

Cascade Engineering
3400 Innovation Court
Grand Rapids, MI 49424

Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Getting Incentives Right:
Connecting Low-Income Individuals with Jobs

Good morning, I would like to thank Chairman Vern Buchanon and the entire subcommittee on human resources for allowing me an opportunity to testify before you. My name is Kenyatta Brame and I am the Executive Vice President and Chief Administrative Officer for Cascade Engineering a manufacturing company headquartered in Grand Rapids, Michigan. The Cascade Engineering Family of Companies is comprised of nine diversified business units with a core capability in large scale plastic injection molded parts. We are active in many different markets including waste and recycling, valet trash, agriculture/industrial material handling, transportation (passenger vehicles and large truck), office seating, polymer compounding and RFID asset management.

Cascade Engineering is a Triple Bottom Line (TBL) company. This means we focus on our performance in three specific areas People (society), Planet (environment) and Profit (financial success). We believe that business is one of the most powerful forces on the planet and that we have a clear responsibility to our shareholders to make a profit, but that we have an equal responsibility to our employees, our community and our environment. Since 2003 we have produced our annual TBL report, which captures our performance in these three areas. We believe business has the power to create positive change and make a positive difference in our world.

We are also one of the largest Certified B Corps in the world. Certified B Corps are recognized for using the power of business to positively impact society while solving social and environmental problems. Cascade Engineering is one of 1,619 companies, located in 47 countries and representing 130 industries that comprise the B Corp community. To be certified, companies must conduct a rigorous impact questionnaire comprised of five sections: environment, workers, customers, community and governance. We are honored to be a certified member of this organization which closely aligns with our triple bottom line philosophy.

At Cascade Engineering we believe in breaking down barriers to employment, these barriers include; criminal background, racism, physical disabilities and poverty among many others. We believe that given an opportunity combined with proper training and a supportive culture, individuals that are on welfare can have a long-term career at Cascade Engineering. We are very proud of our welfare to career program, a program that partners business and state agencies to help identify, train and provide support

to individuals in need. The success of our Welfare to Career program has led to the creation of our “Returning Citizens” program which is focused on hiring individuals who have been previously incarcerated for felony convictions.

Fred Keller founded Cascade Engineering in 1973 and it is a family owned private business. Fred has always believed that a business could be financially successful while treating all employees with respect and dignity. Since inception Cascade Engineering has always believed that all people should be valued as human beings, not only for the work they do. Today, Cascade Engineering employs 1600 people in 14 U.S. locations with additional operations in Budapest, Hungary. Projected annual revenue for the 2016 FY is anticipated to be approximately \$400M.

Today, I have been asked to testify about our “Welfare to Career” (W2C) program. Fred had a desire to help welfare recipients break the cycle of generational poverty and foresaw benefits for the company, its employees and the community. Fred discussed this with Ron Jimmerson who at the time was a human resources manager.

Ron grew up in generational poverty and he had an acute awareness and understanding of the difficulties welfare recipients faced. These two men with varied cultural backgrounds developed a shared vision of what a welfare-to-work program might look like. We made many mistakes initially and retention rates were very low to non-existent. These ultimately were attributed to the dichotomy created when you combine people who may have never worked in a manufacturing or professional environment with career supervisors and managers with low expectations and little experience working with people from generational poverty.

The partnership had not considered that welfare recipients were unaccustomed to a manufacturing culture and the responsibilities involved, while at the same time supervisors were ill equipped to handle employees who had difficulty coming to work due to lack of transportation, childcare or other issues. We had many setbacks getting this program started and it was far from an immediate success but we continued to learn from our mistakes. About this time the 1996 national welfare reform program was enacted to put people who were receiving public assistance to work. This act placed the authority to control the funding and programs in support of that goal under local government and business leaders.

Once Cascade changed its approach welfare clients could better understand and embrace life in the working world. Given hope, proper training and an appropriate working environment, increased their self-esteem. At the same time managers and supervisors were educated to better understand the needs both emotionally and physically of someone working with a history of generational poverty.

In 1999, Joyce Gutierrez Marsh was named as a dedicated social worker to handle all DHS/Cascade Engineering clients. DHS committed to provide available support services for a minimum of one year after hiring. Joyce worked with Ron Jimmerson to develop an orientation process for welfare recipients to better assimilate them into Cascade Engineering. The DHS developed a contractual agreement with The Rapid for bus service and assistance with transportation needs of W2C workers. Joyce began to

conduct structured interviews with all welfare applicants and make recommendations for W2C candidates. We developed a policy mandating that all HR representatives contact Joyce if any problems related to W2C employees arose. Problems related to attendance, tardiness, performance or poor behavior, once identified, fostered early intervention and quick resolution once Joyce was involved.

This collaboration between a private company and local government agency was the start of our Welfare to Work program. We changed the name from the original Welfare to Work program to the Welfare to Career program because it more accurately reflected our intent. In November of 1999, Joyce was relocated with an office on site at Cascade Engineering. Her computer was linked to the DHS system allowing her to access all of her client files and communication with all local government agencies. Joyce was the first social worker in the state of Michigan to be relocated from a government office to a business site.

Joyce's expenses were shared 50/50 with the state of Michigan – another first and an example of government and business working together. This collaboration was recognized as an immediate success and greatly reduced the high turnover we were seeing with our W2C employees previously. Joyce was able to focus her attention on hiring viable candidates and retaining those already working.

If any Welfare to Career client is absent, Joyce can contact that individual and determine the cause of the problem as well as recognize and offer any assistance as required. As a Michigan social caseworker, Joyce can ask many questions that a Cascade Engineering human resources representative cannot. Joyce is empowered to determine whether or not certain circumstances were driving certain behaviors. Joyce is further able to ask if inadequate child care, insufficient transportation or other circumstances were the root cause of the problem and is able to offer state sponsored resources available to her. Joyce can offer solutions for child care, transportation or safe housing if required. Most importantly our Welfare to Career employees have an ally in Joyce, who is here to help them be successful in pursuit of a career with Cascade Engineering.

When Amy Valderas went to the local Michigan Department of Human Services to register for welfare she was out of work and a single mother with three small children living with her sister. She had no idea how she was going to make ends meet. Luckily, a DHS employee mentioned Cascade Engineering and she called us in search of a job. Amy had a desire to improve her situation and provide for her children. As Amy explains, "the work was very difficult, I was on my feet most of the day as a production worker, and came home every night exhausted. I didn't think I could continue working like this and I was also having a difficult time getting to and from work. There was limited transportation, bus schedules did not coincide with my work schedule and family and friends could not always be relied on to drive me to and from work. I met with Joyce and explained the difficulties I was having and the first thing she did was help me buy my own car. Not only did Joyce help me get a car she became my friend. When I had issues with day care Joyce helped me find adequate day care, so I knew my kids were well taken care of while I was working."

Sixteen years later, Amy is training others at our 33rd Street plant and she is a level C core employee, meaning she earns the top level of income possible for her job. She owns her own home and two of her three children have graduated from college. Her children tell her, "it's because of you Mom." She is a recognized leader by her peers. She has been interviewed by NPR, written about in case studies and featured in the media, she visited the White House as Cascade Engineering received the Ron Brown Award for Corporate Leadership in 1999 and was introduced by Michigan Governor Rick Snyder at his State of the State address in 2015, as an example of a true success story as a result of our Welfare to Career program.

To help develop the W2C program we held a "Dialogue" session for top management, DHS officials and first – line leaders to obtain input on how the program was working and how it could be improved. As a result of this "Dialogue" session the DHS developed an employment readiness assessment that Joyce completes for prospective Welfare to Career applicants. This assessment helps identify and resolve barriers prior to hiring the candidate. Cascade Engineering also mandates that all prospective Welfare to Career employees complete the readiness assessment and Joyce must approve all new hires.

In 2002, Fred Keller, Ron Jimmerson, Mark Peters (CEO of Butterball Farms) and Andrew Zylstra (DHS Director) met with CEO's from 10 local manufacturing companies and they agreed to provide funding for a new coalition of businesses working in concert with FIA caseworkers to expand the Welfare to Career model to their companies. This new organization became the "SOURCE". The SOURCE is an acronym for – Southwest Organizations Unifying Resources for our Community and Employees. The SOURCE was established as a 501(c)3 non-profit organization.

Today, the SOURCE is comprised of 15 member companies mostly in the manufacturing sector. Last year they served almost 400 W2C clients providing key navigation and service support with the ultimate goal of keeping them employed. They have a 97% monthly retention rate for their DHS cases. That is more than double the retention rate for all other DHS cases in the county. This retention is reached by focusing on early intervention with employees, front line leaders and HR staff. They receive regular attendance reports and get preventative calls to ensure their caseworkers engage on the barrier to work early before they become problems.

Our Welfare to Career model developed in concert with DHS has been replicated in three other states: Worklife Partnership (Colorado), Connect for Success (WA) and Working Bridges (Vermont).

Today Cascade Engineering has 84 employees involved in our Welfare to Career program. 37 of these people are still receiving some DHS assistance while 47 no longer need DHS assistance and are completely self-sustained. Over the last 17 years we have positively impacted hundreds of people and their families.

Most importantly the people who have successfully completed our Welfare to Career program have regained their self-confidence and self-esteem. They are contributing members of society who can take care of their families and provide them with a better quality of life. In many cases they are the first individuals in their families to breakthrough a tradition of generational poverty. We are honored to be a part of this work and look forward to continuing this work of breaking the cycle of generational poverty.

