

The Two-Generation Economic Empowerment Act of 2016

Senator Susan M. Collins

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Thank you, Mr. President. Mr. President, I am pleased to join my colleague from New Mexico, Senator Heinrich, in introducing the Two-Generation Economic Empowerment Act of 2016. It has been a great pleasure to work with him together to craft this important legislation, and I commend him for his leadership. Our bipartisan bill proposes a new approach to fighting poverty, one that focuses on addressing the needs of children and their parents together – two-generations – in order to help break the cycle of intergenerational poverty.

Mr. President, more than 50 years after President Lyndon Johnson declared a “War on Poverty,” poverty remains a troubling reality for millions of Americans who struggle to find the resources they need for the basic necessities of life. In the time since that worthy war was first declared, the federal government has spent trillions of dollars - taxpayer dollars - on programs to combat poverty yet the truth is that the poverty rate has barely budged.

In 1966, the poverty rate was 14.7 percent. Just this month, the U.S. Census Bureau announced that the poverty rate for 2015 was 13.5 percent. I would note that that is actually one percentage point higher than the year before the start of the 2008 Recession.

The point is, Mr. President, that despite our good intentions and despite the expenditure of trillions of taxpayer dollars, we have made very little progress in lifting families out of poverty.

Every state in our nation is affected by poverty. In my state of Maine, the poverty rate stands at 13.4 percent, just slightly below the national rate. Poverty spans rural towns and urban centers, race and ethnicity, men and women, old and young. It diminishes the chances of a bright future for far too many of our children. Just this weekend, the *Maine Sunday Telegram* reported on the heart wrenching story of a five-year-old girl named Arianna who lived in a makeshift tent in the woods outside of Portland. This is a picture of Arianna, a darling little girl, only five years of age, living outside in a very crude tent. Thanks to the involvement of a state social worker and the Maine Homeless Veterans Alliance, who were committed to keeping the family together, this story, fortunately, has a happy ending. Arianna and her mother now live in an apartment in Auburn, Maine, and she finally has just started kindergarten.

We know that the well-being of children like Arianna is tightly linked to the well-being of their parents. Just last week I chaired a hearing of the Senate Subcommittee on Housing and Transportation. We examined whether there's a better way to provide housing assistance to vulnerable families and individuals. Both O.M.B. Director Shaun Donovan and HUD Secretary Julian Castro have often pointed out to our Subcommittee that the single biggest predictor of a child's opportunities, and even that child's life expectancy, is the ZIP Code of the community where the child grows up.

Federal programs have certainly helped many of those living in poverty to manage the day-to-day hardships that they face, but the fact is that these programs have failed to achieve their promise of breaking the cycle of poverty that has trapped too many families. We should not accept such outcomes here in this land of opportunity.

So, Mr. President, our bipartisan legislation proposes a fresh approach that is aimed at equipping both parents and their children with the tools that they need to succeed and become self-sufficient. It marks an important first step toward reevaluating our approach to poverty-reducing programs and encouraging innovative, more effective uses of tax dollars, encouraging programs that allow us to tailor them to the needs of specific families, programs that will work.

Too often today, our federal programs address certain issues in silos, overlooking the fact that the needs of families in poverty are almost always interconnected. They shouldn't have to try to navigate the various programs that are available to put together the funding streams that they need to lift themselves out of poverty. Our bill would change that. It encourages an integrated, personalized approach. Let me give an example, helping a mother secure safe, high-quality child care can have a positive impact not only on her ability to succeed in the workforce but also by improving her child's readiness for school. While that child is receiving care and education, her mother can be connected with skills training to help her improve her family's income. Connecting these various federal programs has the potential to lift entire families out of poverty, and break that vicious cycle of intergenerational or multigenerational poverty.

The Two-Generation Economic Empowerment Act would create an Interagency Council on Multigenerational Poverty to coordinate efforts across federal agencies and departments aimed at supporting vulnerable families. The Council would also make recommendations to Congress on ways to improve coordination of anti-poverty programs and to identify best practices.

Similarly, our legislation would instruct the Government Accountability Office (GAO) to study and to report to Congress and the Council on the barriers that prevent grant recipients from collaborating, and by identifying the opportunities for more coordination.

Our bill would also authorize a pilot program to provide additional flexibility for states and local governments to improve the administration of programs using two-generation models. It would authorize five states to participate in two-generation performance partnerships. This would allow, for example, states like Maine and New Mexico to blend together similarly purposed funds across multiple federal programs in order to help poor families. It aims to reduce duplicative reporting and application requirements. This kind of red tape and bureaucracy often deters local agencies and organizations from making the most effective use of tax dollars, to ensure accountability, because that is what this is all about. This bill would also require that these pilot programs be targeted at specific programs designed to reduce poverty, and it would measure the outcomes and the effectiveness of these programs.

Finally, our bill would create a pilot program to incentivize public-private partnerships around poverty solutions through social impact bonds. These partnerships harness

philanthropic and private-sector investments to implement proven social programs. The concept is based on legislation that's been introduced by two of our colleagues: Senator Orrin Hatch and Senator Michael Bennett. I would note that through these partnerships, government funds are only paid out when the desired outcomes are met.

Mr. President, with this bill, we have the chance to make a permanent difference in the lives of millions of families in this country who are struggling and living in poverty. We have the opportunity to finally break the multigenerational cycle of poverty. We have the chance after 50 years of pouring trillions of dollars into well-intentioned programs that have had some good benefits but have not produced the kinds of lasting results that we need. We have the opportunity to change that.

Just as a child's ZIP code should not determine his or her future success, so should the bureaucratic siloed approach to poverty not make it so difficult for families to get the help they need to escape lives of poverty. We don't want more cases where a 5-year-old girl is living in a make-shift tent outside of the largest city in my state. The federal government can be an effective partner in providing funding, in providing opportunities for parents and their children, lifting up families, and in turn, building stronger communities. State and local governments, the laboratories of experimentation in this country, can be at the forefront of these efforts, and the increased flexibility proposed by our bill would help reform practices across government. Building public-private partnerships would also help to spur innovative approaches and would help generations to come to take part and be full participants in the American dream.

Again, let me thank my partner, Senator Heinrich, for his leadership on this bill. I urge our colleagues to take a look at the fresh, innovative approach that we have developed to move families out of poverty by breaking down the silos in federal programs, by encouraging local and state and private sector and nonprofit organizations' collaboration and by giving them the tools that they need to succeed.

Mr. President, let us not be here 50 years from now noting that the poverty rate is the same as it was when Lyndon Johnson declared the war on poverty 50 years ago. It would be 100 years, 50 years from now. Let's try a different approach.

Thank you, Mr. President.