fewer resources available, those with political clout inevitably have access to more. The stagnant economy and failure of several large corporate pension plans have placed enormous

stress on the elderly and resulted in a very active and successful AARP agenda.

Scientific and Technological Advancements

Major advances have been made in the field of neuroscience, resulting in effective treatments for troubled children through third generation behavioral drugs. Some of these advancements include psychotropic drugs, effective chemical treatment for bi-polar disorders, and mood stabilizers—all with fewer side effects. Even more exciting, the 2010 identification of genetic markers for bi-polar disorder, depression, and autism, were swiftly followed by first generation prophylactic drugs. Though initial groundbreaking research in these areas was done in



the United States, the rapid advancement and low cost of scientific research in developing countries such as India and China during the same period resulted in many pharmacological discoveries being made outside the United States.

Changes in Care for Children and Families

Forty years ago (in the late 1980s) it was not uncommon for children placed with an agency to grow up in care. However, with decreasing reimbursements and new thinking regarding the disadvantages of a childhood spent in residential

care, by the early 2000s, the average length of stay (ALOS) at most children and family service organizations had decreased to nine months, and further dropped to six weeks by the end of the decade.

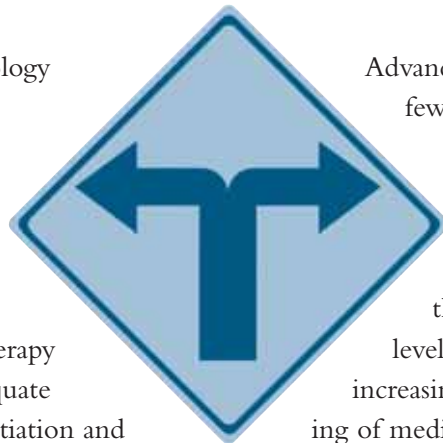
Rapid advancements in pharmacology have forced a shift in behavioral sciences from long-term to short-term treatment modalities. People previously spent years in psychotherapy. Now, most patients, including children and youth, are in and out of psychotherapy within weeks, requiring only adequate time for diagnosis, followed by initiation and adjustment of medication.

The outpatient experience of 2026 is no longer defined by clinic sites; instead care can be delivered in the home. Mobile treatment units now intervene as needed during acute phases to treat and stabilize patients rather than transport them to the emergency department. In other instances, counseling and psychotherapy sessions are now delivered via the Internet directly to the patient's laptop. However, this reliance on computers and Internet connections has resulted in treatment challenges for those living in extreme poverty with limited or no Internet access.

Residential care in 2026 is reserved strictly for youth in crisis with criminal records who are admitted solely for the purposes of evaluation, diagnosis and initiation of medical treatment. All other care is now delivered in the community and managed by mobile case workers.

Advancements in pharmacology and treatment have also resulted in new definitions of "functionality." Those members of society previously considered too fragile, or dangerous, are now reintegrated into

the community thanks to the evolution of monitoring techniques and implantable, time-released medication. Residential care, as it was formerly known, started to disappear over 15 years ago (~2010).



Advancements in drug therapies with fewer side effects have also resulted in a greater acceptance of medication for children. Schools are overwhelmed with medication responsibilities particularly at the elementary and middle school levels as today's kids and families are increasingly more accepting and demanding of medication to handle even minor behavioral problems.

About 15 years ago a number of children's agencies realized their capital assets had become major liabilities. Expensive, purpose-built residential facilities were sitting vacant with little prospect of profitable sale. Some organizations succeeded in shifting their services from care to compliance monitoring, others partnered with pharmaceutical companies to provide medication education and home management, and a very few moved into care for the incurable. All of these new modalities required fewer and very differently trained staff. Many agencies struggled with these changes and their respective staffs slipped into periods of anger, dismay and rejection. Retirement plans had long vanished, other benefits disappeared overnight, and lay-offs became increasingly frequent.

Declining reimbursement for children's social services and a failure to build a strong tradition of charitable support within the human services sector meant the quick demise of many small agencies. The majority of the "mom and pop's" went out of business or were acquired by larger organizations looking for access to new markets, census and

economies of scale in the early 2000s. Those blessed with resources in the form of endowments hung on for a period while spending down their legacy.

Those organizations that invested money and human capital in capturing and reporting solid outcomes data demonstrating a comparative advantage held on to the lion's share of referrals and commanded premium reimbursements through the second decade of the new millennium. Their solid data put them in a position to lobby for necessary changes in reimbursement—but created discord between organizations—particularly with those lacking outcomes data.

A very few organizations actively sought out and developed social venture projects receiving some restricted funding from major private donors and foundations. In some instances these social venture endeavors took agencies in new directions for services and revenue.

Social Pressures

The stagnant economy has made it hard for many “functioning” individuals (who are monitored or medically managed within their homes via the Internet) to find satisfying, living-wage jobs. Lack of jobs for these individuals has placed further pressure on entitlement programs, and introduced new social problems in many neighborhoods.

Education

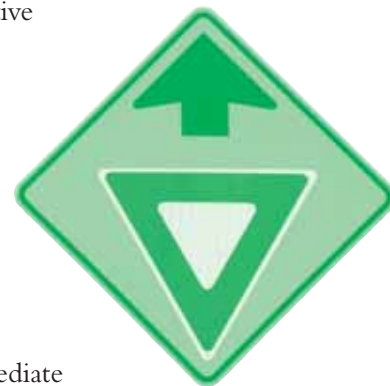
Concern regarding the nation's schools and the quality of science and math education has reached crisis proportions. Our best and brightest are wooed away to research labs in India and China where funding is plenty and scientific regulations are limited. Major government and privately funded initiatives are focused on efforts to regain U.S. dominance in science education and research.

The Philanthropic Agenda

Charitable giving in general has tracked with the economy. There are fewer gifts, and donors have become increasingly savvy, expecting and demanding a return on their charitable investment. While personal giving continues to dominate the charitable landscape, the good old days of unrestricted giving are long gone.

Donor-directed giving has become the norm, with many organizations forced to offer a menu of pet projects if they hope to compete for charitable dollars. Donor cooperatives have also evolved resulting in charitable affinity groups—some centered around ethnic giving, others around religious, moral or political affinity groups. Gifts from these cooperatives are directed to pet causes passing their litmus tests, and frequently come with time-consuming and restrictive reporting requirements.

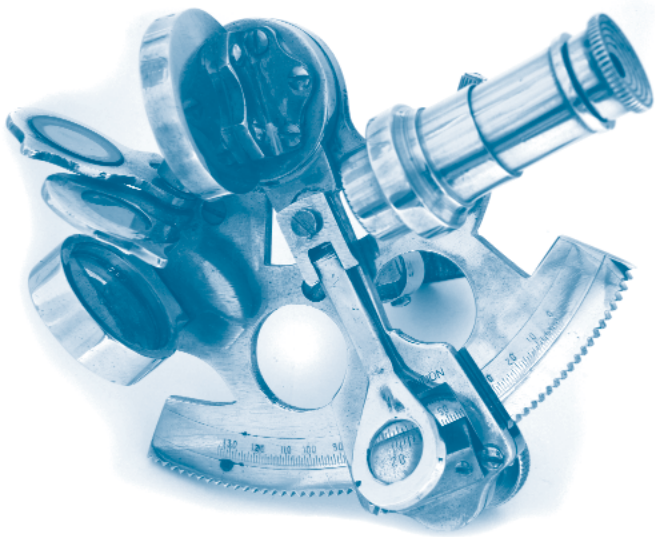
Economic pressure on the government (resulting from increased demand on entitlement programs) has resulted in the repeal of the Estate Tax which had an unfortunate direct and immediate impact on planned giving.



Evolution of the Species

Every aspect of the children and youth services landscape has changed, and to their dismay, many have realized they are not in Kansas anymore! In some respects, it's a case of “Back to the Future,” but so many organizations that had the foresight to re-invent themselves in the late 1950s (when traditional orphanages were replaced by residential care and later foster care) have demonstrated incredible inertia during the last 20 years.

A small number of organizations with strong, aggressive and forward-thinking leadership and boards have successfully reshaped their business and evolved with the times. Some of these organizations have expanded their market by going international, and successfully addressed all the accompanying challenges including staffing, location, language, and reimbursement. Others have completely changed their product and revolutionized the delivery of care to children and youth. Only those organizations with strong leadership that pushed difficult board-level discussions and decisions regarding the organization's mission have survived and thrived.



Indicators to watch to see if this Scenario is unfolding:

Indicators suggesting a lackluster U.S. economy:

1. Index of leading economic indicators – consumer price index, producer price index, unemployment rate, productivity, stock market, long bond, Dow Jones Industrial Average, etc.
2. Lack of sustained growth in U.S. jobs above minimum wage
3. Outsourcing of U.S. white-collar jobs (recent New York Times Op-Ed – “The Corner Office in Bangalore”, Orlowski and Lengyel, June 9, 2006)
4. Demographic indicators including an aging population (where are the young people?)
5. Significant reduction of young immigrants
6. Decline in illegal immigration (as soon as people stop trying to break into the country that's a great indicator that the economy is no longer attractive to outsiders)
7. Bright young people looking for academic opportunities outside of the United States
8. Other countries produce major scientific advancements

Indicators suggesting rapid medical and scientific advancements:

1. Policy changes
2. Sustained capital flows into venture capital (particularly other countries)

Pressley Ridge extends its thanks and appreciation to the following members of the Board of Directors, community leaders and staff who participated in the scenario planning process.

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