

**WRITTEN TESTIMONY OF JARROD SANDERSON CEO, The Way Home; Former COO, Nautical Manufacturing and Fulfillment**

**Before the U.S. House of Representatives Committee on Ways and Means Subcommittee on Social Security and Subcommittee on Work and Welfare**

**Hearing on: “Untapped Talent in America: Removing Barriers to Work and Supporting Opportunity for Individuals with Disabilities”**

**September 9, 2025**

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**Introduction**

Chairman Smith, Chairman LaHood, Chairman Estes, and distinguished Members of the Subcommittees, thank you for the honor of testifying today.

My name is Jarrod Sanderson. I currently serve as the CEO of The Way Home, an affordable housing accelerator in Kansas City focused on identifying and driving scalable affordable housing solutions. I also sit on the boards of Reconciliation Services – an entrepreneurial nonprofit focused on addressing the root causes and symptoms of poverty in Kansas City - and Pawsperity, a social venture nonprofit that trains at-risk mothers to be dog groomers. That said, I am here today primarily representing my experience as the former Chief Operating Officer of Nautical Manufacturing and Fulfillment, a national third-party logistics (3PL) company headquartered in Lenexa, Kansas as well as a managing partner of Staffing By Starboard, a sister company to Nautical.

Thus, I come to you today wearing two hats: that of a for-profit business executive and that of a licensed clinical social worker with nearly two decades of experience in the nonprofit sector. I have overseen the management of warehousing and production services for major retailers like Wal-Mart and Target, and I have also managed programs for at-risk families, veterans, and individuals experiencing homelessness. It is from this dual perspective that I want to share a simple but powerful truth:

**Hiring individuals with disabilities is not charity; it is a strategic business advantage that strengthens companies and our communities.** The talent is not "untapped" because of a lack of skill or desire, but because of systemic barriers and outdated perceptions. I will share a specific case study from my time with Nautical Manufacturing and Fulfillment that highlights this point, but first I want to provide the broader context that informed this work. Specifically, to understand *why* this strategic advantage remains so often overlooked, we must first examine the significant systemic barriers that prevent this talented pool of individuals from even reaching an employer's door. My experience across the non-profit sector has shown me that these hurdles are pervasive and deeply interconnected.

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## Overcoming Barriers to Employment

My experience prior to Nautical—as the founder of an affordable housing startup, a Fulbright Scholar through the United States State Department working on homelessness in South Africa, the Director of social service programs for veterans, seniors, foster care, and community mental health, and the COO of a nonprofit workforce training program for at-risk mothers, has shown me that the barriers individuals with disabilities face are often the same challenges other marginalized populations encounter. To truly support opportunity, we must look beyond the workplace and address the systemic hurdles that prevent people from getting to the front door of an employer in the first place.

**1. The Benefits Cliff:** A persistent and paralyzing barrier is the fear of losing essential federal benefits—such as housing vouchers, food assistance, and healthcare—upon accepting a job or a raise. I have seen countless individuals make the painful calculation that they are better off unemployed than risk losing the support that keeps their family housed and fed. This system inadvertently creates a powerful disincentive to work and advance. These systems should be modified to create gradual, logical off-ramps. This would encourage work by recognizing the typical career progression from an entry-level position to a sustainable salary.

**2. The Housing & Transportation Crises:** As CEO of The Way Home, I see every day that employment and housing are inextricably linked. A person cannot find and maintain a job without a safe, stable, affordable place to live. A lack of reliable transportation is another significant barrier that disproportionately affects individuals with disabilities. Policy conversations about workforce development must be integrated with solutions for affordable housing and accessible transit.

**3. Realigned Workforce Development Funding:** Using Pawsperity as a case example of a broader issue, Pawsperity has struggled to attain federal workforce development funding because dog grooming is grouped in with a larger set of pet care related jobs that are classified as ‘unskilled labor’. However, our dog groomer graduates earn \$20-\$25 an hour immediately upon entering the field, a much higher wage than is earned by positions like doggy daycare attendants. Because this entire field of pet care is not well-differentiated, Pawsperity must continuously seek exemptions to be eligible for federal workforce development funding—requests that have varying degrees of success.

Lastly, while the stories of individuals who face these extraordinary challenges are unique and functionally limitless, the thread of lifelong trauma and poverty is a throughline that connects many. For individuals with such experiences, safety is everything. Without safety, fight or flight responses are a guarantee. In other words, without safety people are often impulsive, defensive, and often rely on substances to numb pain. And quite frequently, these coping behaviors are the opposite of what is needed to be productive in a workplace setting. The barriers I just mentioned all aid in undermining the very safety that so many people need to thrive.

While these systemic barriers require significant policy solutions, individual employers have the power to create immediate and profound change. My experience at Nautical Manufacturing and

Fulfillment is a direct example of how a business, by focusing on its own operational needs, can effectively bypass these hurdles and unlock the very talent we are discussing today

### **The Employer's Perspective: A Business Case for Inclusive Hiring**

At Nautical, a fast-growing 3PL company whose revenue grew from \$6 million to \$25 million in three years, we faced the same challenges as any other business in the light industrial space: high employee turnover, persistent staffing needs, and the constant costs associated with recruiting and training.

One solution to these challenges came from an innovative partnership with a local organization, Down Syndrome Innovations (DSI). This partnership was not born out of a sense of corporate social responsibility, but out of a clear-eyed assessment of our business needs. DSI had a pool of qualified, dedicated individuals seeking meaningful work experience, and we had roles that needed to be filled.

This partnership transformed Nautical's company culture and upended our misconceptions about employing individuals with disabilities. From the employer's perspective, the benefits were immediate and measurable:

- **Reduced Costs and Increased Stability:** We saw a significant decrease in employee turnover and the associated recruiting costs. Our new employees from DSI were and are some of our most dependable and dedicated staff.
- **Increased Productivity:** By aligning people with tasks that fit their strengths, our entire operation became more efficient.
- **Vastly Improved Workplace Culture:** The integration of our new employees fostered a more positive, supportive, and collaborative environment.
- **Strengthened Employer Brand:** Our commitment to inclusive hiring became a core part of our identity. This is not a minor point; a majority of consumers report they prefer to give their business to companies that hire inclusively.

This was a win-win. We addressed critical staffing challenges while our employees gained purpose, fulfillment, and economic independence. These powerful, measurable benefits were not the result of luck or charity. They were the direct product of a deliberate and replicable framework built on a true partnership. This practical model is what makes DSI's success with Nautical a scalable solution rather than simply a heartwarming story.

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### **A Practical Framework for Success: Moving from Theory to Practice**

The key is a symbiotic relationship between a committed employer and a knowledgeable service agency partner. For Nautical, DSI made it easy by:

**1. Adopting Business Language:** To effectively engage employers, speaking business language is key. DSI didn't speak about "clients" and instead talked about "applicants" or "candidates."

"Job coaching" became "on-the-job training," and a "service agency" became an "employment agency" that provides a "pool of qualified candidates." This reframing is critical because it positions individuals with disabilities as valuable assets, not as charity cases.

**2. Focusing on Job Development, Not Just Placement:** The shared goal with DSI was not to simply place a person in a pre-existing job. Instead, we embraced **Job Development:** "the process of creating or enhancing job roles within a business that matches an individual's skills and interests." This involves a few key steps:

- **Organizational Needs Assessment:** DSI worked with Nautical to identify tasks that were taking higher-skilled staff away from their primary duties.
- **Position Customization:** Based on this assessment, new, customized roles can be created. This ensures that everyone is working at the highest scope of their role, creating efficiency across the entire system. We found that DSI's candidates frequently possess skills that are not only on par with those from conventional labor sources but are often superior.
- **On-the-Job Training and Fading Support:** DSI provided initial on-the-job training and support, equipping company staff with the tools and routines needed to ensure the employee's long-term success before gradually fading their direct involvement.

This model is successful because it is designed to meet the employer's needs first. When businesses see a direct path to greater efficiency and a solution to their staffing problems, they become enthusiastic partners. And while these are great strategies for creating pathways to employment for populations who face pervasive barriers to work, they're also good strategies generally for any employer and any workforce population.

The effectiveness of this framework proves a simple point: when businesses are given the right tools and partnerships, they can solve their own labor challenges while creating profound opportunities for their communities. This brings me to my final recommendations, which are designed to help foster these exact kinds of partnerships and replicate this success on a national scale.

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## Conclusion and Recommendations

The partnership between Nautical and Down Syndrome Innovations is not a heartwarming local story; it is a proven, scalable business model. There are millions of talented Americans with disabilities who are ready, willing, and eager to work. They represent one of the greatest sources of untapped potential for our economy. They are a massive resource, yet they are often hidden behind a diagnosed disability or the burdens of trauma and poverty, causing them to be viewed as liabilities instead of assets. To unlock the awesome potential of this overlooked group, I respectfully urge the Committee to consider policies that:

1. **Incentivize and Support Public-Private Partnerships:** Encourage and fund the collaborative model between employers and community-based employment agencies who provide the critical expertise for job development and on-the-job training.

2. **Promote Job Customization:** Support programs that move beyond simple job placement and instead focus on customized roles that meet specific business needs while leveraging individual employee strengths.
3. **Address the Benefits Cliff:** Examine and reform federal benefits programs to eliminate the sharp cliffs that penalize work, creating pathways that allow individuals to increase their earnings and achieve self-sufficiency without fear of losing essential support overnight.
4. **Integrate Workforce Policy:** Ensure that federal workforce initiatives are developed in concert with housing and transportation policies, recognizing that a stable life outside of work is a prerequisite for success at work.
5. **Simplify the Workforce Opportunity Tax Credit process:** Businesses face significant challenges in utilizing the Workforce Opportunity Tax Credit, primarily stemming from its administrative complexity. The most common hurdles I've experienced include navigating the intricate application process and its associated paperwork, adhering to the tight 28-day filing deadline, and the difficulty of identifying and properly documenting eligible employees from various targeted groups.

Thank you again for the opportunity to share my experience. I am confident that by removing these barriers, we can build a more inclusive and prosperous economy for all Americans. I look forward to answering your questions.