

Oral Testimony of James X. Sullivan
Before the U.S. House of Representatives
Ways and Means Committee
Subcommittee on Worker and Family Support

March 10, 2021

Introduction

Chairman Davis, Ranking Member Walorski, and other members of the subcommittee, I am delighted to serve as a witness for this hearing, particularly given its emphasis on evidence. I am the Co-Founder and Director of the Wilson Sheehan Lab for Economic Opportunities, or LEO, which is a research center at the University of Notre Dame that partners with local service providers to identify effective and scalable programs that improve the lives of the poor.

The Need

Over the past 50 years, our nation has seen considerable reductions in poverty. But this progress should not hide the fact that millions of Americans still struggle to make ends meet. And the pandemic has only made things worse by hitting low-income workers the hardest. So, I want to thank Congress for funding a pathway for Americans to obtain the skills and supports they need to live a life outside of poverty. Furthermore, I applaud your support for developing evidence to learn what works.

Lessons from the Field

Over the past 8 years, LEO has launched more than 70 studies examining innovative ways to help people escape from poverty. Today, I want to share with you what we are learning, as well as some recommendations on how funding such as HPOG can help reduce poverty in America.

A consistent theme we encounter in our work is that those in poverty face significant barriers such as: limited work experience, lack of transportation, and poor mental or physical health. In fact, most families in poverty must navigate many barriers at once.

The complexity of these situations is reflected in Rosa's story. Rosa is a single mother of three young children who never finished high school. She would like to work, but she does not have a car or access to public transportation. In addition, Rosa has a child with severe learning disabilities. She has fallen behind on rent and recently received a 15-day eviction notice. Although there are many services available to support Rosa, she will need to navigate a complex benefit system and juggle a mix of programs and eligibility requirements while trying to improve her family's situation.

In recent years, many programs have emerged that recognize the challenges that Rosa and many like her face, and there is growing evidence that these programs are effective. To explain how these programs work, let me highlight a specific example, the Padua Program.

Padua is a comprehensive case management program designed by Catholic Charities Fort Worth to help people obtain economic stability. Participants are assigned to a case manager who provides holistic and individualized services that address their unique barriers. These services are offered over an extended period and are designed to first address basic needs before working on self-sufficiency. For Rosa, this means first establishing stable housing, and then her case manager might provide financial assistance to buy a car, referrals to tutoring for her child, and a plan to get the necessary credentials to secure stable employment. All the while, her case manager serves as a coach and mentor, supporting Rosa in her long journey out of poverty.

We evaluated the impact of the Padua program through a randomized controlled trial, and the results showed that the program increased full-time work by 25 percent. An important lesson from our study was that Padua had different impacts on different groups depending on the unique barriers they faced. For those who were not in crisis and ready to work, we found large positive effects on employment. For those who were in crisis, the homeless for example, we found large positive effects on housing stability.

In my written statement, I provide several examples of programs that share many of the same components as Padua. All have been shown, through randomized

controlled trial evaluations, to significantly improve key outcomes such as employment, earnings, or educational attainment.

Recommendations

These examples show that there are promising, evidence-based models that improve outcomes for individuals who face many barriers, and they provide important lessons for policymakers about how to generate evidence and structure future funding. Let me highlight a few.

First, in future evaluations of HPOG, we should measure the effectiveness of specific interventions. The HPOG Study examined the collective impact across 42 different programs. Consequently, we do not learn which programs were successful at improving key outcomes for participants. Such information is critically important for determining how best to invest future funding.

Second, Federal grants such as HPOG should support the replication and scale of proven models. I have shared with you examples of comprehensive programs that offer individualized and holistic services. Despite evidence of effectiveness, there is limited funding available to scale these programs up.

Third, future funding should incentivize innovation. The most innovative ideas for social programs come from local providers, but they need funds to experiment with new ideas. Grants to test new approaches will create a pipeline of innovative programs that, if proven effective, can be scaled up to ensure broad impact.

Conclusion

I want to thank this committee for giving attention to this important issue. We at LEO are happy to serve as a resource to ensure evidence is used to inform how we improve the lives of the most vulnerable.