



Written testimony respectfully submitted for the United States Senate Committee on Banking, Housing and Urban Affairs Subcommittee on Housing, Transportation and Community Development for the hearing - *Opportunities and Challenges in Addressing Homelessness* - July 19, 2022

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Thank you for the opportunity to testify to the United States Senate Committee on Banking, Housing and Urban Affairs Subcommittee on Housing, Transportation and Community Development on the topic of homelessness. It is an honor and privilege to collaborate with you to meet this moment of urgency by sharing innovative models that WORK.

My name is Isabel McDevitt and I am Co-Founder of Work Works America. I have worked in the field of homeless services since 1998 in New York City, Philadelphia, and in Metro Denver where I founded the Ready to Work program. Work Works America is a non-profit dedicated to helping communities develop and implement employment-based solutions, including the award-winning Work Works methodology, to address homelessness for the estimated 40% of adults not served by Federally funded housing nor self-resolving out of emergency shelter or off the streets.

As we know, homelessness is not yet eradicated in our great country. In fact, despite our best efforts, it is getting worse. The number of unsheltered people is growing¹ and, as the price of housing continues to rise in proportion to household earnings, our abilities and tools to prevent and intervene with traditional housing resources are dwindling. Employers are struggling to find workers while nearly 80% of people experiencing homelessness are un or under-employed. And homelessness disproportionately affects people of color as Black Americans who make up 13% of the general population represent 40% of the homeless population². It is time to reinvigorate our resolve to more holistically, equitably and effectively create policies and resources in our response to address homelessness.

We need fresh, bold solutions to combat this crisis, especially those that promote de-siloed, collaborative approaches across Federal agencies as well as those that empower communities arming them with an array of best practice models, flexible policies, and funding that encourages innovation

¹ <https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf>

² <https://endhomelessness.org/resource/racial-inequalities-homelessness-numbers/>

while leveraging the support of a broad spectrum of stakeholders. With coordination we can solve multiple-interrelated problems at once. We must be open to new ideas that enhance existing continuums of care and provide more tools in our toolkit.

We need to embrace a multi-faceted approach for both the sake of the more than 580,000 unique individuals who experience homelessness each night in America³ as well as for the benefit of cities and towns of all regions and sizes struggling to break the cycles of the interrelated crises of homelessness, addiction, incarceration, and unemployment that plague their communities.

The Works Works model is one example of a solution that can enhance our collective response to homelessness. Work Works combines paid work in social enterprise with transitional housing and support services as a stepping stone to mainstream jobs and housing. Founded in 1990 and pioneered by The Doe Fund's Ready, Willing & Able (RWA) program in New York City, the Work Works model has been scaled to 6 other communities with great success including right here in Washington DC with Ready, Willing & Working. In Metro Denver, Colorado the Ready to Work Work Works program houses and employs 94 people at any given time and 72% of trainees graduate each year into mainstream employment and housing. In Georgia, Georgia Works indicates that every \$1 invested in Georgia Works yields as much as \$3.44 in cost savings related to recidivism and incarceration, emergency room visits, and public services according to a study conducted by Georgia Tech in 2020.

Today, I will share my experience with the Work Works model in multiple regions and ask that we partner to make Work Works, and other specialized, targeted approaches like it, additional, complementary resources to existing interventions as we strive to end homelessness. **We need to create the conditions for communities to expand housing-based, service delivery models for the more than 73% of adults experiencing homelessness that do not meet the threshold of chronically homelessness and, therefore, do not qualify for permanent supportive housing⁴.** While our collective goal should be homeless prevention, we need chronic homeless prevention too.

Currently, Housing First is the most widely supported approach - both philosophically and financially - by Federal policy and resources. But, homelessness is a symptom of myriad systemic failures, therefore, housing alone in many cases cannot solve it. Communities need additional tools that address the root causes of homelessness and remove the barriers people face - not just in getting, but in keeping permanent housing. Barriers that include un and under-employment, addiction, mental illness, and lack of access to behavioral health care.

People experiencing homelessness are victims of a lack of investment - beginning upstream with failing schools, substandard housing, unequal access to healthcare, racial inequities, and inadequate access to living wage jobs. Street homelessness, mass incarceration and drug abuse are downstream results of these systemic failures. **Of course we would want to prevent homelessness in the first place but when**

³ 2020 Point in Time survey

⁴ National Alliance to End Homelessness - endhomelessness.org

we can't and people find themselves on the street after a life event or exit from an institution or at the proverbial "rock bottom", we need quick, accessible interventions and resources to provide tangible, sustainable pathways back to housing that include access to employment and behavioral health services. We need to provide swift access to targeted resources and opportunities that meet the diverse needs of the homelessness population to disrupt the trauma of being unhoused and prevent the devastating effects of chronic homelessness.

Our lack of investment in dynamic solutions doesn't just affect marginalized populations, it hurts everyone. The costly cycles of incarceration have not only a massive financial price tag but a profound impact on communities. Individuals with histories of incarceration, are nearly 10 times more likely to experience homelessness than the general public⁵. The un and under-employment of people who have experienced homelessness and incarceration leads to a loss of 1.7-1.9 million workers and between \$78-\$87 billion in GDP per year.⁶ Of people experiencing homelessness in America, an estimated 78% are jobless or underemployed⁷.

When addressing homelessness, the link between employment and homelessness has been grossly ignored. Now, in 2022 as the country strives to recover and invest in workforce development, policies and programs that create jobs and foster economic growth cannot repeat past mistakes by excluding the most marginalized including people at risk of or experiencing homelessness. **Work Works is a bridge that reaches, prepares, supports and stabilizes people - and brings them into our mainstream economy and society yielding a massive return on investment both socially and financially.**

For more than two decades, approaches such as Housing First and Permanent Supportive Housing have been the focus of funders and policymakers. While Housing First appears to be a logical and immediate solution, dig deeper and you will see that traditional housing models are only viable for an estimated one quarter of adults experiencing homelessness based on economic and eligibility criteria set by Federal policy. Additionally, despite massive allocations of funds the cost and requirements for each unit of housing has slowed development to a trickle and, despite increased funding for voucher programs, many vouchers go unused due to lack of housing stock for people to rent.

In a recent "House America" webinar, a senior HUD representative presented statistics from the 2020 Point in Time count that illustrate the fact that across the country we are lacking housing resources for 85% of the population of adults experiencing homelessness⁸. Put more simply, of 100 people experiencing homelessness only 15 will have access to housing resources. This is partially due to the supply of units compared to the stated development target for housing development and, importantly, this is also due to eligibility criteria set that disqualifies people who are not chronic or "vulnerable" enough to qualify in the first place even if there was enough supply.

⁵ National Low Income Housing Coalition

⁶ Center for Economic Policy Research - The Price We Pay: Economic Costs of Barriers to Employment for Former Prisoners and People Convicted of Felonies

⁷ Working Population Grows in America, Parade Magazine and program services data

⁸ https://www.hud.gov/house_america

While Permanent Supportive Housing is an important and much needed resource for those it serves, we need to build upon its success and expand our impact by creating opportunities and resources that reflect the diversity of people experiencing homelessness. We need to rethink what types of housing we can site and afford including flexible models such as co-ops and single room occupancies.

On the ground perspective -

In the 1980s, George McDonald who founded The Doe Fund and the Work Works model spent 700 nights in a row handing out food in Grand Central terminal where he listened to and acted on the needs of the people he met and served who said over and over “thank you for the sandwich, what I really need is a room and a job to pay for it”.

For more than 30 years thousands of people have echoed this statement and have credited the opportunity to work for resolving their homelessness and the transformation of their life.

This is just one story -

As a child growing up fatherless in Washington Heights, Johnny watched helplessly as his mom struggled to put food on the table for her three children, to keep a roof over their heads and clothes on their backs. But no matter how hard she worked, there was never enough money.

For a 12-year-old living in poverty, desperately wanting to help his family survive, the lure of the streets—the lure of easy money—can be hard to resist, no matter the risks. “I hung out with an older crew and we did all kinds of things to make money,” says Johnny. “We robbed people. Broke into apartments. Sold drugs. Sure enough, I started to bring money home. It made me feel like a man.”

But he wasn’t a man. He was a 12-year-old boy who was in over his head. By the time he realized that his life was spiraling out of control, it was too late. The crimes and violence had escalated so much that he was getting arrested three to four times a week. By the age of 25 Johnny had spent half his life behind bars—in and out of prison again and again.

“That’s the problem with the streets,” he says. “They trick you. You think you’re working them and getting this big pay out. But the whole time, the streets are working you. Taking from you.”

Johnny’s family was evicted from their apartment. He was alone, with nowhere to go. But everything changed when he joined Ready, Willing & Able. “For the first time since I was 12, I wasn’t a criminal,” he says. He was a young man with a future...a real future. “I was someone who deserved a chance in life.”

While I have never experienced homelessness, I have worked with tens of thousands of people who have. From my perspective working in this field for 24 years in places as different as New York City and

Boulder, CO, I have seen the universal power of opportunity and the stark need for a more comprehensive, pragmatic continuum of services that includes work and embraces opportunity.

When I was a shelter provider on-the-ground in Colorado, I saw how the monolithic Housing First approach excluded people and that spurred me to bring Work Works to the community.

After seeing people like Kurt, 39 years old using heroin since his twenties, divorced due to addiction, living under a bridge in the dead of winter.

And Nellie, age 62, who found herself on the streets after losing her husband to cancer and crushed by a pile of medical bills. Frail, vulnerable and unable to afford her own hearing aids, sleeping under a tree, scared and alone.

And Kristie, age 31, released from three years in prison to the streets. With no relationships or support and a criminal background looming, looking for a fresh start, a platform to begin her new life and to build a foundation to regain custody of her 7 year old son.

I was compelled to start Ready to Work. Kurt, Nellie, and Kristie, none eligible for the Housing First resources available in Boulder. All successful participants in the Ready to Work Work Works program.

Other communities feel this too and as a result seek Work Works. We receive hundreds of inquiries a year and are in active conversations with local stakeholders from Texas, Maine, Kentucky, and California.

What can we do? The Work Works Solution as a Complement to Housing First

The Work Works model empowers adults experiencing homelessness who do not self-resolve out of shelter, off the streets, or reentering from incarceration, AND who are not vulnerable enough to qualify for traditional, HUD funded resources. Work Works encompasses a dynamic approach with a holistic combination of paid transitional work in a social enterprise coupled with housing and support services as a pathway to mainstream employment and independent housing in one, voluntary program. **Work Works, and its holistic design, is a complement to Housing First and an additional tool for communities. This is not an “either/or” choice, rather it is a “yes and” proposition.**

Over 85% of participants in Work Works are people of color, 88% self-report a history of substance abuse, over 70% have a history of incarceration, 25% have been unemployed for 5 or more years before joining the program. 0% reach the threshold to qualify for permanent supportive housing.

The first element of Work Works is paid work for participants to gain work experience and earn an income. A Work Works model operates social enterprises that offer work experience and training for approximately 30 hours per week. Social enterprises are businesses that integrate a social mission with a market-based, competitive, revenue earning business. Not only do program participants build resumes and references, participants are empowered and often emotionally transformed by the powerful purpose of work. Work Works enterprises can support up to 40% of total program operating cost

through earned revenue. Each year Work Works social enterprises pay millions of dollars in earnings to program participants.

The second element of Work Works is housing, which in this case means transitional, safe, affordable accommodations for program trainees. The Works Works housing type includes dormitory-style housing. In the case of Ready to Work in Boulder and Aurora, Colorado, the program converted commercial office buildings into community living with a private living space at 20% of the cost of building traditional units and in less than 18 months from concept to opening for a net gain of 94 units of housing⁹. Unfortunately, these projects were not eligible for HUD funding and relied on local sources and philanthropy. Living in Work Works housing that is part of the program from day one and provides a sense of community and positive living environment to support participants as they transition out of homelessness or reenter from incarceration.

In the third element of the program, support services, trainees meet with case managers and participate in life-skills training such as financial management, debt relief and addiction recovery. Workforce Development services include Adult Basic Education and occupational training. Participants are required to establish a savings account to ensure financial stability after they graduate and are living independently.

All of these elements working in tandem are required for Work Works to be successful in the goal for participants to graduate into full-time mainstream jobs and housing after one year.

So what's next? Let's make "Work Works" and other models like it work for more Americans

I am here today to ask for your partnership in making cost-effective, replicable and successful models like Work Works available on a wider scale. To do so, we need recognition from Federal policy makers that there is a vital, complementary role for creative housing solutions coupled with interventions such as access to employment and behavioral health services to enhance the current Housing First practices. Without such support we will continue to fail to provide opportunities for a large proportion of people experiencing homelessness especially those who, with the right support, can successfully integrate into the community.

The public health crisis of COVID 19 and the associated economic challenges have illuminated the need for innovative and collaborative efforts. The growing numbers of encampments on streets not just in major metropolitan areas but small cities too, has led to a boiling point and recent reports of skyrocketing housing costs point to a looming eviction crisis that must be averted. Your leadership can set the stage for and create conditions for our nation to reimagine its response not just the circumstance of being unhoused but the myriad factors that cause and perpetuate homelessness.

⁹ www.readytoworkco.org

Thankfully funds have been committed at the Federal level through the CARES Act and America Rescue Plan. To best leverage these resources, communities must have a policy framework that allows them to be creative, targeted, and quick in their approaches to addressing homelessness. Non-traditional forms of housing that are not currently funded by HUD or Low Income Housing Tax credits, such as co-ops, dormitories and single room occupancies converted from commercial spaces or vacant hotels, must be considered. This type of housing has proven to be successful with Work Works locations in every region. Supportive services that allow for people to be ready and successful in housing are critical and need to be not only funded but coordinated with agencies such as SAMSHA to intentionally link support services to housing especially, for example, as we see increasing links between the opioid crisis and homelessness. And, of course, given the current state of the labor market it is also critical to seek ways to align workforce development efforts with the Department of Labor to meet the needs of employers in every sector, especially the construction trades, with the human capital of people who are experiencing homelessness that have the capacity and desire to work.

In the case of Work Works, the model can be mobilized quickly and effectively and brings benefits to numerous stakeholders. Because our cost-effective model leverages earned revenue in social enterprise and combines housing with supportive services, it better deploys taxpayer funds than traditional homeless services. Work Works offers ways for agencies to pool resources for a more comprehensive, de-siloed approach to addressing homelessness.

The ultimate goal of Work Works is for trainees to graduate the program with a full time, mainstream job, independent housing, and sobriety. Every successful completion of Work Works represents not only a personal victory but an individual breaking free of the costly cycles of homelessness, unemployment, and, often, criminal recidivism. Most people eligible for Work Works have a history of cycling in and out of government systems including frequent contact with the criminal justice system. The publicly funded programs include foster care, shelters, prisons, and drug treatment centers—costing tax-payers billions of dollars each year. Work Works’ holistic design, innovative model, and work-oriented culture provides an opportunity for individuals caught in these cycles to truly change their lives.

Even before participants graduate into full-time jobs and housing, they are reducing strain on the community. From the day they join a Work Works program, they are integrated into the workforce through their employment in social enterprise demonstrating the real contribution they can make to the community. They are earning and saving money, contributing to the economy, are out of prison and off the streets.

In addition to the cost savings and graduation numbers, Work Works has significant impacts on the individual including but not limited to increased self-esteem, improved health, and family reunification.

With policy support and funding, Work Works can be deployed quickly to make an immediate, measurable impact on communities of all kinds. Our recommendations include:

- Recognizing the holistic model of Work Works—which combines employment, housing, and supportive services—as a new, necessary category of the continuum of care that brings multiple benefits to communities in need.
- Broadening the current, restrictive definition and on-the-ground implementation of Housing First. Setting policy for a broader view of housing first to allow complementary efforts for communities to provide and fund congregate living/transitional housing for special populations.
- Allocating funding to the Work Works model that can be accessed by states, counties, and municipalities for the purpose of launching and sustaining transitional paid work, coupled with housing and support.
- Leveraging funding from a broad range of sources—including Federal agencies and private/public ventures—to support Work Works, given that its holistic approach not only addresses homelessness but also offers economic development, workforce development, behavioral healthcare, reentry services, and many more benefits.

By investing in human capital, the Work Works model has the potential to move hundreds of thousands of people off the streets each year into jobs and housing. Our vision is to advance economic and racial justice while saving hundreds of millions of dollars for the communities we empower through our cost-effective Work Works solution that integrates previously marginalized communities into the mainstream economy in order to break cycles of poverty, homelessness and incarceration.

Thank you for this opportunity.

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