Strategies to Promote Economic Mobility
Key Messages for Today

- Poverty causes harm
- Money (cash) matters
- Science based coaching can make a difference
- What we’ll learn: How much does money, coaching, or money & coaching together help
POVERTY CAUSES HARM
Expected Age at Death vs. Household Income Percentile
By Gender at Age 40

Women

Men

Women, Bottom 1%: 78.8
Women, Top 1%: 88.9

Men, Bottom 1%: 72.7
Men, Top 1%: 87.3
Income and Psychological Wellbeing

Percentage of adults: Sadness, Hopelessness, Worthlessness

- Less than $35,000: 6.4% (Sadness), 4.6% (Hopelessness), 3.8% (Worthlessness)
- $35,000–49,999: 3.2% (Sadness), 2.3% (Hopelessness), 1.9% (Worthlessness)
- $50,000–74,999: 2.3% (Sadness), 1.5% (Hopelessness), 1.1% (Worthlessness)
- $75,000–99,999: 1.3% (Sadness), 0.6% (Hopelessness), 0.6% (Worthlessness)
- $100,000 or more: 1.2% (Sadness), 0.5% (Hopelessness), 0.6% (Worthlessness)

Impact of Childhood Poverty on Adult Outcomes

FIGURE 3-2 Adult outcomes for children with lower and higher levels of early childhood income.
SOURCE: Adapted from Duncan, Ziol-Guest, and Kalil (2010).
Moving Up From Poverty is Increasingly Rare

The fading American dream?

Source: Chetty et al., "The fading American dream: Trends in absolute income mobility since 1940"

BROOKINGS
Pathways from Child Poverty to Long Term Outcomes

FIGURE 3-1 Hypothesized pathways by which child poverty affects child outcomes.
Scarcity

• Stress of Scarcity (of time or money) causes:
  – Short term thinking
  – Narrowing field of vision

• Scarcity’s impact on cognition makes hard jobs—parenting and moving up from poverty—even harder
Transmitting Adversity to Outcomes

Foundations of Healthy Development and Sources of Early Adversity

Gene-Environment Interaction

Physiological Adaptations and Disruptions

Lifelong Outcomes

Cumulative Effects Over Time

Biological Embedding During Sensitive Periods

Environment of Relationships
- Physical, Chemical, and Built Environments
- Nutrition

Health-Related Behaviors
- Educational Achievement and Economic Productivity
- Physical and Mental Health
Mechanisms for Investment Pathway

• Parents spending more time
• Enrichment programs
  – Social contacts
• Moving to opportunity
Impact of Moving to Opportunity

• Improved economic outcomes for children
  – school quality, peer influences, social connections
    pollution, exposure to violence, and criminal
    justice policies

• Improved physical and mental health outcomes for adults (not economic)
  – Less violence, better health behaviors
  – Ongoing discrimination, travel costs
Impact of Place on Mobility
Social Connection and Upward Mobility

Upward Mobility vs. Economic Connectedness, 200 Largest Counties

- Indianapolis
- New York
- Salt Lake City
- San Francisco
- Minneapolis

Economic Mobility: Income Percentile of Children who Grow up in Low-Income (25th Percentile) Families

Economic Connectedness

Correlation (all counties) = 0.65 (0.04)
Correlation (200 largest counties) = 0.58 (0.08)
Slope (200 largest counties) = 16.4 (2.1)
Impact of Place on Health

Short Distances to Large Gaps in Health

EL PASO, TEXAS

Follow the discussion
#CloseHealthGaps

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Center on Society and Health

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Key Strategies

**Early Childhood Support:**
- Home Visiting, Parenting Support, Early Care and education

**Money!**
- Cash Award/public benefits
- Basic Income

**Coaching and Support**
- Moving to Opportunity
- Sectoral Job Training
- Brain science informed coaching: Mobility Mentoring/EMPath
MONEY MATTERS:
PART 1: THE SAFETY NET
Impact of “Safety Net” on Childhood Poverty

FIGURE 4-1 Child poverty rates, before and after taxes and transfers, 1967–2016.
Figure 8.
Change in Number of People in Poverty After Including Each Element: 2020
(In millions)

- Social Security: -26.5
- Economic Impact/stimulus\(^1\): -11.7
- Unemployment insurance: -5.5
- Refundable tax credits\(^2\): -5.3
- SNAP + school lunch: -3.2
- SNAP: -2.9
- SSI: -2.7
- Housing subsidies: -2.4
- Child support received: -0.5
- TANF/general assistance: -0.5
- School lunch: -0.3
- Workers' compensation: -0.2
- Energy assistance: -0.1
- WIC: -0.1
- Child support paid: 0.2
- Federal income tax: 0.5
- FICA: 2.0
- Work expenses: 2.5
- Medical expenses: 5.0

\(^1\) Includes the first two rounds of stimulus payments. Additional details available in the report appendix.
\(^2\) Refundable tax credits do not include stimulus payments.


### How People in Poverty Spend New Cash

<table>
<thead>
<tr>
<th>Category</th>
<th>Monthly Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>36.92%</td>
</tr>
<tr>
<td>Sales/Merchandise</td>
<td>22.70%</td>
</tr>
<tr>
<td>Utilities</td>
<td>11.34%</td>
</tr>
<tr>
<td>Auto Care</td>
<td>8.77%</td>
</tr>
<tr>
<td>Services</td>
<td>6.90%</td>
</tr>
<tr>
<td>Transportation</td>
<td>3.45%</td>
</tr>
<tr>
<td>Insurance</td>
<td>3.28%</td>
</tr>
<tr>
<td>Medical</td>
<td>3.06%</td>
</tr>
<tr>
<td>Self Care/Recreation</td>
<td>2.09%</td>
</tr>
<tr>
<td>Education</td>
<td>0.83%</td>
</tr>
<tr>
<td>Donation</td>
<td>0.65%</td>
</tr>
<tr>
<td><strong>Monthly Avg</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

#### Families With Low Incomes Spend Expanded Child Tax Credit on Most Basic Needs, Education

Percent of households with incomes below $35,000 who spent their credit payments on:

- **Food**: 59%
- **Utilities**: 52%
- **Rent or mortgage**: 45%
- **Clothing**: 44%
- **Education costs**: 40%
- **Any of the above**: 91%
- **Vehicle payments**: 19%
- **Paying down debt**: 17%
- **Child care**: 16%
- **Savings/investments**: 8%
- **Recreational goods**: 4%
- **Giving to charity/family**: 1%
- **Other**: 6%

*Percent of households with children under age 5.

Note: Education costs include school books and supplies, school tuition, tutoring services, after-school programs, and transportation for school. Household income is in 2020. Figures are for households who reported receiving a Child Tax Credit payment in the last 30 days in data collected July 21–September 27, 2021.

Source: CBPP analysis of U.S. Census Bureau Household Pulse Survey public use files for survey weeks 34-38.
Impact of “Safety Net” on Childhood Poverty

FIGURE 4-1 Child poverty rates, before and after taxes and transfers, 1967–2016.
De-Coupling Productivity and Compensation

A Large Gap Opened Up Between Productivity Growth and Wage Growth Starting in the 1970s

"Wages" are inflation-adjusted average hourly compensation of private sector nonsupervisory/production workers. "Productivity" is growth of output of goods/services less depreciation per hour worked.
Flat Earnings for low wage workers

FIGURE 2. CUMULATIVE PERCENT CHANGE IN REAL ANNUAL EARNINGS, BY EARNINGS GROUP 1979–2018

Note: Shaded areas denote recessions.

Source: EPI analysis of Kopczuk, Saez, and Song, Earnings Inequality and Mobility in the United States from Social Security Data Since 1937 (2010). Table A3, and Social Security Administration wage statistics, as constructed by Mishel and Kassa; see “Top 1.0% of Earners See Wages Up 157.8% Since 1979” (December 2019).
Shortcomings in Safety Net

- Too Limited
- Too difficult to access
- Stigmatizing
- Cliff Effects
- Likely insufficient for reversing economic mobility trend
MONEY MATTERS:
PART 2: BEYOND THE SAFETY NET
Basic income: Stockton

Who: Residents > 18 years old, from low income neighborhood

What: $500/month for 24 months

Impact: Decreased income volatility
        Improved emotional and physical health
        Increased employment
        Improved sense of agency.
Consistent w/ other studies of cash for non-parents

- Paycheck plus: EITC for childless adults (or non-custodial parents)
- Increased employment in years 2 and 3

**Figure 4**

**EFFECTS ON WORKERS’ AFTER-BONUS EARNINGS**

The Paycheck Plus group had higher after-bonus earnings.

<table>
<thead>
<tr>
<th>Year</th>
<th>Control</th>
<th>Paycheck Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$9,456</td>
<td>$10,167***</td>
</tr>
<tr>
<td>Year 2</td>
<td>$11,379</td>
<td>$11,990***</td>
</tr>
<tr>
<td>Year 3</td>
<td>$12,582</td>
<td>$12,972*</td>
</tr>
</tbody>
</table>

Sources: IRS tax forms, W-2s, 1040s, and 1099-MISCs; Paycheck Plus program data.
What it means to recipients

• Well, I received about...$2,000 back... And about $1,500 of that I saved and the other $500 I spent on my son. So I just went and bought him clothes, and sneakers, and, you know, things that boys like to do, you know. Stuff like that. —

• I don’t feel so trapped. Like, if something comes up, where I’m gonna get the money from? ... because I have no extra... So I don’t feel as stressed, you know? I knocked off some bills, and I still have a little savings, so I’m at ease right now.
Basic income: Jackson

Who:
20 Low Income African American Mothers
Two more cohorts (95 in cohort 3)

What:
$1000/month for 24 months

Impact:
37 → 80% able to pay bills
63 → 85% completed HS
100% hopeful about their future in 5 years
100% increased positive family engagement
## Basic income: Child Tax Credit

### Who:
All children with SSN in families earning <$150,000 if married, $112,500 if single

### What:
- $3600/year ($300/month) per child 0-5
- $3000/year ($250/month) per child 6-17
At present: one year only

### Impact:
Poverty reduced 26% first month. Decreased food insecurity 26%, improved nutrition, increased educational investments Black and Latino families
SCIENCE BASED COACHING: TACKLING BOTH PATHWAYS
Help Families Move to Opportunity

Key Elements in the Creating MTO Intervention

**CUSTOMIZED SEARCH ASSISTANCE**
- High-opportunity area education to increase families’ knowledge about high-opportunity areas.
- Rental application coaching to increase families’ competitiveness for rental units by addressing credit history and preparing a narrative.
- Housing locator services to help families identify suitable units in high-opportunity areas.

**INCREASED LANDLORD ENGAGEMENT**
- Cultivate relationships with landlords in designated high-opportunity areas to create housing opportunities for CMTO families.
- Expedite lease-up processes by completing PHA required documents and conducting housing inspections more quickly.
- Insurance fund to mitigate risks of property damage.

**SHORT-TERM FINANCIAL ASSISTANCE**
- Grants to defray move-in expenses, such as application fees and security deposits (on average $1,000).
Fraction of Families Who Leased Units in High Opportunity Areas

- **Control:** 15.1%
- **Treatment:** 53.0%

Difference: **37.9 pp**
SE: (4.2)
Sectoral Training

• Screening for basic skills and motivation
• Occupational skills training targeted to high-wage sectors and leading to an industry-recognized certificate
• **Coaching** and wraparound support services for participants
• Strong connections to employers
Impact of Sectoral Training

• Project Quest: San Antonio
  – 11 year outcome: 15% increase in earnings
• Jewish Vocational Services: Boston
  – 2 year outcomes: 35% increase in earnings
The First Step: From Jackson

• Receiving money would not be enough on its own to lift them out of poverty. If they were going to save anything, the women said they would need a little more guidance and support about how to do it. [Springboard to Opportunities] set them up with a financial adviser who taught them about savings accounts, interest rates and building credit.”
Complexity of Poverty

To get ahead, people need to:

• Care for their family

• Manage money and stay out of debt

• Go to school

• Work full time—at a good job
Mobility Mentoring®: Four Essential Elements
Mobility Mentoring® Essential Elements

- Coaching for Economic Mobility
- Bridge to Self-Sufficiency®
- Goal Setting
- Recognition

Continuous Improvement
The Coaching Mindset

- Elicit Motivation
- Affirm Sense of Self
- Build Capacity to Aspire
- Unconditional Positive Regard
- Boundaries
- Growth Mindset
- High Expectations
- Trauma-Informed Care
Mobility Mentoring® Essential Elements

Coaching for Economic Mobility

Bridge to Self-Sufficiency®

Goal Setting

Recognition

Continuous Improvement
# Bridge to Self-Sufficiency®

<table>
<thead>
<tr>
<th>Family Stability</th>
<th>Well-Being</th>
<th>Financial Management</th>
<th>Education &amp; Training</th>
<th>Employment &amp; Career</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>Physical &amp; Mental Health</td>
<td>Debts</td>
<td>Savings</td>
<td>Educational Attainment</td>
</tr>
<tr>
<td>No subsidy, housing costs 1/3 or less of household gross pay</td>
<td>Fully able to engage in work, school, and family life; children or family needs don't get in the way</td>
<td>Fully able to engage in work, school, and family life; health and mental health needs don't get in the way</td>
<td>Can always rely on networks to provide useful advice, guidance, and support; advocates for others</td>
<td>No debt other than mortgage, education, and/or car loans, and current in all debts</td>
</tr>
<tr>
<td>No subsidy, housing costs exceed 1/3 household gross pay</td>
<td>Mostly able to engage in work, school, and family life; children or family needs rarely get in the way</td>
<td>Mostly able to engage in work, school, and family life; health or mental health needs rarely get in the way</td>
<td>Can often rely on networks to provide useful advice, guidance, and support</td>
<td>Current in all debts and making more than minimum payments on one or more debts</td>
</tr>
<tr>
<td>Subsidized Housing - pays $300+ towards rent</td>
<td>Somewhat able to engage in work, school, and family life because of children or family needs</td>
<td>Somewhat able to engage in work, school, and family life because of health or mental health needs</td>
<td>Can sometimes rely on networks to provide useful advice, guidance, and support</td>
<td>Making minimum payments on all debts</td>
</tr>
<tr>
<td>Subsidized Housing - pays $0 - $298 towards rent</td>
<td>Barely able to engage in work, school, and family life because of children or family needs</td>
<td>Barely able to engage in work, school, and family life because of health or mental health needs</td>
<td>Can rarely rely on networks to provide useful advice, guidance, and support</td>
<td>Behind in payments of 1 or more debts and making payments on at least 1 debt</td>
</tr>
<tr>
<td>Not permanently housed</td>
<td>Not able to engage in work, school, and family life because of children or family needs</td>
<td>Not able to engage in work, school, and family life because of health or mental health needs</td>
<td>Can never rely on networks to provide useful advice, guidance, and support</td>
<td>Has debts; currently not making any payments</td>
</tr>
</tbody>
</table>

*Income ranges are for Suffolk County, MA. Data from HUD’s 7/1/20 AMI tables

For more information, please visit www.empathways.org.

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Mobility Mentoring® Essential Elements

Coaching for Economic Mobility

Bridge to Self-Sufficiency®

Goal Setting

Recognition

Continuous Improvement
Goals drive outcomes, not meetings

While the number and type of goal set had meaningful impacts on outcomes, the number of meetings did not.

Goals drive the outcomes we care about

The more goals set, the more progress achieved. Each additional goal set was associated with gains in income for stably housed participants, and faster exits to permanent housing for participants in homeless shelter programs.

$25.29
Each additional goal was associated with an increase in monthly income at exit

Each additional goal set per month, participants were able to exit transitional housing almost 4 months earlier.
Mobility Mentoring® Essential Elements

- Coaching for Economic Mobility
- Bridge to Self-Sufficiency®
- Goal Setting
- Recognition

Continuous Improvement
Mobility Mentoring® at EMPath – FY20

65% of participants experience an increase in credit score
Average credit score = 598 points
Average increase in credit score = 129 points

Average Annual Earned Income Gains from Entry to Most Recent

Flagship Multi-Year Program

<table>
<thead>
<tr>
<th></th>
<th>Entry</th>
<th>Exit</th>
</tr>
</thead>
<tbody>
<tr>
<td>$17,056</td>
<td>$18,120</td>
<td>$23,094</td>
</tr>
</tbody>
</table>

USE OF PUBLIC BENEFITS

- SNAP: At Entry 65%, Year 5/6 73%
- TAFDC: At Entry 34%, Year 5/6 16%
- MASS HEALTH: At Entry 7%, Year 5/6 52%

Overall Wellbeing among entering and exiting participants

- Thriving: 57.00% at Entry, 51.00% at Exit
- Struggling: 48.30% at Entry, 51.70% at Exit
- Suffer: 0.70% at Entry, 0.70% at Exit
EMPath Cares

In addition to the outcomes our participants experience during the time in our programs, there are also some intangible effects. This year, our EMPath Participant Feedback Survey, we asked our participants to tell us how we’re doing. Here are just some of the inspiring and heart-warming results.

92% of participants surveyed agreed: “I trust that, as an organization, EMPath is here to help me”

86% of participants surveyed agreed: “I feel that I am listened to”

89% of participants surveyed agreed: “EMPath Staff treat me with respect”

“I personally loved my mentor, because I never felt judged. I had a lot of stress, trauma, and emotional issues. I have grown so much during my time with EMPath that I really would not change a thing.”

“She makes me feel like I can be something and be a part of the world. It is not just a box. She inspired me to be better and to get out.”

“Overall, I love being part of EMPath, and I feel so lucky and blessed to have been chosen to be in this cohort. All of my full-time real job opportunities have been through networking via EMPath. I am forever grateful for this network of wonderful, intelligent women who are all striving to be better.”
### Adjusted Change in Treatment Strategies Gold (TSG) Score, Within Site

<table>
<thead>
<tr>
<th>Domain</th>
<th>Change in TSG</th>
<th>95% Confidence Intervals</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cognitive</td>
<td>11.82</td>
<td>-0.89</td>
<td>24.54</td>
</tr>
<tr>
<td>Language</td>
<td>4.65</td>
<td>-6.57</td>
<td>15.86</td>
</tr>
<tr>
<td>Literacy**</td>
<td>13.58</td>
<td>4.16</td>
<td>22.99</td>
</tr>
<tr>
<td>Math**</td>
<td>10.98</td>
<td>3.41</td>
<td>18.55</td>
</tr>
<tr>
<td>Physical</td>
<td>4.62</td>
<td>-8.04</td>
<td>17.28</td>
</tr>
<tr>
<td>Social-Emotional</td>
<td>6.06</td>
<td>-1.75</td>
<td>13.87</td>
</tr>
</tbody>
</table>
Key Messages for Today

- Poverty causes harm
- Money (cash) matters
- Science based coaching can make a difference
- What we’ll learn: How much does money, coaching, or money & coaching together help
# G.O.A.L.S. Study Design

<table>
<thead>
<tr>
<th>Coaching</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>
What We Will Learn

• What is the impact of:
  – Money alone
  – Coaching (Mobility Mentoring) alone
  – Money and Mobility Mentoring together on outcomes:
    • Employment
    • Income, Benefits, Savings and Credit
    • Material Hardships
    • Health and Well Being
    • Family and relationships
Thank you!

Charles J. Homer, MD, MPH
Senior Advisor, EMPath
Advisor and Steward, Well Being in the Nation
Chair, Advisory Board, Children’s Health Watch
Associate Clinical Professor, Harvard Medical School