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# Testimony before the United States House Committee on the Budget

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Founder and President of the Center for Neighborhood Enterprise  
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## **The Absence of New Ideas**

The greatest single challenge in addressing the needs of America's poor is the absence of new ideas. Over the past five decades, trillions of dollars have been spent throughout the nation in an effort to "eradicate poverty." Virtually all of these programs have ignored the obvious reality: real change and reform can only take place on the foundation of eliciting input from those suffering the problem. These problems cannot be solved by merely increasing the investment of public dollars into the current systems of aid for the poor.

I'm speaking as someone whose life's work has been committed to helping low-income people to help themselves to rise up. If the government is to make a difference, it must be willing not only to venture beyond the traditional way of thinking, but it must be willing to challenge the poverty industry that systematically perpetuates dependency and absorbs valuable tax dollars. The problem is not an absence of compassion or commitment. It is an absence of new and effective ideas. The compassion for the poor cannot be defined by how much we spend on them. I will illustrate in my testimony that it is possible to provide more and effective help while lowering the costs to taxpayers.

## **A Cost-effective Response to Poverty**

It's been observed that the most distressed parts of the body attract the strongest antibodies of its immune system. The community and faith-based leaders I have encountered are the healing agents of their neighborhoods. They live within the neighborhoods they serve and have first-hand knowledge of the problems they are dealing with. Their effectiveness can cut through the fog of the political debate that is being waged far from their neighborhoods about funding for poverty programs. The focus should not be on the amount spent, but on the outcome. Are the poor being empowered to uplift their lives and their children's prospects for the future?

Rethinking our nation's strategy to address poverty requires, first of all, dis-aggregating "the poor." There are four categories of poor people.

**Category 1:** Those who are just plain broke. Due to circumstances beyond their control—such as job loss, their factory's closure, or illness of a breadwinner—this group has fallen into poverty.

Assistance to them serves as a bridge back to economic stability. They use government programs as it was originally intended: as an “ambulance service” not as a transportation system.

**Category 2:** Those whose character and values are intact but have not moved out of dependency on government assistance because they have “done the math” regarding the benefits of the welfare system and have reasoned that the disincentives for becoming independent outweigh the incentives. They know that as they earn or save money, their benefits will be reduced or terminated. In the case of one single mother in Milwaukee, saving \$5,000 over time from her welfare assistance to help with her daughter’s college tuition resulted in her being charged with a felony.

**Category 3:** Individuals who are mentally or physically disabled and in need of some long-term plan of assistance.

**Category 4:** Those who are poor because of the chances they take and the choices they make. They are people who indulge in self-destructive behavior and have serious character deficits. Giving no-strings assistance to this group enables them to continue their self-destructive lifestyles and injures with the helping hand.

For this group, intervention is a necessary precondition for assistance so that they move to the ranks of Category 1, where assistance and opportunities can be a stepping stone toward self-sufficiency and upward mobility. It is here that the outreach of indigenous grassroots leaders within the Center for Neighborhood Enterprise’s (CNE) network can make a unique and crucial difference in engendering transformation in the lives of the people they serve.

The problem we have today is that some policymakers look at all poor people as if they are in Category 1, while others tend to assume that the poor are all in Category 4. This explains why there is such confusion and deadlock regarding remedies to poverty.

CNE invests the major portion of its time and attention to address the challenges that confront those who are in Category 4 by bringing recognition and resources to the community leaders who, uniquely, can serve as agents of change, individual transformation, and community uplift. The grassroots leaders in CNE’s network serve as moral mentors and character coaches who live in the same geographical and cultural zip code as those they serve. The tenure of the relationship between the helper and the helped is not tied to the length of a grant period, but is often for a lifetime. They summon people to accept responsibility for their own actions and they empower individuals to become agents of their own transformation. They recognize and build on the capacities of the people they serve, and their programs entail personal responsibility and reciprocity—giving something in return for what they receive. In the words of one former addict who was empowered to reclaim his life and future: “Charity without expectation is enabling.”

The victories accomplished by those who were in Category 4 inspire others to do the same. There is no more powerful incentive than the witness of those whose lives have been transformed. They are living testimonies of the truth of which they speak. These include former gang members who serve

as peer mentors; individuals once lost in addiction who are now responsible parents, spouses, and employees; and those who were once in prison but are now successful business owners who provide jobs for others in their neighborhood.

The following are two examples of community and faith-based organizations in CNE's network that demonstrates that it is possible to effectively address poverty while reducing the costs to taxpayers.

### **The Violence Free Zone Initiative and the Running Rebels**

In Milwaukee, a CNE program called the Violence-Free Zone (VFZ) initiative, is reducing violence and disruptions in 12 Milwaukee public schools and is preparing students in the most disadvantaged communities to learn and to succeed. The VFZ is implemented by our Milwaukee-based operating partners the Running Rebels Community Organization and Milwaukee Christian Center. Each of these effective organizations has forged ahead against all odds to create poverty-fighting solutions in their community. A key to their remarkable impact in reducing violence is enlisting youths who were formerly involved with gangs or delinquent behavior to serve as peer mentors after they had turned their own lives around.

The Running Rebels was founded in 1980 to offer both prevention and intervention outreach to at risks and had made a life-saving difference for hundreds of young men aged 15-24 who live in a city where homicide is the leading cause of death among their peers. In 1998, the Rebels started a pilot program in cooperation with the Milwaukee Juvenile Courts and probation department to develop an alternative to the incarceration of violent serious juvenile offenders. As one circuit court judge explained, incarcerating youths temporarily with dangerous offenders puts them in "an environment where they learn the skills and behavior to become violent."

The initiative enlists older adults from the neighborhood to serve as supervisors in a program of intense monitoring in which the youths are required to telephone in every two hours throughout the day and to obtain permission to leave their residence. The program includes educational and job-development skills training.

One adult typically monitors six youths, but the role of these men goes far beyond that of supervisors. They are mentors, role models, and—by youths' own account—surrogate fathers or older brothers. The relationships they form continue long after a successful probation has ended, and the lessons they impart can last a lifetime.

Among those whose lives have been reclaimed from crime and violence is one young man who succumbed to the pressure of bad influences and was incarcerated at 17 for his involvement in an armed robbery. Today, he heads the Running Rebels audio and visual department and its studio, whose productions focus on peace and community uplift. Another young participant in the program had been shot in a drive-by when he was just five and, at the age of 11, lost his older cousin, a role

model, to gun violence. Adapting to the ways of the street, he was charged with possession of a deadly weapon when he was 16. Today he talks of the importance of community and his desire to give back to spark change. Yet another young man who was selling drugs at 15 and was caught committing an armed robbery at 16 testifies to the crucial role his mentor played in turning his life around. He determined that, after graduating from Tuskegee University he would return to the Running Rebels to mentor other at-risk youths.

In addition to these life-salvaging transformations, the Running Rebels initiative has also had a powerful impact with regard to reduced expenditures. To date, it has served nearly 900 youths who would have otherwise been incarcerated at a cost of \$100,000 each per year, generating an estimated savings of \$64 million to the Milwaukee County and its taxpayers.

### **The Harvest of Hope Foster Care and Adoption Initiative**

The Harvest of Hope Family Services, a church-based Foster Care and Adoption program in Somerset, NJ, has dwarfed the results of the government's foster care system in placing children in stable and loving permanent homes. Since its founding in 1996, Harvest of Hope Family Services Network, Inc. has successfully recruited and trained over 435 families to become licensed foster families. In 2013, Harvest of Hope celebrated a significant milestone with the placement of their 1,000th child into those homes and more than 250 foster children have been adopted by Harvest of Hope "resource couples," providing a permanent solution to their need for the love and security of a "forever family."

I have witnessed thousands of similar programs throughout the country that have effectively applied the same approach and principles in their outreach. Once again, the issue is not whether we should cut or expand our welfare funding. The issue is how we can reform our approach so that we can effectively help people to rise from poverty and stop wasting billions of dollars every year on counterproductive programs presumed to help the poor.

### **Appendices**

Running Rebels show values of keeping youths out of jail, Milwaukee Journal Sentinel, February 26, 2013 - <http://www.jsonline.com/news/milwaukee/running-rebels-show-value-of-keeping-youths-out-of-jail-m58ucep-193348861.html>

Chelsea Fearce, Homeless Teen, Named Valedictorian at High School Graduation, The Huffington Post, May 22, 2013 - [http://www.huffingtonpost.com/2013/05/22/chelsea-fearce-homeless-t\\_n\\_3314658.html](http://www.huffingtonpost.com/2013/05/22/chelsea-fearce-homeless-t_n_3314658.html)

The Harvest of Hope Family Services Newsletter, APRIL 2014, ISSUE #9, VOL. 2

The Harvest of Hope -- HOH Spotlight on NJ [http://youtu.be/pX\\_x-W\\_OiPI](http://youtu.be/pX_x-W_OiPI)