

Testimony of Heather Reynolds President/CEO Catholic Charities Fort Worth Fort Worth, Texas

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Chairman Thompson, Ranking Member McGovern, and members of the Subcommittee on Nutrition, thank you for having me. My name is Heather Reynolds and I am CEO of Catholic Charities Fort Worth. We have one goal—to end poverty, one family at a time.

Here's what I know: When our organization shifted from *serving* families to *ending poverty* with families, we quickly saw that we needed to *invest* our resources differently. My message is simple. We need you to invest differently, too.

The Farm Bill, specifically as it relates to the Supplemental Nutrition Assistance Program, should be a pathway to success for Americans. Families in poverty face many challenges, from food, to housing, to toxic stress. These benefits address one of these critical needs. However, these **alone** do not propel an American family forward.

Reform must focus on shifting to a comprehensive solution for moving people out of poverty.

First, benefits should not have a sharp cut-off based on earnings at 130% of the federal poverty line. Eligibility requirements need to provide a **gradual** decline in benefits until participants reach a living wage.

Programs with sharp cut-offs have you - the federal government - working against those of us in this field. We are serving a single working mother with one child. She makes \$25,000 a year and utilizes \$357 in food stamp benefits a month. We are walking with her as she pursues her dream to be a nurse and to provide for her son.

Her first step is to become an X-ray technician, a certification that takes her six weeks of study to achieve. She then finds a job earning \$1 more an hour, while she continues her education. The bad news? She now makes too much to qualify for these benefits. Even worse, with her increased wages, losing this benefit means a net decrease in her overall income.

We have made the working poor our people. But you and I are not working towards the same goals. Because the minute a family starts moving forward with our help, they are pushed backwards because of the way you structure benefits. It makes more financial sense to stay on public assistance, because earnings cannot increase fast enough to outpace lost benefits.

Second, without intensive case management, families will not move forward. And I don't mean the transactional case management model of the past. I am advocating for someone to come alongside a person, understand all their needs, and work with them for the long haul until they are out of poverty.

We run a randomized control trial with the University of Notre Dame's Lab for Economic Opportunities.

We know that a credential is the game-changer between minimum- and living-wage, but a major provider of those credentials, community colleges, have graduation rates under 20%. We know low-income students don't graduate because "life happens" and education is often the first thing to go. We designed a study to fix this. Participants were divided into groups of students who received case management AND financial assistance, those who only received financial assistance, and those with no assistance at all. After year one, we saw that the students who got only financial assistance actually did **worse** than the control group. Yet, those who received case management **with** some assistance were more likely to reach their goals. After six semesters, those in case management were twice as likely to persist in their education.

A second example is Padua, another trial. Our key intervention is case management to move families out of poverty. Of the families involved, 80% are women, 23% are married, 50% have a high-school diploma or less, earns \$18,000 a year, 60% receive food stamps.

After just one year, we have seen notable changes. Monthly labor earnings are up by 17.4%, a 21% increase in the hourly wage, a 30% rise in full time employment, a 19.5% decrease in spending, a 41% drop in credit card debt. This further emphasizes my point—it is not just my "gut" that tells me case management is critical. It is data and analytics that prove that federal programs cannot just be financial assistance to people in need. We need comprehensive case management to move a family out of poverty.

You will not hear from me to "invest more." My message today is to *invest differently*. More Americans will experience income stability if we get these federal programs right. Farm Bill reform must include fixing the welfare cliff problem and doing more than giving money. We must break the cycle of poverty for parents and their children. Thank you.