

THE BROOKINGS INSTITUTION
THE HAMILTON PROJECT
RESULTS FOR AMERICA

INVESTING IN WHAT WORKS:
THE IMPORTANCE OF EVIDENCE-BASED POLICYMAKING
(EXCERPT)

Washington, D.C.

Wednesday, April 17, 2013

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INVESTING-2013/04/17

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POLICYMAKING:

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P R O C E E D I N G S

MR. ALTMAN: Good afternoon, everybody.

Good afternoon, I'm Roger Altman, and on behalf of the Hamilton Project, I want to welcome you to our forum here this afternoon. We are doing this event in partnership with Results For America, which is an initiative of America Achieves, so this is cosponsored by the two of us, Hamilton and America Achieves.

And we're here today to talk about evidence, and using evidence as a component of policymaking. I'm not one of those who agrees that Washington is an evidence-free zone, so we're having this event in defiance, in a certain sense, of that perception. But we have two great panels, and I think this is really going to be interesting, today.

Michael Greenstone, the Director of the Hamilton Project, will moderate the first panel. It will begin with an overview of the two papers that are released today, I hope you have them with you, because they're available to all of you here,

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one by Jeff Liebman and the other by Louis Jacobson, and then the panel will discuss those and the overall topic. And other members of the panel include John Bridgeland, former Director of the White House Domestic Policy Counsel; the great Linda Gibbs, Deputy Mayor of New York; Michele Jolin, Managing Director of America Achieves; and, of course, Michael.

And then Bob Rubin will moderate the second panel, and that will focus on using evidence to drive public investment towards what works. We have quite a good panel, distinguished panel in addition to the first; Alan Krueger, President of CEA; Senator Rob Portman; Senator Mark Warner.

One noteworthy thing about this topic, which is heartening, I think, is that you can see by the composition of our second panel, it's a subject that brings forth bipartisan interests. In an environment where we all need more of that, that's heartening. So, without any further delay, I'm going to turn this over to Michael and we'll

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start the first panel. Thank you all for being here today. (Applause)

MR. GREENSTONE: Thank you very much for coming, I will first, following up on Roger's introduction, just to point out who's who; we have the fabulous frequent Hamilton author, Lou Jacobson on my right, Linda Gibbs, John Bridgeland and Michele Jolin. So I think what we would like to begin with is a discussion with Jeff Liebman, who is going to join us through the miracle of technology on the screen, talk a little bit about his paper. Hi, Jeff.

MR. LIEBMAN: Hi. Can you hear me?

MR. GREENSTONE: Yes.

MR. LIEBMAN: Excellent. Should I start?

MR. GREENSTONE: Please.

MR. LIEBMAN: All right, thank you.

Thank you, Michael, and good afternoon, everyone. We're in the midst of a remarkable period of improved public sector management, innovative mayors and governors, and agency heads are using

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data-driven strategies to reallocate funds from less effective programs to more effective programs, to improve the performance of programs that are underperforming, and to create incentives for new solutions to be developed.

And let me just start by giving you three examples: In New York City, Mayor Bloomberg has created something called the Center for Economic Opportunity, which is trying to come up with new and innovative solutions to create opportunity and reduce poverty. And what they're doing in New York City is they are allocating \$100 million a year to testing new strategies. And then, after they develop the new strategies, they rigorously evaluate them, often with randomized controlled trials, and the ones that succeed become eligible to enter into the permanent, ongoing budget of the city.

So that's one example. Let me give you a second example: In Cincinnati, they've created something called the Strive Partnership, where

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they've brought together the city government, the schools, businesses and employers in the community, and a number of the philanthropic players in the community all around, trying to have a cradle-to-career strategy, so that every child coming through the Cincinnati school system reaches a successful outcome.

And they're measuring outcomes, the share of children who are kindergarten ready, the share of children who meet fourth grade reading standards, on to a whole set of graduation related measurements. And they're tracking in in real time, and when they find problems, so a year or two ago, they found, for example, a few hundred children were not meeting the fourth grade reading standards, they bring the community together to decide how to allocate resources and how to redirect systems, reorganize systems to get back on track. So that's the second exciting example.

A third example is the federal Department of Education's (i3) program, where they created

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three different tiers of evidence in deciding how to award competitive grants. The first tier was for proven practices that had very solid evidence behind them, and the largest share of the funds were reserved for these proven practices. The second tier was for promising programs that had some evidence, but not the most rigorous evidence, and they funded to a lesser degree those kinds of programs and built in more rigorous evaluation strategies so that, at the end, we'll know whether or not those strategies worked as well.

And then they created a third tier to develop new approaches, things that are not yet proven, but that are promising, and to develop evidence about those. So this is an example, another example of creative use of evidence to do a better job in policymaking. Now, I could go on and on with examples like that, and indeed, in the paper, I guess I do go on and on, but I think what all of these have in common is they're data-driven, they are outcome-focused.

It's not just about measuring the number of people served, but they're measuring the outcomes, the public goals that these programs are trying to meet, and they're not simply trying to decide whether what we're doing today works or not, they're also trying to create a scenario where we test new strategies and come up with new solutions. So one of the top policy priorities is to continue to spread these kind of practices to more jurisdictions, more cities, more towns, more federal agencies.

But I also, in the paper, argue that there's some things very concretely that the federal government can do to increase the use of evidence in policy making. One of those is to give more agencies the authority that the Department of Labor currently has to allocate a portion, a half-percent or maybe one percent of program spending toward evaluation, both of existing programs and of new approaches. The second thing is to have more agencies use a tiered-evidence

approach like the Department of Education has done in the (i3) program.

The third thing targets formula funding. A lot of federal social spending is done through formula grants that basically allocate spending to local governments and local communities based on quantitative factors like the number of the population size or the number of poor children, but don't have a lot of, there's not much of a federal lever to make sure that that money is eventually spent on proven practices.

And so a third idea would be to have a fraction of formula funding restricted to proven practices. I also argue that while the spread of these kind of practices is likely to lead to better outcomes and better results for taxpayer dollars, we have to go beyond this wide dissemination of practices to a more strategic approach if we're really going to develop solutions to our most pressing social problems.

So I propose something I call the

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Ten-Year Challenge. What I propose is that the federal government, Congress and the White House should come together and identify ten social problems; retraining out of work individuals, making sure low income children reach kindergarten ready to learn, reducing high school dropout rates. They should come together to define ten social problems, and then they should give ten communities grants to test solutions to those problems, with a goal of having a solution within ten years.

So it's ten problems, ten communities, ten years. And the thinking behind this is it's going to take that kind of targeted approach at the community level to reengineer systems to take the various stove piped funding sources and use them in a strategic way, in a data-driven way to get better outcomes for us to discover the finds of transformative solutions that can solve our social problems.

The last thing I propose in this paper is that the federal government makes strategic use of

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Pay for Success contracts using social impact funds to target policy areas where, if state or local governments take action, it generates federal dollar savings. So there's lots of things where, if the local governments do things, the savings come not to those local governments, but to the federal governments, and that makes it harder to get state and local governments to actually have the right incentives to undertake those activities.

So, by strategic use of Pay for Success contracts, and I argued that early childhood education would be the best place to start, I think we can create better incentives for state and local governments to partner with the federal government in making the kinds of investments and changes to practices where the dollar savings probably accrue mostly to the federal government.

Why don't I stop there, Michael?

MR. GREENSTONE: Thank you, Jeff. Since Jeff can only be with us for a little bit, and I just wanted to ask one follow up question right

from the start. Jeff, you were in R&D, why is it so hard for the government to find out the answer to what works and then take advantage of what works?

MR. LIEBMAN: That's a great question, Michael. I think there's several challenges to using evidence in policymaking, one is people have to discover the new solutions to problems, and investing in R&D, investing in innovation is hard because, often, the people who come up with the solutions don't get the return to those solutions. Imagine we had five different communities around the U.S. that all tried to tackle early childhood education, and suppose four of those failed and one of them succeeded.

If that one solution could be taken nationwide, overall, that initiative would be a tremendous success. But four out of the five would have failed in their own undertaking, so there has to be support either from the philanthropic community or from the federal government for that

kind of innovation. The second thing that's hard is we simply don't measure outcomes enough. Most things we spend money on, we have no idea whether they're working or they're not working, and often, the folks who are running the programs either don't have the resources or the incentives to do the measurements.

So encouraging measurement, requiring it or funding it is essential. The third challenge is, even when there is evidence out there, it's often hard to get governments to use it.

Traditionally what we do is we fund whatever we funded last year, and we raise spending by one percent for inflation or something like that, but to actually go and say, no, we're going to replace what we were doing yesterday and do something new is hard.

It's politically hard, you often get incumbent providers going to their legislators and blocking efforts to change how things are being done. So initiatives like the tiered evidence

standards that I talked about are really essential because they not only create new evidence, but they also create a mechanism for using that evidence in policymaking.

MR. GREENSTONE: Thank you, Jeff. And thank you for making time over technology.

MR. LIEBMAN: Great.

MR. GREENSTONE: Next up, we have Lou Jacobson, the President of New Horizons Economic Research, talking about exciting proposal on job training.

MR. JACOBSON: Thank you. Well, thank you for giving me this opportunity to discuss Bob LaLonde's and my proposal. We believe that this proposal could have a transformative effect on the ability of low paid and dislocated workers to increase their earnings. We hope that, at the end of this talk, you'll agree.

The first slide describes the promise of training. The research that Bob and I carried out for the past 15 years indicates that, if the right

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choices are made, training of nine months or more can substantially increase earnings, but only if the training builds skills leading to high paying jobs in the trainee's local labor markets, and is well matched to the trainee's education and background, and is sufficiently intensive and long lasting.

The next slide describes the reality of training. The promise of training is realized by about 25 percent of trainees, those who complete high return programs, career and technical training that leads to degrees and certificates.

Unfortunately, 75 percent of trainees do not realize large gains. In many cases, this is because they select programs that do not provide career enhancing skills.

In some cases, trainees select high return programs, but lack the academic preparation needed to complete them, rather than select one of many high return programs that do not require high levels of academic preparation. In addition, some

people do not attain enough training to make a difference. Bob and I believe that it is possible to double the proportion of trainees who substantially increase their earnings simply by helping trainees make better choices.

As shown in the next slide, key problems are that most trainees lack personalized information about expected returns to training based on their academic preparation, family circumstances and local labor market needs. They lack know how to use data to make complex training investment decisions and lack help from knowledgeable mentors. As a result, they fail to consider the range of programs available, the expected gains from completing these programs, the probability that they will complete these programs, the cost of the programs, and how they'll cover those costs.

Our solution is the for the federal government to hold a race-to-the-top style competition that will put in place state

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information systems providing the information and guidance trainees need to make better choices. These systems have five components: Number one is assembling relevant data by building on the close to \$1 billion dollars that state and local governments have already invested in creating state latitudinal databases.

Number two is develop new measures needed to estimate the net benefits of training such as post program earnings, probability of completion, direct and indirect costs; number three is disseminating the information in ways that improve decision making by tailoring the information to the characteristics of trainees and their labor markets and by providing career counselors when needed; number four is measuring the effect of the systems on trainee decisions; number five is sustaining those programs that prove to be effective.

I hope you can see this slide. The next slide shows an example of a report card that we advocate be developed. The report card provides

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basic information about specific training programs such as the cost, which is shown in the upper left hand corner; duration, which is shown in the upper right hand corner; the expected earnings following successful completion and how those earnings compare to the completer's pre training earnings, which is shown in the lower right hand corner.

But the most innovative element of this report card is shown in the lower left hand corner, which displays the probability of completion, the high school GPA of completers, the academic preparation of those entering versus those completing training. Bob and I believe that the key to improving choices is helping trainees recognize cases where the returns are low even if they complete the program, and cases where the chances of completing a high return program alone.

In this hypothetical example, the returns are high with annual earnings gains of \$6,000, however, the completion rate is 34 percent, because most completers have high school GPAs of B-plus or

better, while most non completers only have a C high school GPA. While there is a lot of useful information in this report card, Bob and I are concerned that it would be difficult for C students who need this information the most to draw the inferences needed to improve the training choices from this information alone. That is why we advocate determining the value of tailoring the information to the characteristics of trainees and making career counselors available to help trainees make sound inferences.

In summary, we believe that funding the best proposals states have to offer can develop information systems that substantially increase the returns to training. Our solution can work because training providers already for high return programs for trainees with diverse backgrounds, personalized information guidance can increase the yield on training investments. This solution builds on existing data and information systems and the solution goes beyond existing systems to tailor key

information to the characteristics of trainees and their labor markets.

And, finally, the information will be disseminated so it improves the choices made by trainees. Thank you for your attention, I look forward to further conversation. (Applause)

MR. GREENSTONE: So, Lou, before we return to the panel, I just wanted to ask you one quick follow up. As I understand it, you have, there's a chain of effectiveness. First, it's figuring out what works, and second is to get the key people to actually exploit and use the information. I think, more than people realize, we think that that second part is really difficult.

MR. JACOBSON: That's correct. There's a long history behind this paper, many papers. Originally, I tried to be a little bit more wide key and discuss some of the fine points of doing the estimation, but it turned out that it's premature, that the fine points are fine points. The general scope of what the mission is is what

people really need to focus on.

So there are several examples of states like Florida and Washington which have online systems where you can actually look up this information. The question is, have these systems had much of an effect? And the answer is no. And we speculate -- well, we gathered by asking people who work with people who need training, what's the problem, here. And, basically, the problem is that they don't really know, they don't have a lot of experience in using data to make very complex decisions.

And I think the thing that I would like to impress on this audience here is that we all, I believe, went to college, and some of our kids went to college and did reasonably well, and we don't realize how complex the decisions are. There's a zillion things that you need to know in order to be successful in college, that if you're the first person in your family ever to set foot on a college campus, you wouldn't know.

I'll give you a simple example, that many people don't realize that, when you have an open enrollment institution like most community colleges, that doesn't guarantee you a slot in every course you want to take. That, we all know from long experience, that you have to find out the minute you can register, and you get online and you register for those courses you need.

Some people have no idea that that's true, and that's just one example of the whole, as he was saying, the enormous chain of things that have to go right in order to be successful in a career program.

MR. GREENSTONE: Thanks, Lou. So what we wanted to do was to use the two papers as kind of a jumping off point, and when I was thinking about how, when we were thinking about how to frame this panel, there's an element in which -- this is kind of a silly thing to do, like you come up with about a zillion reasons for why you would actually want to use evidence in decision making, the list of

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social problems is very large, there's low rates social mobility, there's stagnation or decline in wages for many people, the K-12 system isn't working in a way that we would like it to work, we don't know what are the cheap solutions to climate change, and on and on and on.

And to when you marry the need for answers to really kind of astounding advances in both data collection and in computing power that can identify almost a needle in a haystack for when something works and when it won't, all those are kind of, those things are pointing towards, well, we should have more evidence. And then, of course, the government isn't trusted with the taxpayer's money, and there's always the desire to serve that group well and not spend money on things that don't necessarily -- and that's even more true in this period of budget austerity, in the coming years of budget austerity.

But I think the important thing to note is that, despite all those pushes towards using

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more evidence to a first approximation we really don't use evidence in decision making. So what I hope would come out of this conversation is answers to the questions of how can we do this better in terms of identifying the winners, I think this would be very helpful, so the winning program is the one we focus on, what are the practical and political barriers to using evidence for better policymaking, and what are the limits of using evidence, when might we want to, when is that not such a good idea.

So, for that, I thought we would start with John Bridgeland, who worked at OMB under George Bush, and was also the chair of the Domestic Policy Counsel. So, as I understand it, John, you had something of a religious awakening when you were co chairing a White House panel.

MR. BRIDGELAND: I can't help myself, I read every word of Jeff and Lou's papers, and I've read every word and enjoyed every word, and swear by you both. And Roger Altman's right, we're

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clearly not in an evidence-based zone. And, I can't help myself, on Lou's presentation, I think the power of it is, there are 29 million middle skilled jobs in the United States right now in search of qualified workers for these sub baccalaureate degrees.

And the idea of re-envisioning career and technical education in the United States, not only to train people for those jobs, since other country are doing so successfully, but actually to provide data to students, to parents, to institutions and to employers that link transcripts with wage records. So you can actually chart performance across programs to see, there's a student going into some program, if I want to be a registered nurse, is this program actually going to lead to a successful placement in an available job at a decent wage.

So I'm completely taken by your presentation, I just had to mention that. By first alarm while in government, I was Director of the

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White House Domestic Policy Counsel and was asked to co chair the White House Task Force on Disadvantaged Youth, and we were looking across the system as to what degree the country was helping boost the life prospects of 50 million young people who are at risk of not reaching productive adulthood.

And we discovered there were 339 federal programs across 12 departments and agencies spending \$223 billion every year to help this population. One question, to some extent, for some of the programs, evaluation was built into the DNA, but for many of them, we couldn't identify program evaluations or levels of effectiveness or even determine whether individual programs were going to achieve outcomes for this population. Maybe output, but not outcomes.

Second, I always kind of love the thought of a portfolio budgeting, maybe Kathy Stack will heave and haul, but the idea that the government, instead of being silo and program and

department-driven in terms of its approach, looking at a vulnerable population and looking at how, across government, you could use data and evaluation and resources to help serve that population. Interestingly, in every single domestic policy briefing with the President, he would ask four questions, and you knew they were coming.

One, is this program going to achieve the results as advertised? Second, who's going to manage and run this program? Third, what's the system of accountability for results, and how is that program manager and the program itself going to be held accountable over what period of time? It led to a system called PART, I think I have acronym right, Program Assessment Rating Tool; is that right, Kathy, where, basically, it was a diagnostic tool within government for OMB to look at about a thousand programs, to look at their purpose, their design, their management and their accountability for results.

I think the good news, GAO determined that it did improve the alignment of resources with performance in terms of what got funded within government, and the good news also was, you know, programs that were doing better got more resources. We often talk about the cut part of the equation. I think also the danger, though, it wasn't a collaborative tool with the Congress, so it wasn't something that shaped Congressional appropriations in ways that it ought to have done.

A final point I'll make is, I think the power of data has to point towards solving big national problems, and I loved your example of, Jeff's example of ten communities, ten problems, ten experiments or innovations. We have in the country, right now, a ten-year goal of high school graduation rate by the class of 2020, and we worked together with Colin and Alma Powell and assembled educators, policymakers and community-based organizations around what evidence tells us every step of the way will help keep young people on

track to graduate from high school.

And I promise to close with this; four presidents have now set the goal of a 90 percent high school graduation rate by a time certain, and three presidents have missed it. But because we have a stronger evidence based, and because we have collaboration across the sector, and to your point, because we have laboratories of innovation from New York City to Shelbyville, Indiana, that tell us the elements of the secret sauce of what's actually working to keep students on track.

Just a month ago, we issued the power report showing that, for the first time, the nation's on pace to meet its high school graduation rate. And those little rays of hope are things that I think can help inform and continue to support this data-driven performance-based environment. Too long, sorry.

MR. GREENSTONE: No, that was great, thank you. Linda, I think you're the ray of hope. New York has been incredibly successful, I think,

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around the country and around the world, I think people look with admiration at the way New York has both collected data, analyzed data and used it to affect decision making. But I suspect it wasn't always, not every step has been very easy, if you want to talk a little bit about some of the things you've done and the challenges that had to be overcome.

MS. GIBBS: Yeah. And I'll be very honest, we haven't figured out the secret sauce, but we're very much committed to trying, and I think that's really what I have to share. As a little bit of background, I was working two social service agencies in New York City on the government side before, I moved to my current position in City Hall now supervising the Health and Human Services.

So first I worked in the Child Welfare Agency where, quite frankly, I learned to love data. If you wanted to actually think about how you could produce better outcomes for kids, because when we got there, that place was a mess, and we

didn't, we could barely figure out where the files were, much less how the kids whose lives were in those files, how they were doing. But I spent six years there, then I spent four years in the city's homeless service agency.

So when the mayor, in his second term, did a bit of a reorganizations, he created a deputy mayor for Health and Human Services, he talked to a number of us, and I just decided, listen, if you want to job, just tell the guy, right, don't be shy. So I said, well, you should do this, you should do that, you should throw in corrections, probation, and do a little justice, because they need the social services, so I took -- and I said, if you're looking for somebody to do the job, I'll do it.

And he said, well, thanks for that, and I'm like, ooh, (laughter), that wasn't great, you know. But the long shot of it, he asked know do the job, which I took. But part of the reason I was really compelled to want to do it was to help

these colleague agencies to actually collaborate around shared problems. The homeless commissioner supervises homelessness, but is really interested in solving homelessness; and a child welfare commissioner is protecting children, but really is looking at the broader family dynamic with the hope that children won't be harmed in the first place.

But the tools to do that really require the whole range of agencies, each bringing their own skills and resources and acting in a collaborative way and bearing up their strategies. So the way that this sort of got embodied in an action plan in the second term of the Bloomberg administration was through the creation of our Center for Economic Opportunity, which was sort of a research and development shop where we put in \$100 million a year, and that's a mix of public dollars from city government, but also private philanthropic dollars, and that was really important for, we widened, sort of, the constituency of partners working on this issue and

linking elbows around it.

And the basic idea was, we looked at the numbers, and New York City, much like the nation, they dropped during the welfare reform years in poverty, and increased in employment of mostly, if you look at the single head of household women, big jump in employment, big drop in poverty of those households, which meant a big drop in child poverty.

But the benefits of that had sort of petered out by the early 2000s, and we weren't seeing changes from there. And our question was, we've got to do something different. The rate came down, but it's not good enough, we have to figure out what's going to be different, so the idea was, let's invest in a bunch of ideas. Of course, we had a big collaborative process where everybody threw their ideas on the table, but let's pick out a range of ideas and test them.

And the mayor is great, and he's skeptical and he gives you a hard time, but he's

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willing to do things if he feels like there's a strong theory. And you don't have to have already on everything, we got a little evidence that it worked here or there, and that's good, but he doesn't demand evidence. What he really demanded was the rigor of accountability on the implementation of the program to know whether or not they work.

And he was willing to put dollars into evaluation, because, by the way, it costs money, about 10 percent of our total investment have been into the evaluation. So what we've done over that period, we created an office whose job it is in City Hall to work with all the agencies, so the individual agencies are administering the portfolio of about 40 to 50 programs. The evaluation team first helps get them off the ground, but more importantly, we work both internally doing evaluations, plus work with external evaluation partners.

And what we've done over about four years

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into the process, where we've graduated some of the programs as successful, basically saying the evidence is in, it's working, it's good enough that we are going to sort of give you your money and set you free, you can have it, you're now part of the permanent portfolio in your agency; or, I'm sorry, it was a great idea, and you gave it a good college try, but it didn't work, we're going take that money away, we're going close that program and we're going to reinvest the dollars.

So, over these eight years, we've had three, we've had two graduations, so to speak, we've had two rounds of successes and closures, I hate to say failures, and we're about to do our third. And what that does, it allows the knowledge from that research to help inform the agency's portfolio, so they have lessons of what's worked, but it also gives us a chance to free up dollars to try new things.

So, in about two weeks, we'll be announcing a set of three new initiatives that we

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will be investing in that are iterations sometimes off of prior failures but are trying out new ideas driving by the knowledge that we've gained, driven by the resources that we were able to bring, whether that's new resources or reinvested dollars, but entirely within this culture of data, managing by the numbers and accountability, and knowing that there's a consequence.

Yes, we'll give you a second chance, but we're probably not going to give you a third chance. At that point, it's like, you gave it a good try, but that's it. So this is, this office has done that work, but I've actually seen and can talk more about it later, if you have questions, about how is it actually starting to change the culture out in the agencies, as well.

MR. GREENSTONE: One quick follow up question. Now, as you said, sometimes these things don't work out. And I think, oftentimes, that can be a complicated thing and make administrators risk over trying new ideas. How did you overcome that?

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MS. GIBBS: You have to, I think you have to give people room to fail, like trying and failing is okay. If you really want to innovate and you want to give people a chance to be creative -- obviously, not every kooky idea is worth trying, and I've seen a lot of them. But you've got to give, you really have to invite that kind of creativity, and you're going to shut it down if you, if there's, if you fire somebody if their program idea doesn't work.

You really, I think, I actually think that if we had 100 percent successes, it probably means we didn't take enough risk. It's really in the risk taking where you can learn. And the first time we did our conditional cash transfer program, I would say maybe a good 85 percent of it didn't work. Now, the folks in New York are, the ones who love to hate the government the most, oh, you know, debacle, total failures, boy did they screw up, aren't they fools.

I look at it much differently where we're

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actually now replicating conditional concern transfers in New York and Memphis, where we take the lessons of that big project, were the kernels of knowledge that we got out of it about how to make this kind of thing work in the U.S., and we're replicating those pieces in New York and Memphis. So we draw, so failures can be successes.

MR. GREENSTONE: Thank you. So, next, we have Michele Jolin, who is the Managing Director of America Achieves, Michele has a very checkered and interesting background, many philanthropic vectors, government, NGO. I wonder if you could talk about the key role of philanthropic organizations.

MS. JOLIN: I have to say, listening to Linda, that's just an amazing story, I think what they've done in New York with CEO, and it's the kind of thing that we hope could happen at different agencies at the state, local and federal level. But we all know, those of us who have worked in government, that government largely can be risk averse, so I think that's when you're

asking the question about philanthropy.

That's a good role, philanthropy, in partnership with government to help take some of those risks and to sort of deflect some of the heat that can happen when you have those kind of failures. So I think philanthropy can play a couple of key roles, I think one is, obviously, to building a pipeline of organizations, interventions, programs that have some evidence that they're working, and show some promise that they can make more of a difference in the lives of children and families and communities.

I think there's also a key role philanthropy can play in funding evaluation. As Linda said, it's not free and it's not cheap. It can get cheaper with larger data sets and with more publicly available information and data, but it's still, to do rigorous evaluation, to do rigorous, to get rigorous evidence, it's expensive, so I think that's an important role for philanthropy.

I think, also, finding what's working

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outside the community, especially at the federal level, I think this is less true at the local and state level, but the federal government can be, obviously, removed. So, for that reason, having philanthropy identifying potential programs, initiatives, ideas that could work is a really critical role. And then, also, just -- and I think, again, as an example Linda gave, the partnership between philanthropy and government can be so important in terms of deflecting risk, helping make better decisions internally, and sharing some of the cost and the challenges of doing that.

I just wanted to say one other thing about this suggestion, because I just want to throw this out there in case this doesn't get touched on. I think that it's important to think about evidence and evaluation as a continuum. At the earliest stages of innovation, it's a lot about data, it's a lot about collecting data and anecdotes and sort of getting a sense of what works. But, over time, we

know that it's critical that, for governments, at least, to invest more dollars in scaling something.

There needs to be better evidence, so the spectrum goes from sort of the earliest stage of innovation and the kind of evidence that needs to be collected to a larger, more rigorous evidence over time. And I think that the way that the Obama administration has structured a number of initiatives over the last couple of years has been very focused on both that tiering of evidence, which gets to the issue of earlier stage innovation, you can get less money at the earlier stage, but the evidence, you're required to sort of get those resources less, up to a higher level of standard of evidence for things that will get more dollars over time.

And that was what Jeff was talking about with (i3), the sort of tiered evidence idea sort of promoting this continuum that, over time, we need to be "incenting" these organizations, these initiatives, these programs to develop more

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evidence. And I think that's a really key role that philanthropy can play, too, at sort of each of these stages, pushing that, incenting that.

MR. GREENSTONE: Thank you. So I now wanted to just pose questions to the whole panel. I think, so far, the way we've been talking about it, there's always a clear objective that each program is trying to achieve, measurable, and we have in mind some cut off for if it's above or below that margin, then it's a good program or unsuccessful program. But one thing, from my brief stint in government that I grew to appreciate was programs often have many goals, some of them are less well defined than others, and some of them are less amenable to measurement than others.

And I wondered if all of you could talk a little bit about how evidence, what role evidence can play in those settings, or, alternatively, should it just be, if you can't measure it, then we should get rid of the program. Just to put that out there.

MS. GIBBS: I think part of the challenge also, as Michele said, a lot of data in program evaluation is new. When I started in child welfare, the systems weren't automated, we didn't know what the outcomes were, we didn't know which nonprofit agencies were producing good outcomes and which were bad. And the first time that we published, we actually did an evaluation for the first time, the foster care agencies got listed in the New York Times by their grades.

Those that, the hot shots who thought they were the top of the heap, found, like some of those little guys who they didn't spend much time paying attention to above them, they were shocked, that just totally reverberated through the field. And so I guess the point is, we're getting better and we're knowing more, but I think we have to be cautious about thinking that the data is going to tell us everything, particularly while we're in this learning phase.

And, I think, that another part of the

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challenge is that the organizations that are going to be able to be really good at their data are people that are going to be big and strong enough that they can hire a big staff of IT and QA people. And in the social services, which are job training, as well as some -- it's mostly delivered by non profits. And if you wind up having everything hinge on certain data elements, you're going to wind up discouraging small startups, you're going to wind up discouraging culturally diverse organizations that are more neighborhood based.

And you've got to think about what your array of services are that you want and their ability to produce at the levels that sort of a data driven system -- produce data at the levels of data driven systems are expecting. So I think we just have to be mindful of how we're going to blend qualitative assessments together with our quantitative assessments.

MR. BRIDGELAND: I think that's beautifully said. I would just add that I think we

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can't create an environment where we're using evidence and performance based matrix to eliminate programs. One, the evidence base isn't sufficient in many, many cases; and, two, I think we want to create an atmosphere in the spirit of learning and building on an evidence base and helping programs succeed.

I'll give you one example so interesting. There were these, I was on President Obama's White House Counsel for Community Solutions, and the focus population were these 6.7 million young people who were disconnected from school and work, that cost the taxpayer \$93 billion a year if we don't reconnect them. And we discovered this extraordinary program called Youth Opportunity Grants that were given to 36 communities where disconnected youth were disproportionately found across the country.

And because at the time, in the mid 2000s, there wasn't a sufficient evidence base and a national longitudinal study showing the

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effectiveness of these grants, the program was terminated. And then, two years later, the Department of Labor commissioned an independent evaluation of youth opportunity grants, and guess what it found, that in most of these communities, it was successful in reconnecting disconnected youth to school and work, particularly with respect to young people of color.

So that's just a good example of the dangers of moving too quickly to cut based on a lack of sufficient evidence base. And I wish we had that program back today, because it could do a lot to help that population.

MR. JACOBSON: I actually have a slightly different view in this issue. First, I think that government programs goals should be very clearly defined, and that the idea that -- there are multiple goals, but some of them are more important than others. And you actually mentioned one of them; we want to get the high school graduation rate up, we want to get the college graduation rate

up.

That's a good goal, it's like going to the moon, either you go to the moon or you don't go to the moon. And the other issue that I think, this is an inside the Beltway issue, which I think is really important, is that people outside the Beltway, some of these people are in New York, we ask the people running the programs, they can tell you what's going on, they could evaluate them probably better than the people inside the Beltway, but nobody asked them.

And I think that OMB did make an attempt fairly recently to actually define the mission of every agency and try to get matrix that would match its mission. Now, my understanding is that this didn't go anywhere, but it's a noble venture, and I think that it's not all quantitative data that's necessary, but I think that the educated opinion of people who are actually running the programs can be much more valuable than people expect, and I think that we have to really face the fact that, as

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people are saying, that we need freedom to fail.

If a program isn't working effectively, we need to change it or get rid of it. And I think, from inside the Beltway, it's hard to do.

MS. GIBBS: And a lot of times, you don't have discretion to get rid of a program, you can't eliminate child protective services, you can't eliminate, right, you have to do it.

MR. JACOBSON: Right.

MS. GIBBS: And the question of how to improve really is a question about you can create competition among providers, but ultimately, you're moving a whole system, and you've got to think about how the data can educate and create sort of a virtuous loop of information so that people are progressively changing and improving practice as you go along.

MR. GREENSTONE: So let me just pick up on this theme. I think there's a view, though, that, in some sense, evidence is closely related to cost benefit analysis, and the cost benefit

analysis at times has kind of been used as a shortened course for getting rid of government programs. And partially under the guise of extraordinary focus on the things that are measurable and ignoring the things that are not measurable, is there a way, how do we get the message out that evidence is okay?

MS. GIBBS: In some cases, doing the right thing is going to cost more money. I mean, if you want more kids to graduate, not just have a high school with a high graduation rate, so you shove the kids out, but if you want all the kids to graduate, that means you're going to have more kids in school and it's going to cost you more money, right.

So there's not, doing the right thing and getting good outcomes is not always going to produce a saving. But there's also a ton of waste in our programs, because we're not driving decisions based on knowledge about the best outcomes.

MS. JOLIN: There's also the issue of the long term pay off of some of the things that work. So you could have a more expensive intervention, like the small school example in New York City where individually, the cost per student was higher temporarily, but the longer term outcomes were stronger than other programs that were less expensive, and they graduated from high school and went on to get jobs and got, paying actions and contributing to society in a way. So, in that case, it was worth it, because it was a longer term out come.

MR. JACOBSON: I was going to say that, one of the things that differentiates the two papers, and I thought Jeff's paper was really excellent, but it really focused on the internal management of the government. But my paper actually reveals more of how you get people to vote for programs that they actually like. And I think there's a lot to be said for doing more of that, and the government's most effective role would

actually be in disseminating information.

So people who go to college with Pell grants, which is a voucher, they may make good decisions or they may not, but there's no real organized effort to improve their decisions. The same thing with charter schools. Around 2000, charter schools were supposed to take over the public school system, but we now know the decisions that the parents are making may not lead them to go to the best charter schools or the best schools in their city.

And the reason for this clearly is that the people who are making the choices either are constrained in ways that the programs don't really take into account, or they just don't have the transparent information that they need. And, needless to say, we recently observed, in the great recession, that people who buy mortgages, people who would take out mortgages do seem to be misinformed about their own personal risks.

So the area in which I would like to see

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the government do a lot more is actually provide objective and unbiased and accurate information and help people who are the beneficiaries of the programs make better choices themselves.

MR. BRIDGELAND: Yeah, building on that point. We created something called the What Works Clearinghouse. In the early phases, it was so traumatic in a way, people were calling it the Nothing Works Clearinghouse. But it eventually did, through the analyses and the various work that was done, started to post programs that could give you confidence, not just of government, but the feel that these were -- Michele talked about philanthropy, these are programs that were worthy of investment.

Another point, I think it's a fundamental role of government to collect and report good data, because it's the gold standard of data collection, it can do it all across the country. One quick example, using government data sets, the genius Bob Balfanz, discovered there were now 1,424 drop out

factory high schools where we're disproportionately losing most of the young people to the drop out challenge.

So now we're working with the Department of Education to chart the feeder middle and elementary schools. So, with early childhood efforts and other efforts across the system, we can actually target in and focus our efforts where the problem is disproportionately found. And the simple act of government making that data available is having profound effects on how the field is organized, and I think that's something that's worthy of further discussion.

MR. GREENSTONE: Okay. So one of the things when we were planning this event was, we knew that we loved evidence, but we weren't sure that everyone else loved evidence. And it turns out we have this incredible audience, here, and it would be a mistake not to take advantage of you guys, and I want to open the floor to questions. Please state your name.

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MR. BRASS: My name is Clint Brass, and I work for the Congressional Research, but I'm not speaking on behalf of the Congressional Research. So, Professor Liebman outlined a few challenges at the outset, and you all have identified some challenges. I wonder if there's another one, and that has to do with some of the rhetoric in the What Works movement where there are key questions of external validity where what may have been found in one study may not readily apply to other geographies or situations.

And I wonder if calling something like that proven might set up some false expectations or eventually run into some difficulties. Thank you. Your reactions to that.

MS. GIBBS: Yes, absolutely. And it's interesting, because we faced this challenge a little bit in New York City, so we had these 40 or 50 pilots that we were doing, not city wide in all cases, in fact, not city wide in most cases, just in a neighborhood. And they were like, oh, my God,

this is brilliant, I can't believe how great this is, and we're ready to pound our chests and tell the world that we have the solution.

But, of course, is it going to work the same in a rural area as it works in an urban area, is it going to work the same with the Latino population as it works with the African American population. You don't know that. So it was great, the Social Innovation funding from the White House allowed us to do a replication of our five most promising programs in different mixes and matches in eight different cities.

So we're doing exactly that, and so we're careful of, the whole premise of that is, it worked in New York, we want to try to see if these are ideas that can work elsewhere, let's try them out in other places, watch them in the same way, and then if some stuff starts working in multiple places, well then, maybe you have something you can really talk about scaling.

MR. BRIDGELAND: I want to build on that
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and actually brag on Senator Portman, who will be here in a minute, we hope, who, on the drug issue, wanted to merge the big issue in his district, had the instinct, let's not just try to do something at the national level, let's use our Congressional leadership to get community collaboration.

It's almost like a model for collective impact in the early '90s where let's use incentives, and he went on to write this bill called the Drug Free Communities Act that actually fostered community based incentives for community collaboration across sectors and across programs, and was very tailored to the indigenous environment. And that, in turn, helped inform federal policy in a way that gets to your point in recognizing that not all communities are the same, and the federal response can't be unified and mandated in a way that doesn't take account of those differences in local communities.

MS. JOLIN: Data and evidence can be used to inform over time, right, it's back to the

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continuous learning point that we talked about earlier. It's an important tool for policymakers to make better choices.

MR. JACOBSON: If I could just --

MR. GREENSTONE: I want to say, I was picking on your checkered past. By that, I meant, you did work with the city with the Social Innovation Fund, you work in non profit, you've kind of seen the evidence world from many different perspectives; do you want to talk a little bit about how the Social Innovation Fund was thinking about this problem and helping your city?

MS. JOLIN: Yeah. So, originally, the idea behind it was, the recognition came from President Obama and the First Lady's past interest in working at the community level, recognizing that good ideas come from outside Washington, and it's hard to get those ideas fused into the federal government, given the distance and the barriers.

So the way the Social Innovation Fund is set up is that it funds intermediary organizations

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that are local entities, foundations, community foundations, other organizations, many of whom are here, actually, because they were in town today. And, from there, they identify what they think has promise in communities, ideas that could potentially be scaled and spread more widely, and provide the resources to them to do that.

And then there's an enormous matching component, which I know it was initially seen as a huge benefit politically, and I think in practice, it's a challenge. But every government dollar is matched three to one from the private sector, so there's a big private investment in making it successful locally, as well. So that was the original thinking behind the Social Innovation Fund.

But many of the ways in which it was designed went on to sort of inform other things that the government is doing now, in terms of evidence, and thinking about that.

MR. GREENSTONE: And to Jeff's paper, I
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think, one strong feature of it was the funding didn't have to be taken away from some other pre existing program, it was there just for them?

MS. JOLIN: That's right, yeah. It's at The Corporation for National Service and was part of the Kennedy's Serve America Act as a new program.

MS. WERTHEIM: I'm Nancy Wertheim with the Naval Post Graduate School. I turned out to be interested in everything, John Dewey was my Godfather, which is why I'm really interested in education. I guess I want to ask two questions. In the federal government, getting collaboration to happen is really painful and really hard, and my other question turns out to be about leadership. I heard the superintendent, or whatever her title is, from Newark speak the other day about what she's doing with that school system.

And, as I understand it, she was appointed six weeks before the new school system started, and she went around and interviewed all

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the principals, and there were, she ended up firing three. Of the two that she fired, they were really at the bottom of the heap, and when they got new leadership, these schools really did much better.

So my question is about how does leadership play into what you're doing, and also, what can you tell the federal government about how to create collaboration?

MR. GREENSTONE: Okay. So there's only six minutes left in the whole panel, and those were open ended questions, does anyone want to try and take a first stab, and then we might see what other questions are out there. It's a very important question, but one that we could probably have a whole day on, I think.

MS. JOLIN: On the leadership question, I think they're clearly, in terms of how data and evidence can be used effectively, used as a learning tool, not used as a club to beat programs up, cut programs, and then to sort of create disincentives for programs to be willing to

evaluate and use data. I think all those things are important parts of how, at the federal level, and I assume at the state and local level, a leader committed to this could be using any sort of data and evidence for better results and better purposes.

I think it's very true in the nonprofit sector, as well. Making the commitment to figuring out what works about your program is incredibly risky and it takes a lot of leadership. Many programs, as they go down this path of figuring out what works, discover very mixed results. They discover some of the things that they're doing are incredibly powerful, many of the things they thought were working aren't working, and that's a hard thing to obviously discover. It takes a leader both to convince a board to invest resources in that, and then a team to sort of stop.

Because these are obviously programs with well meaning intentions and people who have committed their lives to making life better for

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children, families, communities, and so to actually take on a hard, rigorous, disciplined effort to figure out what it is about what we're doing works, it's truly leadership.

MR. GREENSTONE: So, Linda, is that why, in New York, you created this separate entity to house all the crazy experiments so it would be safe for nutty stuff to happen and away from the rest of the programs, from the day-to-day bread and butter?

MS. GIBBS: You know, it wasn't the reason, but it became a benefit. The reason we created it was that we would have an infrastructure to do the data and the accountability, but it really did create a safer place for things a little bit more out of the ordinary to be done. But I really like what you shared about the President's questions, is there evidence, how is it getting, who is --

MR. BRIDGELAND: Who's managing --

MS. GIBBS: -- managing it.

MR. BRIDGELAND: Right.

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MS. GIBBS: I thought those were really critical, and one of the things that we did was to create a delivery structure in our initiatives that were very much about leadership of the individual initiatives. And the fact that we had that team there allowed us to kind of, if we thought things, like maybe the commissioner looked the other way for a while, we were there to catch them quick and sort of bolster them back up or smack them around a little to get things back on track.

And I think that was really valuable, and it taught me a lesson about thinking around sort of how, from a central point of view, White House, city hall, governors, the capitol, how that kind of accountability delivery teams can be important if the executive wants his agenda completed.

MR. GREENSTONE: I think we have time for one last question. John Baron.

MR. BARON: Thanks. I'm John Baron with the Coalition for Evidence-Based Policy. I guess my, I agree and strongly support a lot of what

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you've done in New York and a lot of the proposals here, the tiered evidence initiatives, and so on. I guess my question is, there are, a lot of this talks about building evidence over time, moving things along the continuum that you've talked about, and creating incentives, so the use of evidence based practices.

And, as Michele just mentioned, there are a number of, when rigorous evaluations are done, a lot of times, probably most of the time, they find that what's being evaluated didn't produce any meaningful impact. But there are few cases where there are large, definitive studies, multisite randomized trials that have shown very large effects for very simple interventions.

There was an experiment done by Bridget Long at Harvard, at H&R Block offices that greatly streamlined the process for college financial aid application, and had a very large sample, and it showed a 29 percent increase in college enrollment and persistence in college at the four-year follow

up, which was just published. There are other examples like NDRC's study of career academies, also showed a large sustained increase in earnings.

My question is, why -- I mean, there is all the value of the process, but are there a few immediate things we can do where we know it works, where there are tangible, clear benefits from applying evidence that's already been generated, why can't we just, is there a vehicle for just scaling those things up nationally?

MR. GREENSTONE: So, John's question, I think, let me try and paraphrase it, I think. Can we get off the mañana program and get down to spending money on things that work. So why aren't we doing that?

MS. GIBBS: You know, I have to say, one thing we do, we pull the NDRC study off the shelf on JobsPlus, and we're looking for housing authority based employment training and placement programs. Evidence from four different cities, or something, random control, it was great, it worked,

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it was amazing. 15 years later, no one's doing it.

So the CEO team bring it to me, they come forward, look at this, we want to replicate it. And I'm like, oh, that's somebody else's idea, why don't we try one of our new ideas. And that was my quick, maybe I shouldn't have led with that, but that was my -- I didn't say that out loud, but that's what I was thinking, that's what I was thinking. And I think that there's a little bit of, in that regard, there can be some ego involved, you want to have the best new shining example, and you want to make your mark with your idea.

That can be, I think that plays, particularly if you're doing it on a retail level, not on a national, wholesale level. The other thing I would say is -- let me end there, I'm sorry.

MR. BRIDGELAND: No, I think your point is well taken. For years, I was so frustrated and all the evidence around peri preschool and these early childhood investments that had extraordinary

returns, and there seemed to even be bipartisan support at some level, but nothing ever happened. Thank God for President Obama coming forward with a proposal on early childhood.

But I wonder if an evidence-based bipartisan caucus in the Congress that gave members of Congress regular information -- I'll give you one example, I talked to a senator the other day and I said, do you know about the Social Genome Project? He goes, no, what's that. I said, this is this Brookings Institution project that shows what are the interventions that scale that help low income Americans meet middle income by middle age across all these different programs.

Fantastic, phenomenal project; almost no one knows about it. So I think just providing the evidence to members in a fiscal climate that's so constrained, you would think would help move towards evidence based policymaking.

MR. GREENSTONE: Okay. If you would all join me in thanking this star-studded panel.

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