

**First Hearing in Series on Moving America's Families Forward**

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HEARING  
BEFORE THE  
SUBCOMMITTEE ON HUMAN RESOURCES  
OF THE  
COMMITTEE ON WAYS AND MEANS  
U.S. HOUSE OF REPRESENTATIVES  
ONE HUNDRED FOURTEENTH CONGRESS  
FIRST SESSION

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**February 11, 2015**

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## CONTENTS

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[Advisory of February 11, 2015 announcing the hearing](#)

### **WITNESSES**

**Frances Deviney**

Associate Director, Center for Public Policy Priorities

Witness Statement [[PDF](#)]

**Ron Haskins**

Senior Fellow, Economic Studies, The Brookings Institution

Witness Statement [[PDF](#)]

**W. Bradford Wilcox**

Visiting Scholar, American Enterprise Institute

Witness Statement [[PDF](#)]

**Scott Winship**

Walter B. Wriston Fellow, Manhattan Institute

Witness Statement [[PDF](#)]

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**CHALLENGES FACING LOW-INCOME INDIVIDUALS  
AND FAMILIES IN TODAY'S ECONOMY**

Wednesday, February 11, 2015  
House of Representatives,  
Subcommittee on Human Resources,  
Committee on Ways and Means,  
Washington, D.C..

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The subcommittee met, pursuant to call, at 2:10 p.m., in Room B-318, Rayburn House Office Building, Hon. Charles Boustany [chairman of the subcommittee] presiding.

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Chairman Boustany. We will call this hearing to order now and welcome everybody to the subcommittee and I will welcome our witnesses here shortly.

Our first hearing this year is on the challenges facing low-income individuals and families in today's economy. Our basic purpose as a subcommittee, our purpose stated in the subcommittee's very title is to promote the human resources of this country. Those human resources, those individuals, that untapped potential, in many instances, are really today's workers and their children and the workforce of tomorrow.

Stretching back to the 1930s and accelerating into the 1960s, the Federal Government has operated an ever-growing arsenal of programs that provide benefits designed in some way to help low-income families with children as well as unemployed workers to move forward. The bad news -- and on this, I think there is bipartisan agreement -- is that those programs are not working as effectively as we would like, especially given the realities of today's economy.

And even though the pace has picked up lately, the current jobs recovery has

been the slowest in recorded history. It has left far too many people unemployed, stuck in poverty, year after year. Incomes fell dramatically during the recession and really have not bounced back. Millions collected 2 years of unemployment benefits without finding a new job. Many simply left the workforce. Others transitioned into long-term disability benefits or food stamps or both, and the sad result has been a majority of Americans now believe the American dream of hard work and getting ahead is impossible to achieve. And younger workers, the background of our workforce for the next 40 years, are the most pessimistic about their chances.

We also know American families are experiencing major stress. The stress is not just economic stress, but stress on the very fabric of family life as well. Declining marriage rates, rising shares of children born to single parents, and increasing number of children spending years raised in single-parent homes adds to that stress and to the hurdles that must be overcome by programs designed to help them.

Twenty years ago this subcommittee faced a similar set of challenges in crafting what became the landmark 1996 welfare reform law. And in fact, by this point in February of 1995, this subcommittee had already held an amazing eight hearings in less than a month. This documents some of that early work. So I am afraid we are a little bit behind, but we will catch up hopefully and move forward as the committee continues to have hearings to address these problems.

But back then, the late subcommittee chairman, the late Clay Shaw of Florida, sat in this chair and said members of this committee were on a rescue mission to save poor families. And in many respects, it worked. After 1996, the number of low-income parents collecting welfare checks fell dramatically as millions left welfare for work. Poverty fell to record lows for key groups as work and earnings rose. But over time, the roles of other low-income benefit programs, especially those not subject

to the 1996 reforms expanded even faster, even when the economy was growing.

And while the number of people participating in these benefit programs increased, poverty rates remained unchanged or even worsened. Clearly, the economy and this broader array of antipoverty programs haven't been working as well as we would like to help all families move up the income ladder, and that is why this year we will engage in the first top-to-bottom review since 1996, of how Federal policies across the board can better support work, strengthen families, and move America forward.

We will review our programs as well as their interaction with other key programs, like food stamps, housing, healthcare, so that we get a complete picture. We will cooperate with other subcommittees and committees on this. Subsequent hearings will explore how we could better engage low-income adults in work and training, what should we do to better coordinate benefits that families count on, what lessons may we learn from other countries, and how should we use evidence to ensure we are making a real difference, a tangible difference in people's lives.

Our goal, consistent with the challenge set forth by Chairman Ryan last year, is not simply to cut programs or reduce spending; instead, it is to reform programs so that they create real ladders of opportunity so that families can climb to escape poverty and achieve the American dream. That is a big but essential goal for us to achieve if we want our families, and ultimately our country, to move forward.

I am excited to work with everyone here, including our witnesses today as we get started.

And with that, I would like to turn to Mr. Doggett, for his opening statement.

Mr. Doggett. Thank you so much, Mr. Chairman.

With nearly 5 years of month after month continuous private sector job growth

and with 3 million new jobs created in 2014 alone, I believe we have made steady progress in overcoming the great recession set in motion by Wall Street fraud. While more and more attention in this Congress on both sides of the aisle focuses on what we can do for the middle class, we also need to be concerned with the many Americans who are just struggling to get up the first couple of rungs of that economic ladder to try to climb into the middle class.

This subcommittee, with its broad jurisdiction over many programs designed to provide opportunities for struggling families, should be a vital part of growing the middle class.

Just one example, one of the issues we have dealt with in this subcommittee is unemployed insurance. And in 2013, the last year on record, about 1.2 million people were not categorized as impoverished because they had unemployment insurance benefits to tide them over as they searched for work.

The need for real, meaningful action is particularly evident in my home State of Texas. There, one out of every four children is below the poverty level, and about a third of all Texans live in the shadow of poverty, meaning that their income is less than twice the poverty threshold.

I look forward to hearing from all of our witnesses, but particularly from Frances Deviney from the Center for Public Policy Priorities, which has provided objective, nonpartisan information on poverty in Texas and a range of social services there and across the country, and can comment on how some of the programs under our purview can help those in poverty.

Our subcommittee should be focusing on helping struggling families. Clearly, it is not enough to just throw money at the problem, as we so often hear. But neither is it a substitute, as is sometimes offered in this committee, to merely throw words at

the problem. Caring, soothing, empathetic words, but words and no meaningful legislative action.

I believe there are four goals that are appropriate: First, support incentives that strike at the early seeds of poverty. Prevention, matters like the MIECHV or home visiting program that you referenced in your statement, the Protect Our Kids Act that we worked on in this subcommittee, which had leadership from former Chair Dave Camp on. That commission on child abuse will have its recommendations, I think, later this year and provide us an opportunity to take a look at their findings.

I think a second area is to increase efforts to help people gain the skills that they need to secure jobs that can provide a path for a better life. An example that we heard about last session, Project QUEST in San Antonio, which has an 86 percent job placement rate, is focused on helping poor people obtain living-wage jobs and get the training and education and match them up with where there is a specific need in the labor force.

A third area is to eliminate barriers to work. Certainly, one of the biggest of those barriers is affordable child care. The President talked about this in the State of the Union address. Less than 20 percent of the families Federally eligible for child care assistance ever obtain any assistance.

Finally, we need a reliable safety net for families that fall on hard times. In Texas, only one out of every 20 children living below the poverty line receive any direct TANF assistance. That is not temporary assistance for needy families; it is no assistance for most, all the time.

Our experience since welfare reform, which I voted for myself in 1996, shows that while we have experienced some progress, too often TANF has meant less and less for fewer and fewer. I believe we need to have evidence-based programs, but we



need to look at the evidence and I am pleased that you will be focusing on review of that welfare law, so that we can see what we can do to help people escape poverty through good work, good jobs.

Mr. Chairman, I look forward to hearing from all of our witnesses and to continuing this discussion throughout this session of Congress.

Thank you.

Chairman Boustany. Thank you, Mr. Doggett.

Chairman Boustany. Without objection, each member will have the opportunity to submit a written statement and have it included in the record.

Chairman Boustany. And I want to remind our witnesses, as is customary, we have received your written testimony, and I would ask you to restrict your oral statements to 5 minutes, give us a summary, so it will save ample time for questions. However, without objection, all the written testimony will be made part of the permanent record.

And on our panel this afternoon we will be hearing from four very distinguished witnesses. First, we have Ron Haskins, Senior Fellow, Economic Studies At Brookings Institution; Scott Winship, the Walter B. Wriston Fellow At the Manhattan Institute; thirdly, W. Bradford Wilcox, visiting scholar from the American Enterprise Institute; and Frances Deviney, Associate Director, Center for Public Policy Priorities, from Texas. Right?

Voice. Yes.

Chairman Boustany. Welcome. Welcome to all four of you, and we look forward to each and every one of you providing some insights.

So with that, Mr. Haskins, you will lead off. Thank you so much for being here. You may proceed with your testimony.

**STATEMENT OF RON HASKINS, SENIOR FELLOW, ECONOMIC  
STUDIES, THE BROOKINGS INSTITUTION**

Mr. Haskins. Mr. Chairman, and Mr. Doggett, members of the committee, it is a great privilege to be here. I think it is an honor to testify, and I am glad to be invited.

I want to concentrate on one thing. I brought a PowerPoint that I think will make it clear. This summarizes my testimony in these few words: "Low-wage work plus work support benefits reduce poverty." It has happened in the past and I am going to show you how much it has happened. Our poverty rate would be at least 50 percent higher than it is now if it weren't for these government benefits. So they are extremely effective.

And I also want to point out, and I will conclude with this point as well, that this is a bipartisan approach. Why? Because Republicans favor work requirements. Half the Democrats in-house when welfare reform passed also favored them because they voted for it and implemented work requirements. And Democrats like to make sure people are out of poverty. I think a lot of Republicans like that too, so it is supplemented with benefits.

Here is how it works. First of all, I want to call the subcommittee's attention that kids who are in female-headed families, as Brad will go into detail about, are five times or four times -- it varies from year to year -- as likely to be in poverty as kids in married couple families. We have experienced demographic for the last 40 years in the United States to increase poverty by putting more and more of our children in female-headed families where their poverty rates are four or five times as high. If we

could stop that, we would make a lot more progress. We have made some progress despite it, but it is a big problem. So that is the first thing. If you can get kids out of female-headed families, and Brad will talk about this more.

The second thing is the work part of the solution I am talking about. I think that this chart right here is one of the most surprising charts that we have had in public policy of the United States, having to do with social policy in the last 4 or 5 decades. The top line is all single parents. I want to focus your attention for a minute on the bottom line. These are never-married mothers. They are the most disadvantaged, the least educated, the least likely to work especially before welfare reform.

And I want to point out in the middle of the chart that huge increase. I don't think there is anything like that in the history of labor bureau statistics that shows this is roughly a 40-percent increase in work over a 4-year period by this most disadvantaged group of low-income mothers. So in that sense, welfare reform was successful. There is some problems. I will get to those in just a minute.

And now I want to show you the impact it had on poverty. This is really, I think, the bottom line. So first, this is life in the state of nature. No benefits. Only earnings. And as you can see, the poverty rate based only on earnings dropped very substantially there during the welfare reform period, started before, and we could talk about that if you want to.

And then I think primarily because the economy it increased, but I would urge you to look at the very last data point. We are still, we are still below where we were before welfare reform passed after the worst recession we have had since the Great Depression and also a recession in 2001.

So I think this is a remarkable achievement. But we also subsidize the mothers' earnings, and here is how we do it: First, we do it with -- I can't read the

chart, but the first set of benefits is cash, and that includes earned income tax credit, SSI, and so forth. And as you can see, the poverty rate falls very substantially. It still follows the course of the economy and the course of employment because they are tied together, but it drops it very substantially.

Now we give additional benefits, I think this is a food stamp benefit, and that also reduces the poverty rate. And then we add the earned income tax credit, the additional child tax credit and subtract taxes, so this is net of taxes. And the poverty rate still drops very substantially.

And finally, there is a kind of a category of benefits that especially have to do with people that the mothers live with who earn money or other members of the family that earn money.

And as you can see, we dropped the poverty rate by almost half here with this most disadvantaged group. And the most important point is, they have to work to get these benefits. They have to work to get them. So we have created a system in which to avoid poverty, you can't get out of poverty unless you work. On welfare benefits, hardly anybody gets out of poverty or their children. So to me that is a lesson. This system needs to be expanded and preserved.

But it has some flaws, and I want to just mention those in closing. I am going to mention three things just very quickly. The first one is that I think we ought to have work requirements in other programs. We are about to embark on a demonstration with the food stamp program that I think will be terrific. We have had a lot of problem trying to get people on food stamps to work. I think we can do a much better job and the states are going to help them and figure out how to do it. They are going to have random assignment evaluations, and I strongly suggest the committee follow this carefully because it is a very important step.

Second thing, we know that there is some disconnected mothers, a term that researchers and advocates have used. They are not on welfare, they don't have a job, and some of them are worse off. Most of them are worse off. That is a problem. There have been a couple of experiments to try to figure out what to do about it. Nothing has worked very well. So I think that is something the committee should tend to.

And finally, I think we can do a lot more with work programs. When this subcommittee and the full committee passed the ARRA back in 2009, it had money -- an emergency fund and states set up jobs and they supplied 260,000 jobs to low-income families. In the private sector and in the public sector. So, that is a very promising thing I strongly suggest you look into that.

The bottom line is we have made a lot of progress. But we can make more.

Chairman Boustany. Thank you.

Chairman Boustany. Mr. Winship, you are recognized.

**STATEMENT OF SCOTT WINSHIP, WALTER B. WRISTON FELLOW,  
MANHATTAN INSTITUTE**

Mr. Winship. Thank you.

Chairman Boustany, Ranking Member Doggett, members of the subcommittee, thank you for the opportunity to testify today.

How to address the challenges facing low-income individuals and families is one of the most important questions facing policymakers today. To me, personally, I think it is the most important question.

In my written testimony, I assess long- and short-term trends in the American

labor market over the past 25 years. I discuss trends in employment, unemployment, and labor force participation between the business cycle peaks of 1989 and 2007, to show that many of the challenges we face, not all, but many that we believe to be worsening are not.

I also describe what has happened since the onset of the Great Recession in order to examine the recent departure from these longer-term trends. My written testimony includes a series of 24 fun charts displaying the trends that I will thankfully just summarize here.

So, the highlights of my analyses are as follows: First, over the last 25 years, the enduring strength of the American economy, I think, shines through. In particular, there was no increase between 1989 and 2007 and the share of adults who are unemployed or in the share of workers who are working part time involuntarily. This is true for adults between the ages of 18 and 24, those 25 to 54, and those aged 55 to 64, for both men and for women. Nor has employment fallen among women aged 25 to 54 or among older men and women. These trends are shown in Figures 1A through 1F and 2A through 2F in my written testimony.

Second, the share of adults under age 25 who are employed has fallen over time. But the decline is primarily explained by increasing school enrollment, and it is entirely explained by an increase in the share of adults in that age group who tell Federal surveyors when asked that they do not want a job, and that is in Figures 1A and 1B and Figures 4A and 4B.

Third, the share of men between the ages of 25 and 54, prime-age workers, the share of those men who are employed has also fallen, again, driven by a fall in labor force participation. The drop in labor force participation is entirely explained, on the one hand, by increases in the share of men, who, again, say they do not want a job and

the share who report that they are disabled. These are shown in Figures 1C and 4C.

Now, the prevalence of self-reported disability and its rise over the past 45 years does not accord with trends in physical or mental health, which have not worsened over time. While much of the increase in disability is due to demographic change, policy changes that have made it easier to qualify for Federal disability benefits have increased the number of working-age men outside the labor force.

Fourth, as shown in Figures 3A through 3F, unemployment spells have grown longer even though the share of adults experiencing unemployment hasn't risen. Because relatively few people are employed, however, relatively few, and many of them are out of work for less than 3 months, the risk of experiencing long-term unemployment remains very small. So if you take the most disadvantaged group you see in the day, the young black men, they experienced a 16-point increase between 1989 and 2007 in the share of unemployed who have been out of work for more than 26 weeks. But the increase in the share of young black men in the labor force, jobless or not, who are unemployed that long, was only from 1 to 4 percent.

Okay. Fifth, the Great Recession worsened most indicators of labor market strengths for sure. Employment fell significantly, has recovered only among older adults. Unemployment remains higher than in 2007, and labor force participation remains lower among adults under the age of 55.

Involuntary part-time work has increased as a share of all part-time work. Full-time work has declined as a share of employment among younger workers and among men aged 25 to 54. And the long-term unemployed grew as a fraction of the jobless, and the share of adults outside the labor force who said that they wanted to work, has risen.

The worst is behind us, however, as nearly all of these indicators began

improving between 2009 and 2011. The exception is the labor force nonparticipation among men and women, aged 25 to 54, which peaked in 2013 among women and probably in 2014 among men.

Turning quickly to policy solutions, I think efforts to revive business creation would ensure the replenishment of new firms who account for an outsize share of new jobs. And they might therefore lower the duration of jobless spells that we see.

Experimentation through State and local pilot programs would allow for the testing and evaluation of safety net reforms to promote work and to support low-income families. And reforms to Federal disability programs could benefit those with marginal ailments, real ailments but marginal ones, who in past years, who would not have dropped out of the labor force. While at the same time helping those with serious impairments who want to work, become better integrated into the workforce.

In conclusion, I want to reiterate that we do face economic challenges as a Nation. Low-income individuals and families face more challenges than other Americans. Too many are hard pressed to make ends meet while their children enjoy too little upward mobility.

But I think it is important to keep in mind that the ability of the U.S. economy to provide work for those who seek it has not diminished. I think, above all, we need to remember that.

Thank you.

Chairman Boustany. Thank you.

Mr. Wilcox, you are recognized.

**STATEMENT OF W. BRADFORD WILCOX, VISITING SCHOLAR,**



## AMERICAN ENTERPRISE INSTITUTE

Mr. Wilcox, Chairman Boustany, Ranking Member Doggett, and other distinguished members of the subcommittee, thank you for inviting me to participate today.

In thinking about today's topic, the challenges facing lower-income families in our economy, let me be clear, I think economic factors, such as declines in the wages of less-educated men, and social factors, for instance residential segregation, inhibit economic mobility, contribute to poverty and make family life more challenging for lower-income Americans.

But the research also indicates the Nation's retreat from marriage is inhibiting economic mobility, making poverty more common, and driving up inequality. Where we are now we are witnessing a growing marriage divide. Where well-educated and affluent Americans enjoy comparatively stable, high-quality marriages, and lower-income Americans are less likely to benefit from the social and economic advantages associated with growing up within or being a member of a stable, married family.

Today I am going to make three basic points about this retreat from marriage. First, I think we need to understand the demographic trends in play. And, in Figures 1 through 3 in my testimony, I outline these basic trends. In Figure 1, for instance, I show that marriage is in retreat across the board, but still today a majority of college-educated Americans in midlife are in their first marriage. By contrast, less than a majority of less-educated Americans are in a first marriage in midlife today in the U.S.

The trends in Figure 2 in nonmarital childbearing are even more dramatic.

The figure shows, for instance, that less than one in ten college-educated moms are having their kids outside of marriage, or about one in two moms who don't have a college degree are having their kids outside of marriage. So clearly, there is a big class divide in nonmarital child bearing.

And then the third figure shows, I think most importantly, that family and stability is on the rise among less-educated Americans but remains comparatively not a problem for college-educated households. So kids who are being raised in lower-income households are experiencing more family instability and more single parenthood. That is not true for college-educated Americans.

The second question or point that I want to dwell on is, why does it matter that marriage is in retreat in this country? Well, it matters because it undercuts the American dream, it fuels poverty, and it drives up economic inequality. For kids, for children, we know that they are less likely to acquire the human capital they need to thrive in today's labor market. They are less likely to avoid major detours in young adulthood, things like a teen pregnancy or incarceration if they grow up outside an intact married family; and Figure 4 makes this point, I think, very clearly.

And yet at the community level, we have seen from Harvard economist Raj Chetty that when it comes to poor kids' mobility, quote, "The strongest and most robust predictor of mobility is the fraction of children from single parents," unquote, in a community. So there is clearly a link between mobility for our Nation's kids and being raised in a family in a community where the two-parent family is strong.

And then for adults, my own research with Robert Lerman man at the Urban Institute indicates that men tend to work harder, they work smarter, and they make more money if they are married compared to their single peers. They make about \$16,000 more compared to their similarly-credentialed peers if they are married. And

this benefits both themselves, of course, and a family of which they are a part of. So all this is one reason why poverty is markedly lower among both married Americans and their families.

Now, in my testimony I talk about why marriage is in retreat, and I talk about both economic factors, which progressives tend to stress, which I think are accurate, as well as cultural and policy factors, which I think conservatives tend to stress and are actually also accurate to an important extent.

But given all this, what can we do to renew marriage and bridge America's growing family divide? Three brief comments on this.

First, I think public policy should do no harm when it comes to marriage. And in my prepared testimony I detail some ways in which policymakers can eliminate or reduce marriage penalties in many of our means-tested policies.

Secondly, I think public policy should explore ways to strengthen the economic foundations of middle- and lower-income family life in three ways: One, by increasing the child tax credit; two, by expanding the EITC for single adults; and three, by expanding and improving vocational education and apprenticeship programs, all of which would make men, especially lower-income men, more marriageable.

Then thirdly, I think that Federal and State governments operating in partnership with the private sector should support a public campaign around what Ron Haskins and Belle Sawhill call the success sequence where we encourage young adults to sequence schooling, work, marriage, and parenthood in that order. And a campaign like this could be modeled upon the success of the national campaign, the success they have achieved on teen pregnancy.

Now, I recognize that some of the policies that I have proposed today, such as the EITC expansion, are not yet proven. Given that, it would be wise to roll them out

in an experimental fashion as we are seeing right now in New York City.

But we need to continue to experiment with a range of policy efforts like these if we seek to bridge the growing marriage divide in American life.

Thank you.

Chairman Boustany. Thank you.

Chairman Boustany. Ms. Deviney, you may proceed.

### **STATEMENT OF FRANCES DEVINEY, ASSOCIATE DIRECTOR, CENTER FOR PUBLIC POLICY PRIORITIES**

Ms. Deviney. Thank you, Chairman Boustany, Ranking Member Doggett, and the members of the subcommittee.

I appreciate the opportunity to join this distinguished panel and testify about the challenges facing low-income families in today's economy.

And as an associate director at the Center for Public Policy Priorities, I track the wellbeing of Texas children and families. And I would like to focus on three points in my testimony today.

First, to move America forward, we have to focus on what is best for kids, which means we have to focus on what is best for families as well.

Second, to significantly reduce poverty, you must have strong job creation and a well-functioning safety net to be able to stabilize families.

And third, we must look locally for innovative new strategies and then invest in them to take them to scale.

So first, I would like to say that, you know, Texas is a bellwether for the U.S. regarding these issues. Now, it is not just because Texans say that we are the most

important State in Texas, I know we are not, regardless of what people tell you, but it is just a basic numbers game.

Today, one of every 11 U.S. kids lives in Texas. So in other words, if we can move the poverty needle for kids in Texas, we can move the needle for kids across the country.

So, we can all agree that the best way to end child poverty is to make sure parents have a good job. And in Texas, it would seem that we have the perfect formula for that. We are the leader in job creation among states, and we have one of the lowest unemployment rates in the country.

Unfortunately, working hard is not always enough to get by. Even with strong job creation and a low unemployment rate, child poverty, as we have said already today, is higher today than before the recession, and one of every four Texas kids lives below the poverty line.

Why would that be? Well, there is a lot of reasons, but one of them is good-wage, mid-wage jobs disappeared during the recession, and during the recovery they were filled in by low-wage jobs. In fact, Texas relies on a larger percentage of low-wage jobs for our economy than most other states. And consequently, a big percentage of our working families live below the poverty line.

So how do low-income workers get into good jobs? Well, ironically, it is not just about creating more good jobs. Texas's data shows that. To get out of poverty, people need the stability that is provided by what we call the safety net to be able to train for and get those better jobs. Struggling to feed your family or find child care can become insurmountable barriers to improving your financial situation.

Now, in Texas, during the recession, unemployment insurance was the only lifeline for more than 713,000 Texans who lost work through no fault of their own.

And the Supplemental Nutrition Assistance Program made sure that 3 million Texas families didn't go hungry when times were toughest over several years. In the earned income tax credit, one of the country's most successful antipoverty programs pulled over 760,000 Texans, over half of whom were kids, out of poverty in the years following the recession.

Unfortunately, one key safety net program, TANF, falls short on this level of success. After years of disinvestment, TANF, the preliminary program for helping people in poverty get back on their feet and find work only reaches 5 percent of all Texans in poverty.

Today, Texas spends less than a quarter of our TANF block grant on basic cash assistance, work-related activities, and child care combined. The other 3 quarters basically go to fill holes in our State budgets and allow the State budget writers to invest less overall in our antipoverty efforts.

But the TANF story can have a silver lining. There are proposals to allow states to use TANF dollars for more sectoral job training, and Texas has many strong innovative strategies that could be scaled up to the State level. As Congressman Doggett already mentioned, we have the Project QUEST in San Antonio, and we have a similar program called Capital Idea in Austin. They have had great success with both sectoral training and additional educational opportunities and connecting committed-yet-underemployed adults to higher education into those employers who were in need of those highly-skilled workers.

But of course, there is limitations to the successes that a local innovation can achieve on its own. Obviously, home-grown solutions are excellent at matching select community needs and thinking outside the box. But to have a significant impact on poverty, only significant investment at the State or Federal level can create the

infrastructure to take small successes to scale.

So how do we move America forward? As you continue these important hearings, I encourage you to ask yourself, what is best for kids. If a parental job is the best antidote to child poverty, ask yourself, what do families have to have in place to make sure they can get and keep a job?

How do we create an environment that gives everyone the chance to compete and succeed? From that perspective, the safety net clearly serves as a foundational step to strengthening American families so that they can move out of poverty and stay there.

Thank you.

Chairman Boustany. Thank you very much for your testimony.

Chairman Boustany. The buzzing you heard earlier were votes that are called. We have about, what, 5 or 6 minutes left, I believe, so I think what we will do now is the committee will stand recessed. We will vote. We have three votes, and we will return promptly and resume with questioning of the witnesses.

And with that, this committee stands recessed.

[Recess.]

Chairman Boustany. Given that we have already heard your oral testimony, we will begin with questioning. And I will start off.

One of the main responsibilities of our subcommittee is to look at strategies to reduce poverty. And, of course, when we talk about poverty here in Washington, you know, we talk about numbers and all the information you provided is very, very compelling. But my hope is that we can eventually get to a point where we are getting beyond some of that and look at what kind of policies do we need to develop to help people escape from the poverty trap, to escape from, you know, the assistance

programs and move up the ladder of opportunity?

And I know, Mr. Haskins, I am certainly aware of the decades you have spent studying and working with your time on the committee. Take a step back and give us a little indication of what someone, you know, what happens, what does it look like when somebody actually does make that transition out of poverty and off these assistance programs.

We need to understand what is working, you know, whether it is anecdotal or -- systemically what works and what doesn't. And I know there are all kinds of other factors, whether it is substance abuse, addictions, things of that nature too. But I want to, I guess, try to personalize this a little bit and give us some ideas on how we -- what we need to look at to try to create that opportunity ladder. Because we have so much untapped potential in this country that is languishing and it becomes generational.

So with that, I would just open that up for comment.

Mr. Haskins. First of all, I think it is very important to realize that we have millions of low-income mothers and fathers and people of that age, early 20s and so forth. Our goal should be to get them to work, not necessarily to escape the programs. Because, as I showed, the programs are what really takes them and their children out of poverty. So it is going to be very difficult.

And the reason is simple, it is because at the same time that education has stagnated among low-income families, the demands of the American economy have increased very substantially. There is a wonderful book about this by Katz and Goldin at Harvard about the race between education and technology. And I doubt anybody on this panel disagrees, so I don't think you can find anybody that disagrees, that to make \$50, \$60, \$70,000, let alone over \$100,000 now, you have to have skills



and education.

The one intermediate position that I think might be hopeful and that the committee could look at more carefully is certificates and other signs of skills, like welding and carpentry and so forth, and especially apprenticeships. Because then people -- employers like that because they can pay a reduced wage for 2 years or however long it takes for the person to get enough skills to be certified in whatever the area is.

So I can tell you when we first passed welfare reform in 1996, a lot of people thought, both Republicans and Democrats, that once these mothers got in the workforce, they were going to start out making \$8- or \$9- or \$10,000 a year. But come back 5 years later, to making 15 or 20. It did not happen very often. And it didn't happen, I think, because they just did not get the skills and education they would need to move up. It wasn't just a matter of experience in a, you know, in a service-sector job. They needed skills and education.

To me, that is the big issue. The committee can figure out ways to help low-income mothers that are rearing kids and working at the same time with very few benefits and so forth. If you can figure out how to help them get education of the kind that will actually help them, I think the community colleges have to be involved, that will be a big success.

Ms. Deviney. May I add a comment to that, Chairman Boustany?

Chairman Boustany. Sure. Sure.

Ms. Deviney. One of the research projects that we have done at the Center for Public Policy Priorities is to look at how much it actually costs for families to be able to make ends meet in each of our big metro areas in Texas. And to confirm the point that Dr. Haskins just made, what it would take for families to be able to make ends

meet, cover basic rent based on Section 8 housing, to cover low-cost food, buying food in bulk, and never eating out, never eating much meat, not saving for, having any kind of emergency savings, not buying Christmas or birthday gifts, it would cost a two-parent, two-child family about \$11 an hour each that they would have to make in Harlingen, which is our least expensive city in the State, and up to about \$17 an hour per worker in the family for both two-parent families to be able to make ends meet.

So our choices are this: Do we then expect businesses to pay all of their workers \$17 an hour? Which, of course, we are going to say no, that is not, you know, practical or possible for any small business to try to meet. So then what do we have to do to be able to fill that gap for families so that they don't fall through the cracks? And I just wanted to kind of reinforce what Dr. Haskins had to say, that you know, it does require some additional supports to be able to subsidize work and help the families make ends meet.

Chairman Boustany. Thank you.

Either of you want to opine on that?

Mr. Wilcox. Just to sort of build on the apprenticeship and vocational front, we have, I think, to be aware of the fact that, sort of, college is not the only route for success in America today. And there has been good evidence from Bob Lehrman at the Urban Institute on apprenticeships. And also in terms of vocational education, career academies, and our high schools across the country have been serving younger adults, particularly younger men, get the skills they need to flourish in today's labor markets and also have higher marriage rates down the road as well. So thinking about education in a variety of ways and in diverse ways, including, kind of, vocational education, apprenticeship, well you know, models as part of our thinking would be important.

Chairman Boustany. Thank you.

Mr. Winship. I would endorse just about everything that the other three of my panelists have said. Just add two other ideas, I think if we are looking at higher ed reform, I think income share agreements, which Brad's colleague, Andrew Kelly, at AEI has talked about this, the idea that you remove a small number of regulatory barriers and you could actually create a market for investors to finance higher ed for kids, which sort of the immediate benefit is you are helping kids pay for college. But I think in the long run, the more important benefit is it injects some competition and some accountability for higher ed institutions.

If you are doing a terrible job getting your kids out and well educated and prepared for work, investors are going to offer pretty lousy returns to the kids who are attending your school. That forces you as an institution to think harder about what you are doing.

I also think if that we are talking about opportunity, you know, a lot of these gaps in terms of test scores and things like that are there at age 5. And so I really do think it is important to try to look at the early years. We don't have great evidence at all on models like Head Start, for instance. I would argue that the evidence there is pretty discouraging. There is a lot of talk about pre-K. I think the evidence on pre-K is pretty ambiguous.

I am not here to say that we have got a ton of evidence of a model that works. But we could promote a program that essentially would give poor families a voucher to use in whatever way they think makes sense. Russ Whitehurst, who was a former colleague of mine when I was at Brookings, has proposed something he calls early learning family grants. And essentially it would voucherize our Federal early education policy. And by evaluating different approaches, hopefully find models that

work better than others.

Chairman Boustany. Well thank you.

Just to conclude my time on this, all very good ideas. And going back to the formula, Dr. Haskins, that you put up there, I think your first slide, low-wage job plus the supports, we need to also look at the educational component that moves them on.

But, Mr. Winship, you said something that caught my ear and that is metrics. Understanding -- we have got all these support programs. Which ones are really working and which ones aren't? What can be done differently? And I think that is going to be a major task in this subcommittee going forward.

So thank you all.

Mr. Doggett.

Mr. Doggett. Thank you, Mr. Chairman.

I appreciate the testimony of each of our witnesses.

Dr. Haskins, I think you referenced this in your original testimony but you think it is important that we extend the Family Home Visiting Program, Family Nurse Partnership, those types of programs that are about to expire this March?

Mr. Haskins. Right. And for several reasons.

First, if the case of early education, Scott mentioned Head Start, for example I think the evidence that some of the home visiting model programs are successful is very, very strong. I am thinking especially of the Nurse Family Partnership program. So to defund those I think moves us in the opposite direction. It is not just that kids are behind at 5, they are behind at 3. So the earlier, the better and that is where home visiting is so important.

The second thing is a very nice aspect of home visiting is it assumes a mother's competence. And it helps a mother become more competent and presumably with her

other kids as well. And it isn't just about direct interaction with the kid, it is about the rest of her life, about smoking, breastfeeding, drinking, and so forth. So I think that is a really important thing.

The third thing is, that I hope I am going to be able to study, in fact, I have an appointment to talk to people in Texas because Texas has I believe more programs than any State in the country, and that is the organization at the State level. That is something we often ignore in Washington. But the state-level organization of home visiting programs, the States had to do, had to do a problem analysis, have a written plan, focus the resources on the communities that are most disadvantaged. We are right in the middle of this. We are having a lot of real high-quality evaluation. Everybody talks about accountability. Well, we have more accountability in this program than any program I am aware of. Plus we have a spectacular national evaluation going on that is being done by MDRC in New York City. We are going to learn a ton from that.

So to me, if we stopped home visiting at all these various levels, it would be really a shame.

Mr. Doggett. I really appreciate your testimony. Because, as you know, we don't have a funding source identified at this point. Next month the program expires. And I think it is really important to renew it. It is not a panacea. But it helps parents be what they really want to be. And, as you mentioned, it has benefits for the parent and their attitudes about work and participation.

Similarly, I believe your testimony indicates that it is important on the earned income tax credit to increase it for childless adults to better incentivize work and reduce poverty.

Mr. Haskins. Yes. Chairman Ryan has proposed that. And the President has

proposed it. And the proposals by the President and Chairman Ryan are really similar in many respects. So I think it is a question of figuring out a way to finance it. And I think there would be a big bipartisan vote to do it.

And it is really crucial because we have not had any success with young males, especially young black males. And if you could lure them into the labor force by increasing the amount of money that they will earn, because they are in the same situation as mothers, they are not going to earn much money, that would be a big step in the right direction.

Mr. Doggett. And you support the more generous child tax credit provisions that will expire in 2017 if we don't --

Mr. Haskins. For the additional child tax credit, yes, absolutely.

Mr. Doggett. And, Dr. Deviney, if I might redirect you to home for me in Texas -- and since Chairman Ryan was mentioned, there is a belief in some quarters that if we will just package up everything from Pell Grants to school lunches, as the House Study Group suggested a few years back, and put it all in one big package and just with a bow give it to the States, that they will figure out what the best way is to spend it and everybody will be happier. What has been the experience in Texas with doing that on TANF?

Ms. Deviney. Well, that is a really good question. And Texas actually has a lot of things that we can teach both other States and the Federal level about those block grant programs.

Now, one of the best things I can say about Texas is that we spend our dollars really wisely. Whether it be a big pot or a small pot, we spend them in the right ways. The problem is with our TANF block grant in particular is that we are only dedicating a quarter of the money that we get to the original intention of the program in the first

place.

Now, the other three-quarters of the dollars we are spending, we are spending on goods things. I mean it is not like we are buying flowers and candy for everyone at the Capitol or anything. We are actually spending it on child welfare programs. And we are --

Mr. Doggett. In some cases, child welfare programs that the State was doing before it used this money --

Ms. Deviney. And that is the key point. So when you start using those dollars for other programs that the State has a mandate --

Mr. Doggett. And no maintenance of effort.

Ms. Deviney. There is no maintenance of effort. And they are using it to fill, particularly during the recession when we had a decline in our state budget, we used those moneys to fill holes where the State had a responsibility to actually cover the basic services. And then we are relieved of that responsibility, so funding for anti-poverty programs goes down overall.

So that is a really big concern we have about block-granting programs. It is not that States are necessarily going to do bad things with the dollars. But you have lower investment overall in anti-poverty programs.

Mr. Doggett. Thank you all.

Chairman Boustany. The gentleman, Mr. Young.

Mr. Young. I thank the chairman for convening this hearing and the ranking member for his constructive participation.

Really, it is an honor to be a member of this subcommittee and to have all of you here before us today.

I see this area, poverty alleviation, addressing the needs and even aspirations

of low-income individuals and families, is an area ripe for not just review and rigorous evaluation but innovation and restructuring here at the Federal level. The timing is right. There is a lot of public attention on this area. I think there is plenty of bipartisan agreement.

I have to say I was really encouraged about the things I heard from our ranking member, a focus on prevention, on skills, on eliminating barriers to work, on ensuring we have a reliable safety net, on focusing not just on inputs or on specific programs and their authorization or so forth, but also on outcomes, more importantly on outcomes.

And so my temptation is to skip to the subject of evaluation and try and elicit from all of you how we can ensure that more programs are rigorously evaluated, to get your thoughts on how many have been rigorously evaluated and what we have learned. I think I know the answers to many of those questions. But I understand there will be further hearings that will be in a more targeted fashion focused on just those items.

Since this is sort of a hearing to establish a baseline about the challenges facing our low-income population, I would like to ask a broader question of our panel and that is if one grows up poor, what impact does that have in today's United States of America, on that child's, that adolescent's future prospects? The American dream has long been associated, it is a vague concept but I know it includes certain elements and these are pretty much commonly held, I think, among all Americans. It entails defining one's own destiny. It means harnessing one's own God-given capabilities and making the most of those capabilities. And it also entails becoming happier, at least pursuing happiness through earning your success.

But there is at least a sense in the country and maybe it has been documented,



maybe it is more than a sense, I think it is, that if one grows up in the humblest of circumstances, it is harder to move up the income ladder than if one grows up in a securely middle-class atmosphere or so forth.

And so if you could speak to some of the data on this subject, mobility and how it drives -- or lack thereof and how it might drive inequality and how that has changed over time, and the extent to which existing social programs here at the Federal level have helped mitigate some of the challenges of moving up the income strata, and how much further work we have to do? It is a big question.

Mr. Haskins. Let me say something quickly about the data.

First of all, there is no question that if you are born into poverty, that you face serious disadvantages. And it has shown up generation after generation. I will just give you one number, if you divide the income distribution into 5ths and compare kids whose parents were in the bottom 5th, so it would be 20 percent needs distribution if we have perfect equality. There is more like 45 percent of the kids from the bottom, lined up in the bottom. And even more alarming, they have about a 5 percent chance of making it to the top. So we do not have equal opportunity in the United States.

The second point, though, there are 60 percent of kids that escape. And if you focus on that, you say well, some kids can do it. Some of them even make it all the way to the top, not enough, but these kids are doing something right.

So I think a main point is we tend to, especially when you read about this in the media, they say oh, war these kids, they don't have a chance. They do have a chance. But it is less of a chance than their peers that are from wealthier families. Now, we are not going to be able to change the income of all those families.

Mr. Young. Has it become harder in recent years for --

Mr. Haskins. No. That was going to be my next point.

Mr. Young. Okay. All right.

Mr. Haskins. I think it is amazing, Scott and I used to write stuff and argue all the time, it hasn't changed. And then a guy at Harvard named Chetty did a new study based on tax data and showed it hasn't changed in three generations or four generations. So I think there is a --

Mr. Young. Okay, time is limited. So it hasn't become harder in your opinion. But can we do better? I think I will see affirmative nods from everyone there.

All right. Thank you.

I yield back.

Chairman Boustany. I thank the gentleman.

We will go to Mr. Holding next.

Mr. Holding. Thank you, Mr. Chairman.

You know, the statistics and research around family structure and how it affects poverty and the economy, you know, are just mind numbing. It is stark. But, you know, they were stark when Daniel Patrick Moynihan first came out with his study, as you know, showing that correlation.

What do you think the underpinning of the decline of the family is? Is it poverty came before it declines the family, so you result in more poverty? Or is there a different underpinning? And you can take it back in time to when we first started looking at this in the 1960s?

Mr. Winship, we will start with you.

Mr. Winship. Well, Brad is certainly the expert on this. So I won't say very much. You know, I do think the argument that it is primarily economics really has to contend with the fact that, you know, our family structure problems have sort of arisen since the 1960s.

And even in the 1960s, we were a much richer society than certainly in the 19th century or any other earlier time in the 20th century when we didn't have nearly as much single parenthood as we do now. So I do think at root the problems are around changes in the culture in the United States and in the policy incentives that are embedded in some of our programs but --

Mr.  Holding. Mr. Wilcox, do you want to expand on that a little bit?

Mr.  Wilcox. Yeah, I guess I would disagree a little bit with Dr. Winship in terms of the economic story. And that is simply that we are seeing declines in real wages for less educated men and, probably more importantly, less of them are in the workforce for a variety of reasons. So there is an economics, you know, piece to this.

And it is no accident, of course, to, as I said in my testimony, there is a marriage divide in America now where those who are educated and affluent are doing pretty well. And those who are less educated and lower income are doing a lot worse. So that is part of the story. And shifts in men's place in the labor force, I think, since the 1970s helps to account for this growing marriage divide in America.

But I think it is also the case that cultural changes, changing, you know, of views about the importance of marriage for having kids, about divorce, about fulfillment, you know -- are part of the story. I think changes in our civic sort of sector, we are seeing much greater declines both in secular and religious engagement among less-educated Americans compared to college-educated Americans. That is part of the story. If you are not connected to these civic institutions, you have less support for getting and staying married.

And then I think public policy too since the 1960s has often unintentionally penalized marriage. I have, you know, some quotes in my testimony that reflect basically that a lot of our means-tested policies, you know, make it sort of --

Mr.  Holding. Maybe we can tease that out with some examples. I mean, the research says that if a child is going to have a better chance of breaking that cycle of poverty, they come out of a two-parent household. So, you know, looking at some social policies now, you know, point out how support would differ between a two-parent family and for a single-parent family and to the degree that maybe it encourages a single-parent family rather than a two-parent family?

Mr.  Wilcox. So the EITC is complicated because, you know, when you have one member of a couple who is earning a lot more, there is actually, you know, some incentives to get married. But when you have both members of the couple who are earning, you know, comparable wages, they can incur some substantial penalties.

But then more generally, many of our means-tested policies, like, for instance, Medicaid, you know, penalize folks who get married, you know, because obviously they are getting more income into the household. So there is an incentive for them just to cohabit or not get together if they are concerned about continuing to get access to Medicaid.

So that would be one concrete example where I think many of our means-tested policies unintentionally make it economically non-rational, you know, for folks who are living together to go ahead and get married.

Mr.  Holding. So really some of the safety net, you know, that we have in place discourages a married, two-parent family is in sum what you are saying?

Mr.  Wilcox. In simple economic terms, that is true. What we don't know is sort of what percentage of the low-income population is sort of making decisions about marriage based upon, you know, means-tested policies. And that is something we need to know but we don't yet know the answer as to what share of our population is really making decisions about marriage and family life based upon how it would

affect their access to something like Medicaid.

Mr.  Holding. All right. Ms. Deviney, do you want to use a few of my last seconds there to --

Ms.  Deviney. Thank you very much. I appreciate that.

Yes. The one thing that I wanted to add in was that in Texas, because of the way we use our TANF Program and the amount of dollars that we dedicate toward cash assistance as one example of the means-tested programs, the average is about \$74 per person and it is primarily child focused. And so I would argue that that amount of money per month is not encouraging women to stay single, that the benefits of having a two-income family would be much greater than the additional resources that they get from the \$74 a month.

Mr.  Holding. All right.

Thank you, Mr. Chairman.

Ms.  Deviney. Thank you.

Chairman  Boustany. Thank you.

Mr. Davis.

Mr.  Davis. Thank you, Mr. Chairman.

I want to thank you and the ranking member for calling this hearing, especially this subject. It happens to be one that I have been familiar with all of my life.

Practically everybody that I grew up with would have been called in poverty if we based it on the income of their families. Many of the people that I have known my entire life would have been impoverished based upon their incomes. And yet many of these people have overcome whatever it was that they initially were, in whatever ways that they came.

Education and work opportunities we have mentioned a great deal. We also

have learned and we know that much poverty can be found in single-parent families that are often headed by females. And that is because children oftentimes more often are with their mothers.

I was intrigued, Mr. Winship, as you were talking about individuals who indicated that they did not necessarily want to work. I happen to believe that work is an absolute virtue. And that those individuals who are cut off from the world of work are missing an integral part of life, the fulfillment of having a job, going to work, earning money.

Dr. Haskins, as you talked about people moving into the workforce and I am thinking that in the city where I live, especially in the building trades and places where there are apprenticeship opportunities, individuals are denied, barred from and locked out of that.

I appreciate all of the programs that we talk about. And especially was I delighted, you know, to hear about home visiting. I have been engaged with it, I guess, for at least 40 years or more, from the time that I worked in community health centers and we were taking health workers out, knocking on people's doors, telling them about what was available. And so it helps.

Could each one of you just take a little shot at how do we increase two-parent families? I mean what, what do we do? What can we do to increase two-parent families.

Mr. Haskins. Here is one idea that has a lot of data behind it, the longer a woman waits, the more goods and income that she accumulates. And as she gets older, the males that she is likely to marry get older as well. And they also are more likely to work. And it helps a lot if she has not had a previous child, especially outside marriage.

When you interview these mothers, they say they don't want to have children. And yet they get pregnant. So I think if we had more effective policies to offer birth control to mothers, that that would be a step in the right direction. That is not going to be the whole solution. But that is a step in the right direction. Because they will get older without having children. They can continue their education or get experience in the labor market, have more time and more maturity to pick out a better male because they say they want to get married.

So I think that would be one thing, we should have free, long-acting, reversible forms of conception available to low-income women.

Mr. Winship. So I sort of look at the earned income tax credit as a big policy success. You know, for a long time, I think we tried to sort of convince people through moralizing that they ought to work more, that work was good for them. But I think it was really the earned income tax credit that convinced a lot of people to do it. It was a real financial incentive.

I think we ought to consider a kind of married parent tax credit that says to heck with trying to convince people to get married or stay married and sort of moralize it, give them financial incentives to do it. So, that is what I am sort of thinking about.

Mr. Wilcox. I think continuing to try to subsidize lower-income work, trying to minimize marriage penalties and means-tested policies and also trying to figure out some kind of cultural campaign like we had with teen pregnancy that would encourage Americans to put marriage prior to parenthood would also be helpful. Just three ideas.

Ms. Deviney. I actually don't disagree with anything that my other panelists have said so far. But I would say, I would reiterate the issue around birth control.

Because in Texas, we have actually had an active attack on women's health. And we have defunded women's health extensively. It is not just about some of the more controversial issues but it is also about access to birth control and family planning that would actually help women to delay childbirth and engage in expanding their education and moving ahead.

The other thing I would put forward is, in addition to the ideas that have been put out here today, is that using financial planning, which in Texas we have added to our curriculum a basic financial planning as part of the public education curriculum, where kids actually learn about what does it actually take to be able to make ends meet, how much money, what kind of job does it take, what kind of education do you have to get to get that kind of job to actually help you be able to make ends meet.

And it is a real, you know, shock to the system to actually really look at those dollars and think like okay, if I am going to make this work in my life, what do I actually need to do? And you get it early and it helps you be able to set some goals and to plan. Now, is that going to prevent any kind of single parenting? You know, not on the grand scale. But it definitely puts people on a right path in thinking about what are the steps that it takes to be able to be financially secure as an adult.

Mr. Davis. Thank you very much.

Chairman Boustany. I thank the gentlemen.

Mr. Smith.

Mr. Smith. Thank you, Mr. Chairman.

The USDA Economic Research Service defines counties as being persistently poor. And their definition there isn't a result of counties that for 30 years, that more than 20 -- 20 percent or more of their population is considered poverty. And what I found quite alarming, of the 353 persistently poor counties, 85.3 percent are from



rural America, not urban areas.

In fact, 13 of my 30 counties are classified out of those 353 as persistently poor. And we have had record levels of spending on anti-poverty benefits over the years. And I feel like that rural counties are being left behind. And I would like for all of you, or whoever might want to respond, but I would like each one of you to address the rural-urban divide when you are looking at poverty and maybe any ideas or strategies that you think that might be addressed that could help rural America.

Mr. Haskins. There is likely to be a lot of silence. I have looked into this a little bit. And it is very difficult to find any programs that have been well evaluated that are able to solve the problems of rural America. I think the Congress makes a legitimate effort to try to make sure that the Federal resources are distributed fairly. Maybe they fail in some cases. But at least there is some equality there in investing resources. But it hasn't resulted in kids being smarter and getting better jobs, more innovation, more job creation and so forth.

So I think if you look at the numbers, it is a distressing picture. Because in addition to what you just described, there has actually been an exit in the last 3 or 4 years from non-urban counties. And there is more inequality, higher levels of poverty. So there is a whole range of problems. And I don't think it has been a focused area of the media, of the scholarly world, of advocates.

I am not sure we can do anything. We can't point to something and say oh, it shows, like we can with home visits, oh, this works great. We don't have things like that that I am aware.

Mr. Winship. I grew up in a working class community in Maine. It wasn't poor but it certainly wasn't middle class. And I think about kind of where some of my classmates have ended up. And it is interesting, I think there is this tension that you

also see when you think about inner city poverty. On the one hand, you can try to invest a lot in the community and convince people to stay and improve people where they are.

An alternative strategy, I think, is to encourage more residential mobility. And, of course, it doesn't help if you sort of want to preserve a robust community. But I think we underestimate the extent to which people better themselves by moving to opportunity. And so I am not quite sure this is the answer that you are looking for. But I do think we have seen residential mobility decline over the last couple of decades. And I think if there are ways through the Unemployment Insurance Program or otherwise, to be able to help people if they want to move to places that are booming.

If we could get a bunch of people to move to North Dakota or South Dakota these days, a lot of folks would be quite a bit better off, shifting people to where the opportunity is.

Mr. Wilcox. And I think one thing that is important to realize too is, you know, for a long time, there was concern about sort of family live in inner-city America. But we now see that the trends I have been talking about today are distributed pretty evenly. So this retreat from marriage that I have been talking about today is very much a rural thing as well.

So part of the problem facing many rural communities is that there are many more young adults who are cohabiting, having kids outside of marriage, experiencing family instability and single parenthood. And that affects both, you know, their odds of making it in America but also their kids' odds in making it in America as well.

Ms. Deviney. I am not going to pretend that I have a really good solid answer for you. But I can say this: What we are talking about there is resources. Because so

much has been dedicated to what happens in urban communities in terms of our anti-poverty programs is because the resource is there to already there to build on, the infrastructure. So something that comes to mind for me is our combed sending program in Texas where we actually recognize when people are coming from poverty and be able to support schools with some extra funding to be able to help close that gap in terms of the needs of children in poverty.

What I wonder is because we are talking about a gap in terms of resources for rural communities is if there would be an opportunity to be able to dedicate specifically job creation funding or other technology funding to rural communities as a way to balance out the gap between the infrastructure that already exists in urban communities and what exists in rural commutes.

Mr. Smith. Thank you, Mr. Chairman.

Chairman Boustany. Thank you.

Mr. Meehan.

Mr. Meehan. Thank you each for all of your work in this area. I mean it is so critical and so vital and important to actually be looking at what is effective and the most and best use of the resources that can be put into this. But I am still -- I am struck because we can look at this at various points along the spectrum and each of them is influential.

But I go back, let me start at the very beginning because I am getting a little ambiguity in your testimony. There was discussion about the effectiveness of Nurse Family Partnership and how there can be a real impact. And then we talked about pre-kindergarten education. And I think your testimony was that well, it is sort of not certain. What do we know? You are confident in an early program. We are still waiting to see. And I have had educators say to me oh, invest in pre-K. But is that

effective? I mean, how do we know where the more effective ways are to make a difference?

Mr. Winship. Yeah again, I am going to largely defer to my colleague because Ron just wrote a book about evaluation. I think the difference between Nurse Family Partnership and pre-K is that the, I would say the evidence on Nurse Family Partnership and home visiting is less ambiguous than the pre-K, Head Start research.

You can find studies that are supportive of pre-K and even Head Start. You can find a lot of studies, including federally sponsored ones, that show that there is not a lot of reason to bank on it.

Home visiting, the evidence has been more positive I think. I am actually a little bit more skeptical of it than Ron is. But I think the way that we are approaching it is exactly the right one where we are putting relatively small amounts of money into it. We are evaluating it.

Mr. Meehan. Is it because the spectrum of issues that can be resolved by somebody coming in in a Nurse Family Partnership may touch with health care, it may touch with getting somebody in a family counseling for abuse or something like that? I mean is that -- are those things because of the broader issues you are dealing with, you are having more of an impact?

Mr. Winship. I think it is possible -- certainly home visiting is less ambitious in terms of what it is trying to impart to people. You are trying to teach fairly basic kind of parenting and healthcare skills to parents, as opposed to, you know, Head Start, setting up a big institutional center and curricula. In some ways, it is more ambitious. That could have something to do with it but --

Mr. Meehan. Mr. Haskins, did you have --

Mr. Haskins. I think there is a way to bring some coherence to the literature.

You are right, there has been a huge debate, especially since President Obama introduced a \$90 billion or \$80 billion, whatever it was, pre-K program and now childcare. We spend at least \$30 billion the Federal Government states on these various types of preschool programs.

A lot of that is Federal money. I think if you look at all the research, you will come away with this conclusion, that there are programs that have shown that they can be very successful, they boost kids' test performance, the kids behave better, they do better in kindergarten, and they do better, say, through 3rd or 4th grade, but not very many programs like that. And the reason Head Start is such a disappointment -- and you see the same thing in Head Start, you can find Head Start centers that are spectacular, their kids do well, they do well in the public schools. But most of them are average. Some of them are terrible. That is the problem. And this is --

Mr. Meehan. Is it program to program?

Mr. Haskins. This is the Federal disease. We try to have a big network of programs. And to maintain quality control in 1,000 or 5,000 or 10,000 programs is almost impossible. That is the nut that we have to crack. We have to figure out what the definition of a high-quality preschool program is, teacher training --

Mr. Meehan. But your point being that that same program may be well operated in Houston and, therefore, successful but not as well operated in a particular neighborhood in Cleveland and, therefore, not successful?

Mr. Haskins. Exactly. Exactly. But if you look carefully at the programs, you will see differences between those two programs, in the teachers, in the curriculum, in the way the whole building is organized, in the leadership, and in especially something new that a lot of people think is important, it is called coaching where

teachers are constantly subjected, have the opportunity to have their performance appraised and someone, a master teacher, help them do better.

So if we could build a big network of thousands of preschool programs to do that, I think we would be successful.

Mr. Meehan. Ms. Deviney, I am at the end of my -- you have spoken about pre-K. You have talked about half-day pre-K. Is that different than full-K Pre-K? What are your thoughts about Head Start?

Ms. Deviney. Well, what I can say is we have a lot of momentum in Texas around pre-K right now. Governor Abbott has it as one of his major initiatives that he wants to engage in this year which is really exciting. And the reason it is so exciting is because we actually have one of the preeminent researchers in pre-K, AlethaHuston, out of the University of Texas who just came out with a big study showing the impact of half-day pre-K even, looking at programs across the spectrum.

And I will say there is a quality difference between programs even across Texas or even within Houston. And even still, the impact doesn't just go to 3rd grade, it goes to much further beyond. And a study by Texas A&M University shows the actual dollars saved. It is \$1 invested for \$9 saved down the road for better outcomes for kids because they are not going to jail, they are graduating at better rates. You have heard these studies before, right?

So we have data in Texas that actually shows the value of pre-K and the value of those programs. And if you can get them to be high quality, then you are actually going to have a better impact on kids. But even half-day pre-K is great. The reason half day is different than full day, is economic opportunities for parents.

So if you have a half-day pre-K program and parents are trying to get their kids to the program and then go rush off and work for 2 hours, because half-day pre-K

is about 3 hours, and then come back, it doesn't create a work opportunity and it ceases to be a work support. Full-day pre-K actually enables parents to be able to work for the most part a full day and then kids can stay in some after-school care if needed. And that really creates great economic opportunities for families.

Chairman Boustany. I thank the gentleman.

Mr. Lewis.

Mr. Lewis. Thank you, Mr. Chairman.

Thank you, Mr. Ranking Member, for holding this hearing.

Thank you, members for the panel, for being here.

I was in Texas, I was in Houston on Sunday night. I am not sure of what it was called -- it was a huge place, it was sponsored by the Houston Library and the Library Foundation. And there was hundreds, maybe 2,500 students, young children, parents, mothers, teachers. And these kids, elementary, middle school, seemed to be so bright and so smart, just intelligent, asking me all type of questions.

I am not prepared to give up on single mothers. I see so many single mothers. I think we have to start where we are. I think it was the late Booker T. Washington who said, who founded Tuskegee Institute, now Tuskegee University, cast down your bucket where you are. That is where we are in America. Everybody is not going to get married. We are not going to force people to fall in love and get married. It is not going to happen. It is just not going to happen. Our society is a different society. We live in a different world.

So we have got to reach these mothers and fathers, to encourage their children and young people to get the best possible education. Education is the great equalizer. So if it is Head Start, early childhood education, wherever, we need to spend our resources. It rescues those that may be wavering or, we think may be lost. How do

we do it?

Ms. Deviney. Well, thank you for that point. I think that what we have been talking about a lot today is about the sanctity of marriage and about the decline of marriage. And the strategies we take are about trying to increase marriage before you actually get down the pike and you have a family right? So increasing marriage is great. I am a developmental psychologist by training. And I know that the research shows that kids do better and have better outcomes when they have two parents in the home.

And from poverty measures, just from that basic math, when you have two people earning more money, you are going to have more income in the home. It is all, you know, all really good. But I think your point about starting where we are, we don't give up on the kids that exist today.

Mr. Lewis. I think that is my point -- we never ever give up.

Ms. Deviney. Yes. We never give up on the kids. And one of the things that we actually put out a study recently looking at the economic opportunities for Texas women was that when you look at, even when women actually get higher education degrees or even just a post-secondary degree or even just a high school degree, they make less than a man who has more education, than they do -- I'm sorry, less education than they do. So a woman who gets a college degree makes less than a man with a high school degree. And so there is that gap between what kind of wages women can earn.

Now, part of that is because of the different kinds of jobs women may be encouraged to go into. But a lot of it has to do, with even when you are looking within sector and even when you pull out the data just looking at women who have never left for child bearing, who have never -- all these reason we give, there is still a



difference. And so one of the things I think we really have to focus on, in addition to trying to create good, solid, strong families for children, is making sure that women have access to the same economic opportunities that men do because the reality is we have got single-parent families today that need support and need help.

Mr. Lewis. Is it different in a household headed by a woman or a household headed by a man?

Ms. Deviney. Are outcomes different?

Mr. Lewis. Yes. Right.

Ms. Deviney. To be honest, the research shows that it differs depending on the age of the child, it differs depending on the gender of the child. There are some differences. But what really matters most and some of strongest research shows that children who are in chaotic homes, be they two-parent families or single-parent families, suffer the worst outcomes.

So trying to create an environment where the family, whatever their structure is, has less of that toxic stress going on is going to have the best outcome for kids. Again, two parents earning two incomes supporting the child equally and loving them is always the best opportunity. But if that is not the case, what can we do to make sure that child has the same opportunities as other kids.

Mr. Lewis. Thank you.

I yield back.

Chairman Boustany. Thank you Mr. Lewis.

Thank you for injecting the realism into the debate. It is important. And I can tell you it is my intent as chairman of the subcommittee to not leave anybody behind in this. And we have to focus on strategies that help single women with children to climb out of this and seek opportunity. So we will work with you on that.

Ms. Noem.

Mrs. Noem. Thank you, Mr. Chairman.

It has been an interesting discussion for me because I look at what we have today currently in the United States and the situation we face with the different kind of households that children will come from, single, two parents in the home, whether they live in rural areas like all of South Dakota is or in urban areas.

But I keep coming back to then how can we level the playing field? And it seems to me, and this is just my brain thinking during this hearing, that we could potentially get better outcomes if we have a program that has some kind of participation from the parents with the child. So if there is something required of the parents to do, you talked about home visits, because there is some participation with the parents and an opportunity for them to learn or benefit from that experience that potentially then that helps the child go even farther and achieve even more, rather than a parent who might drop their child off at a Head Start program and then go to work and then leave them.

Or are there other programs where it is more of a, I am thinking of, we have nutrition programs where some of them there is nutrition counseling that goes along with the program. Does that one do better than ones where there is a nutrition program where there is no counseling, it is just the benefits and there you go?

Is there a general synopsis that you all can give me on do you believe we do have better outcomes in situations where there is some type of support, partnership, ability for the family to partner together to help that child succeed rather than just having a benefit? We will start with Ms. Deviney.

Ms. Deviney. Thank you for that question. I actually spent a good portion of my early 20s working on a project called the Families and Schools Together Project.

It is in several states. It was in Tennessee, North Carolina, and Washington. And it looked at how kids who were at risk for later juvenile delinquency or other kind of negative outcomes as teens, if we intervened early, how would they do. And in that program, we actually made it a full family kind of wrap-around program where we actually engaged with parents and helped them gain skills to be able to support kids in doing homework and talking about being on time and talking about the importance of school and giving them parenting skills was a huge part of the program, in addition to being able to support the kids in terms of basic tutoring in math and reading support. They are just now releasing 20-year results on these kids. And it has been really exciting because what we have seen is that when you actually support not just the child but the whole family and you are supporting the concept of the family working together, creating that unit in support, you actually get much better outcomes for kids than kids who, our control group, didn't participate. And so the kids were much more likely to delay child bearing. They were much more likely to have higher educational attainment. They were much more likely to have better earnings as an adult with these 20-year results. And so I think it points exactly to what you are saying is that when you kind of support the whole family as a unit, you really do get better outcomes for kids. The trick is that those kinds of programs, they are expensive. They are expensive. And so we have to decide as a country, you know, if we really do value the family unit, how are we going to back that up with the support that they need to be able to make those really strong connections.

Mrs. Noem. And you may need to continue that support for an entire generation before you start to see the impact on your culture. Anybody else want to weigh in?

Mr. Haskins. Let me make two quick points. First of all, there is a new

review that is about to come out by one of the best people in the field, a guy named Greg Duncan at the University of California Irvine. And he looked carefully into what is called a meta analysis of all the research literature on programs that are just preschool and ones that have a parenting component. But it is defined, it can't be just sending a note home to the parents or have the parent meeting once a month or something like that. It has got to be an actual program where they are working with the parents. And it does make a difference on average. Those programs are more successful. The second thing is that in the last 2 or 3 years, there has been a big movement called Two Generation Programs. So in preschool, even in the public schools to some extent, in employment and training programs, the idea is to work with the parents and the child at the same time. And it has really caught on. I am not really sure why because the evidence is not great. But I think what it shows is that people believe just what you said in your question, that if you involve the parents, you are involving someone who is going to be with the kid until they are 18 and maybe more than that and still supporting them after that. If you can increase the bond between the parents and show parents, give them ideas about how to work with their children, that the program will be more successful. So I think there is a lot of agreement with that. We will see if it turns out.

Mrs. Noem. Okay. Thank you. Mr. Chairman, I yield back.

Chairman Boustany. Mr. Reed.

Mr. Reed. Thank you, Mr. Chairman. And thank you to our panel for this conversation today. Just to try to solicit information here and also to try to start our conversation from a room of consensus, what are the barriers in your humble opinion as to what keeps people in poverty and from escaping poverty? Let's start from left and we will go all the way right. So what are the top three barriers?

Mr. Haskins. They don't work enough. They don't have enough education. And they have babies outside marriage or divorce. And they try to raise children in a one-parent family.

Mr. Reed. Okay.

Mr. Winship. If I think about little kids and kind of what the big barriers are for them, I think to an extent we don't appreciate the kind of upward-mobility problem in the United States. To a large extent, it is a failure of the country to have better outcomes for African American kids.

Mr. Reed. Okay. But what are the barriers here? I am going to run out of time.

Mr. Winship. So I think the two that I would mention would be growing up in unstable families, but also neighborhood-concentrated poverty. I think growing up in a place where a lot of people are poor and a lot of people have challenges.

Mr. Reed. Unstable families, concentrated poverty. Mr. Wilcox, quickly?

Mr. Wilcox. I would echo what Ron said. I would put a thumb also on doing more for kids who are not on the college track.

Mr. Reed. Okay. That is a barrier? Not doing more for college, that is an outcome, that is an action item. So what is the barrier of those kids not going into college?

Mr. Wilcox. The barrier is we don't do enough for kids who are not on a college track.

Mr. Reed. So an education. Education. Okay. Ms. Deviney?

Ms. Deviney. So when you start in poverty, you are more likely to end up in poverty. So it is a huge barrier for kids who actually start in poverty. Poverty itself is a barrier. And that actually leads to you start out in the education system with gaps.

So a huge barrier is closing the gaps in terms of language development.

Mr. Reed. So education.

Ms. Deviney. Education. And then affordability of the options that help you move out of poverty.

Mr. Reed. So cost. Let me ask you this question, let's take two of our largest welfare programs in America, TANF, cash welfare, and SNAP, food stamps. How does TANF measure addressing the education barrier? How do you measure that TANF is overcoming the education barrier? And does it?

Mr. Haskins. Well, you can look at the caseload over a period of time and see if their education increases. And the answer is it does not. And part of the reason there are --

Mr. Reed. Sir, Sir, Mr. Haskins, does TANF require that the people that are administering the program have an outcome that the people that are participating in the program have an education component to their welfare check?

Mr. Haskins. No.

Mr. Reed. Okay. Is that a correct understanding from everyone? If one of the barriers is to overcome educational barriers, why doesn't our program, cash welfare, one of our largest welfare programs in America have as one of its major drivers as an action item to get people an education?

Mr. Haskins. There is a straightforward answer. We gave the States, States can use the TANF dollars for education if they want to. Part of the idea of the TANF program in sharp contrast with AFDC, which it replaced, is that the States were going to be the real actors. They knew what their people needed. And they were going to use the resources for the most important thing for these families. And most States have not chosen to invest a lot of the money in education. And there are restrictions

in the Federal statute about how much education they can get.

Mr. Reed. So it is countervailing to the goal that we are trying to get people out of poverty with and that is to get an education. There is a Federal statute that prevents us from achieving that goal.

Mr. Haskins. Yes. But for good reason.

Mr. Reed. And what is that reason?

Mr. Haskins. The reason was the Congress intended for the program to be a work program and not an education program.

Mr. Reed. Okay.

Ms. Deviney. But what we find in Texas is that because it is trying to get a job first, there are education and job training programs in Texas, but the real goal of the TANF program is to get somebody into a job. So if you can get into a really low-paying job first, then that is the push and it is not the push for education to be able to get to those better jobs.

Mr. Reed. Is that overcoming one of the barriers? So one of the barriers is education.

Ms. Deviney. No. That is reinforcing the barrier.

Mr. Reed. That is reinforcing the barrier. That is what I would say. How about SNAP? Any requirement there that there be an education component to it? How about LIHEAP? How about housing, Section 8? This one of my biggest concerns here, and I have been a big advocate of the old super waiver, the demonstration and the whole silo effect that we are seeing in this field across America and a lot of these programs actually have unintended consequences of keeping people in poverty because they are just not designed to work hand in hand and give people the tools to get out of poverty. Am I misreading anything as my experience has told

me as I looked across America as to the problems with most of these programs?

Ms. Deviney. For example with Supplemental Nutrition Assistance Program or SNAP, what we see there is when you look at a family's budget and what it takes for them to be able to get by, what SNAP does is be able to allow families to put some of their money toward let's say making sure they get gas in the car and paying rent. SNAP helps to stabilize families.

Mr. Reed. Aren't you just essentially giving a person a fish and not teaching them to fish under that analysis?

Ms. Deviney. Well, if there were education requirements that went with it, certainly that would be a different conversation that we could have. But right now, it does serve a very important point in that it helps to stabilize a family. Now, should we also then create opportunities for those families to be able to move ahead?

Mr. Reed. See, I'm looking forward too. I'm trying to reform the program. So going forward, wouldn't it be wiser to put that type of reform in place, to say we are going to teach people how to fish not just give them a fish? Ms. Deviney. So many of families who live in poverty and particularly extreme poverty, it is not just about putting food on the table. It is about so many barriers.

And so I think we have to take a really close look at making sure that, what do we have, to get families stabilized first? Before we can actually help them to be able to move ahead.

Mr. Reed. That is a fair point. And I understand. So crisis, overcome the crisis --

Ms. Deviney. Yes.

Mr. Reed. -- but then for the long term, why don't we design programs, in my humble opinion, that give the people the tools to break through those barriers of



poverty?

Ms. Deviney. Certainly, giving people the opportunity to be able to access good jobs is the best pathway out of poverty, and our programs like SNAP should be stabilizing.

Mr. Reed. But in order to have those jobs they have to have an educational component. They have got to be able to pass a drug and alcohol test, I would assume, or a drug test. There is other barriers to getting that job that we have to overcome, correct?

Ms. Deviney. Uh-huh.

Mr. Reed. All right, with that, I am sorry Chairman.

I yield back.

Chairman Boustany. I thank the gentleman.

Well, I want to thank all of our witnesses for this very compelling discussion, your wonderful testimony, in helping us to examine the challenges facing low-income individuals and families.

I think this has been a great foundation for us to start with, with the subcommittee, and so I really appreciate all you have done to help us with these important issues.

I appreciate you taking time to come here today. Your knowledge and experience is really important, and we are going to fall back on your knowledge and experience as we go forward with trying to solve some of these problems.

Let me just say that if members have additional questions for the witnesses, they will be submitted to you in writing, and we would appreciate receiving your responses within a 2-week period. Of course, all that will be made part of the record.

Chairman Boustany. And with that, the subcommittee stands adjourned.

[Whereupon, at 4:24 p.m., the subcommittee was adjourned.]

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