Welcome

Fay Lomax Cook
Director, Institute for Policy Research
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Introductions

Therese McGuire
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Beatrice Foods Professor of Strategic Management, Kellogg School of Management
Speakers

“Higher Ground: New Hope for the Working Poor and Their Families”

Greg J. Duncan
Faculty Fellow, Institute for Policy Research
Edwina S. Tarry Professor of Education and Social Policy

Julie Kerksick
Director, New Hope Project
Panelists

King Harris
CEO, Harris Holdings, Inc.
Senior Executive, Chicago Metropolis 2020

Michael Alvarez
Outreach Coordinator, Office of U.S. Senator Barack Obama (D-IL)
For more information, please visit our Web site:

http://www.northwestern.edu/ipr
Greg J. Duncan
Aletha Huston
Tom Weisner

Russell Sage Press,
January 2007
www.newhopebook.com

IPR policy briefing
March 16, 2007
What is New Hope?

A *voluntary, community-initiated* program designed to help low-income *adults* (men and women) use *full-time work* to support themselves and their families.
If 30 hours of work then:

- a wage supplement that brings family income above the poverty line
- child care subsidy
- health insurance
- job access (a community service job if needed)
- Knowledgeable, respectful and supportive case workers
What is New Hope?

“New Hope is literally you and me across a table. You are a low-income adult and have some needs. I am here to offer you some tools that will connect you with the labor market.

If you’d like to take up this offer, we’ll help you. If not, that’s fine. You can always come back. And if there are other things you’re interested in that I don’t offer, then maybe I can refer you to those.”

- David Riemer, New Hope designer
Welfare reform and New Hope

AFDC: Aid to Families with Dependent Children

TANF: Temporary Assistance for Needy Families

Federal welfare reform passes

* New Hope in operation

New Hope’s evaluation timeline

Surveys:
- Baseline
- 2-year
- 5-year
- 8-year

Ethnographic Interviews:
- . . . . . . . . .

New Hope in operation
New Hope Participants at Baseline:

- n=1,362
- 30% employed full time
- 72% female; 28% male
- 71% had children in household
- 51% African-American; 27% Hispanic
- 71% received cash assistance in previous year
Work and income
Overall:

- More work and earning during New Hope but not after
- Less poverty during and after the program

For 40% of families with one employment barrier:

- More work and higher earnings during and up to five years after the program
Child impacts
Two- and Five-Year Impacts on Achievement

The bar chart shows the impact on Achievement (T), Positive classroom behavior (T), and College expectations (Y) over two and five years.

- Achievement (T): Two years shows a significant impact (p<.05) compared to five years. Five years shows a non-significant impact (ns).
- Positive classroom behavior (T): Both two and five years show a significant impact (p<.05).
- College expectations (Y): Five years shows a significant impact (p<.01), while two years shows a non-significant impact (ns).
Two- and Five-Year Impacts on Achievement – Boys only

Achievement (T)  Positive classroom behavior (T)  College expectations (Y)

-0.1  0  0.1  0.2  0.3  0.4  0.5
Standard deviation units

Two years  Five years

p<.01  p<.05  p<.05  p<.05
Jackie, a 35-year old mother of four:

My neighborhood is infested with gangs and drugs. It's different for girls and boys. Gangs are full of older men who want these young boys to do their dirty work. And they’ll buy them things and give them money.
A National New Hope?

- $6,600 annual taxpayer cost
  - 38% for child care subsidies
  - 31% program costs
  - Rest is combination of health insurance, earnings supplements, CSJ wages

- Given what states have in place, incremental costs would be less

- Employment benefits are not large enough to cover costs; child and family benefits ??
A National New Hope?

Can Its Impacts Be Replicated?

- Other earnings supplement programs in Canada, MN and CT produced similar family and child benefits

- Work-first programs boosted work but neither income nor child achievement