

Testimony by Dr. Lee Bowes for the National Commission on Hunger

America Works was founded in 1984 to help welfare recipients get jobs. It was the first for Profit Company dedicated to this effort. There are 4 principles about which we are passionate. First: People on welfare can and want to go to work. Prior to welfare reform, the assumption was that people needed to stay home. Second: Work—not training—is central to that effort. For far too many years welfare recipients were sent to training programs that never led to employment. Third: Companies should be paid for performance. Only when a person gets and keeps a job should a vendor be paid. Finally, forth: Getting a job is easy; keeping the job is hard. So we developed a follow along service for the first 6 months to provide counseling, coaching on the job, interventions for support where necessary, and a host of financial incentives.

At first we ran modest sized programs around the country in the 1980's with our program design, yet it attracted media and the immediate interest of politicians. Newt Gingrich was an early supporter, as was the DLC, which was headed by Bill Clinton, among many others. As a result of this attention, America Works was involved in providing information to both the House and the White House during the implementation of the 1996 TANF law.

Since the start of America Works 31 years ago, we have placed over 500,000 people into jobs. We have also expanded the services we provide to other populations including ex-offenders, veterans, homeless individuals, people with disabilities on SSI, children aging out of foster care, food stamp recipients, and non-custodial parents who are unemployed and cannot pay child support. Most of the people we work with also receive food stamp benefits.

In New York City, America Works has been able to work with people who have food stamp only cases. First this was done on a voluntary basis, as people came to us we could enroll them in our program and then place them in jobs in the contract we had with the Human Resources Administration (HRA). We did this from 1998 until November 2012, and in particular, we recruited people from prisons and veterans. From January 2013 until March of 2014, we worked with mandated referrals. However, in March of 2014, the new de Blasio administration ceased allowing food stamp referrals to receive employment services, voluntary or otherwise. Although we advocated for continued service on a voluntary basis—especially for ex-offenders and veterans—the administration was unreceptive to our proposals.

America Works, through its contract with HRA, was the subject of a couple of audits by the federal government. Specifically, the Department of Agriculture came to audit the food stamp program. During their audit of AW, we made sure there were a number of testimonials from actual food stamp recipients about how important these employment services were. Although the auditors felt the program was punitive, the people we placed insisted that no one who can go to work wants to be collecting food stamps, and that they welcomed the opportunity to get a job. While New York City had WIA funded job centers, our participants explained that only HRA programs like America Works addressed their support service needs and actually set up appointments with businesses for interviews and followed up in the ways other programs had not. Also, the support of metro cards for transportation, bonuses, and gift

cards for incentives all were very helpful in preparing them for work. From 2010-2013, America Works placed and retained 2851, food stamp recipients into jobs and offered these retention services.

Due to our ability to place food stamp recipients into jobs, America Works was also able to mount a controlled, third-party experimental study on ex-offenders which has recently been released. The study showed work led to a 20% reduction in recidivism to crime and prison for non-violent offenders. The savings to the public for these modest program costs are estimated to be over \$200,000 per person. These results are significant with major policy implications for states looking to substantially reduce the costs of prisons and the federal government.

In closing, I would argue strongly that food stamp employment programs which were part of the original welfare reform legislation should be continued. Although it was a requirement under the law, and we have offices in different states around the country, the only location where we found contracts for this population were in New York City. Most other geographic areas used the employment funds to offset existing government expenses at the state and local level. With little or no federal oversight from the Department of Agriculture, too little has been done. It is our hope that the new national food stamp demonstration and employment program will show the real promise of getting food stamp recipients to seek employment.



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