



WILSON SHEEHAN  
LAB FOR ECONOMIC  
OPPORTUNITIES

# POVERTY DURING THE COVID-19 PANDEMIC

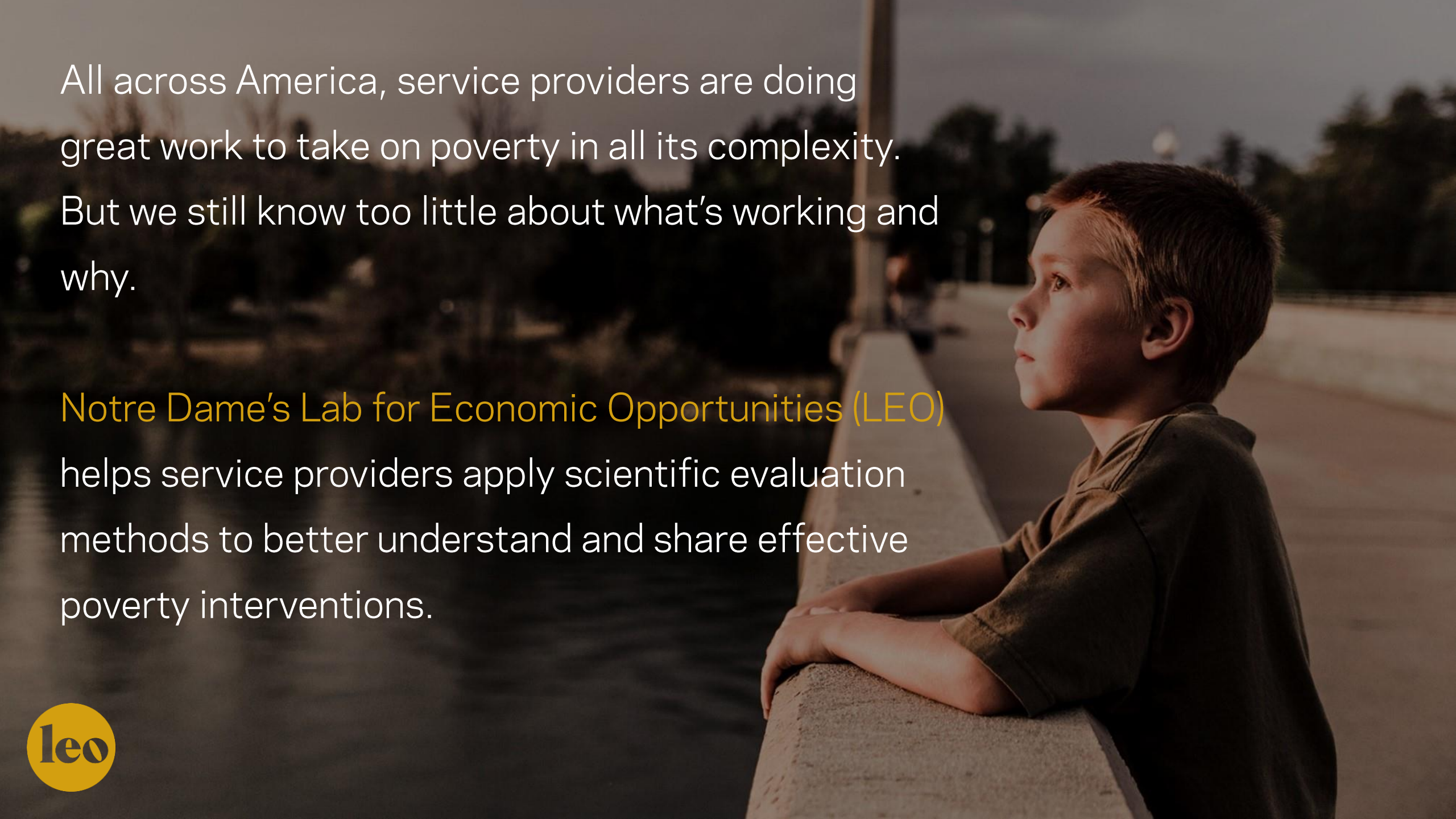
# WHY THIS MATTERS



# ABOUT LEO







All across America, service providers are doing great work to take on poverty in all its complexity. But we still know too little about what's working and why.

**Notre Dame's Lab for Economic Opportunities (LEO)** helps service providers apply scientific evaluation methods to better understand and share effective poverty interventions.



# TURNING THE TIDE

## WHY WE EXIST

34 million people in poverty

\$1 trillion spent annually fighting poverty

As little as 1% goes to evidence-based programs

Less than 2% of service agencies have conducted an impact evaluation



# TURNING THE TIDE

## WHAT WE DO

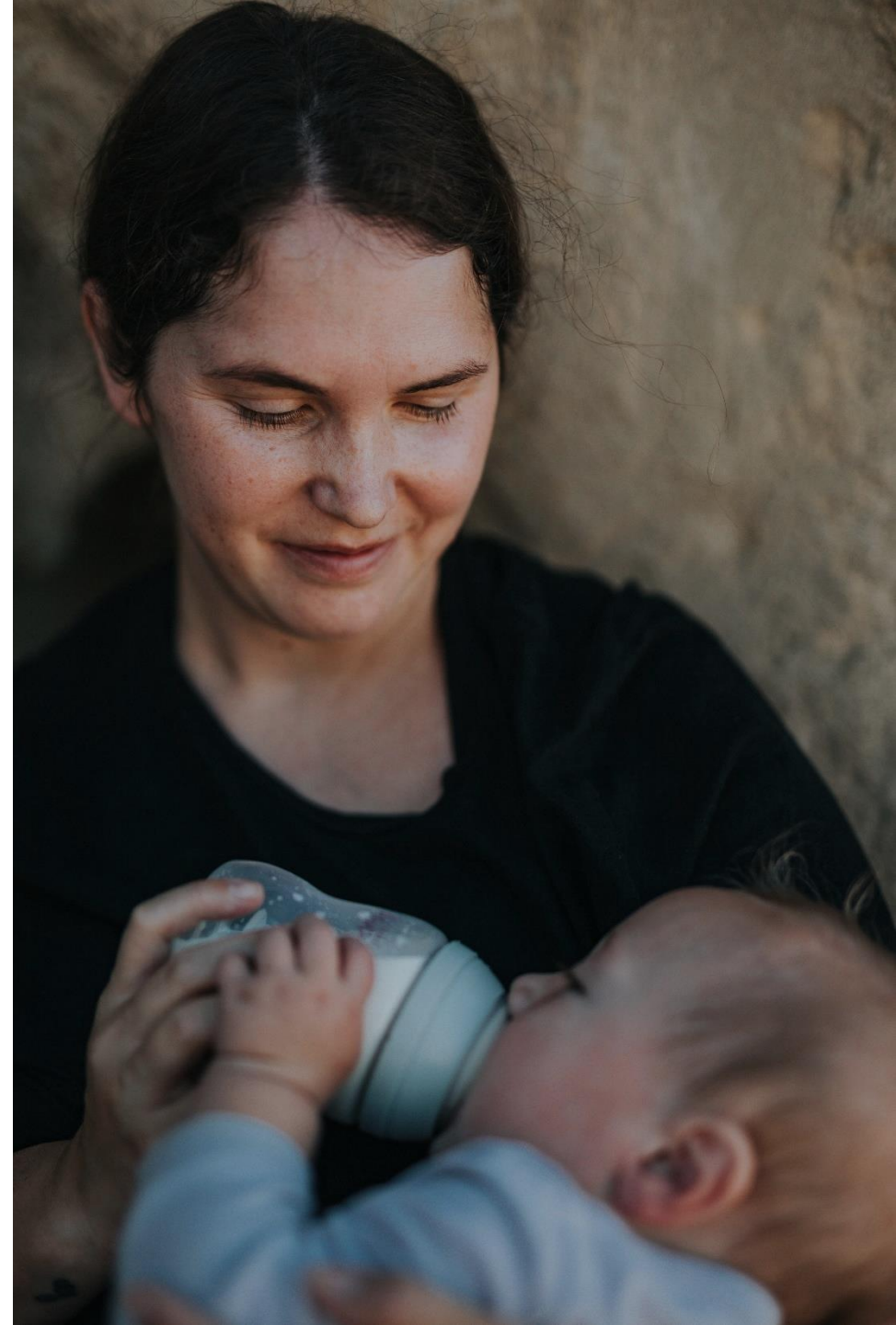
Find the **innovators**

Teach about **impact evaluations**

**Overlay** research design on anti-poverty programs

**Learn** & iterate

**Share** findings & scale



# WE BELIEVE

Poverty can be **outsmarted**.

The **social service community** contains innovations that show us how to end poverty.

**Evidence** (rather than hunches or assumptions) lights the path to learning what works, with whom, and at what frequency, sequence, and intensity.

Families in poverty **deserve** interventions that work.





## OUR SHORT-TERM IMPACT

Founded in 2012, LEO launched 35 impact evaluations with partners across the country within its first seven years.

In the last 18 months, LEO has doubled the number of impact evaluations – we now have 76 projects in 34 states.







## OUR LONG-TERM IMPACT

Reduced poverty and improved lives through evidence-based programs and policies.

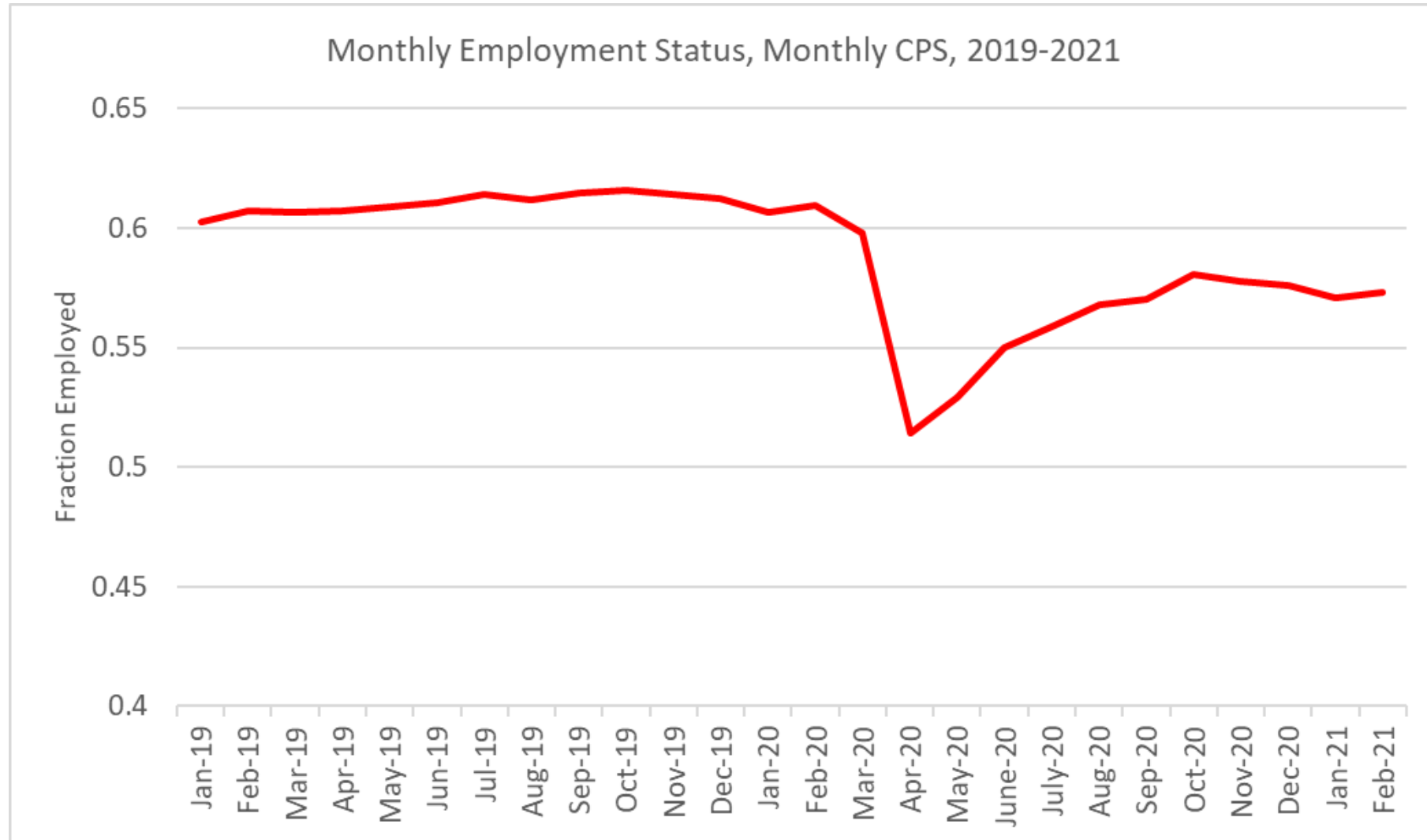


# POVERTY DURING THE PANDEMIC



# MOTIVATION

We've seen a sharp decline in economic activity.



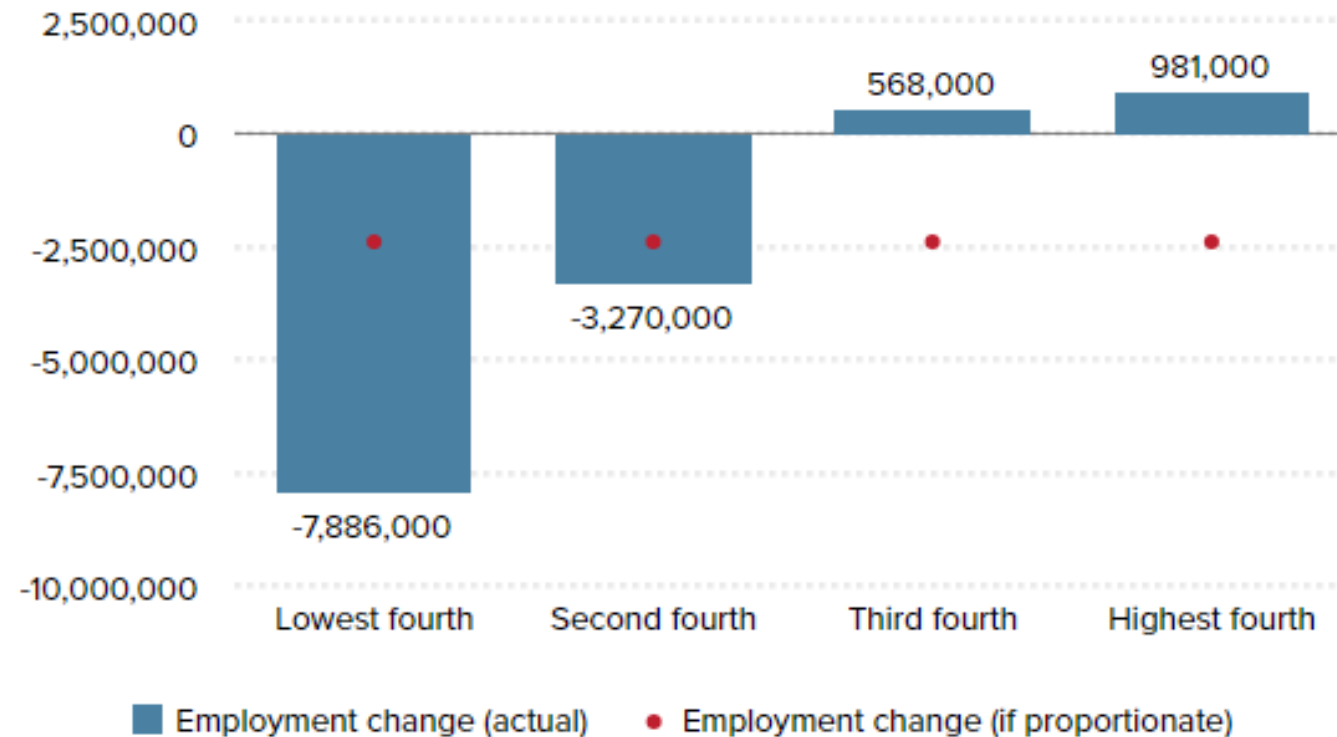


# MOTIVATION

And that decline has hit those at the bottom the hardest.

**Lowest-wage workers lost nearly 7.9 million jobs, while the highest-wage workers *gained* nearly a million**

Employment change from 2019 to 2020, by wage level



# MOTIVATION

The New York Times

**TheUpshot**

## *A Gloomy Prediction on How Much Poverty Could Rise*

Researchers suggest the poverty rate may reach the highest levels in half a century, hitting African-Americans and children hardest.



By [Jason DeParle](#)

Published April 16, 2020 Updated May 14, 2020



The pandemic crippling the American economy portends a sharp increase in poverty, to a level that could exceed that of the Great Recession and that may even reach a high for the half-century in which there is comparable data, [according to researchers](#) at Columbia University.



# MOTIVATION

However, there has also been an unprecedented government response.

Two key components of the government response:

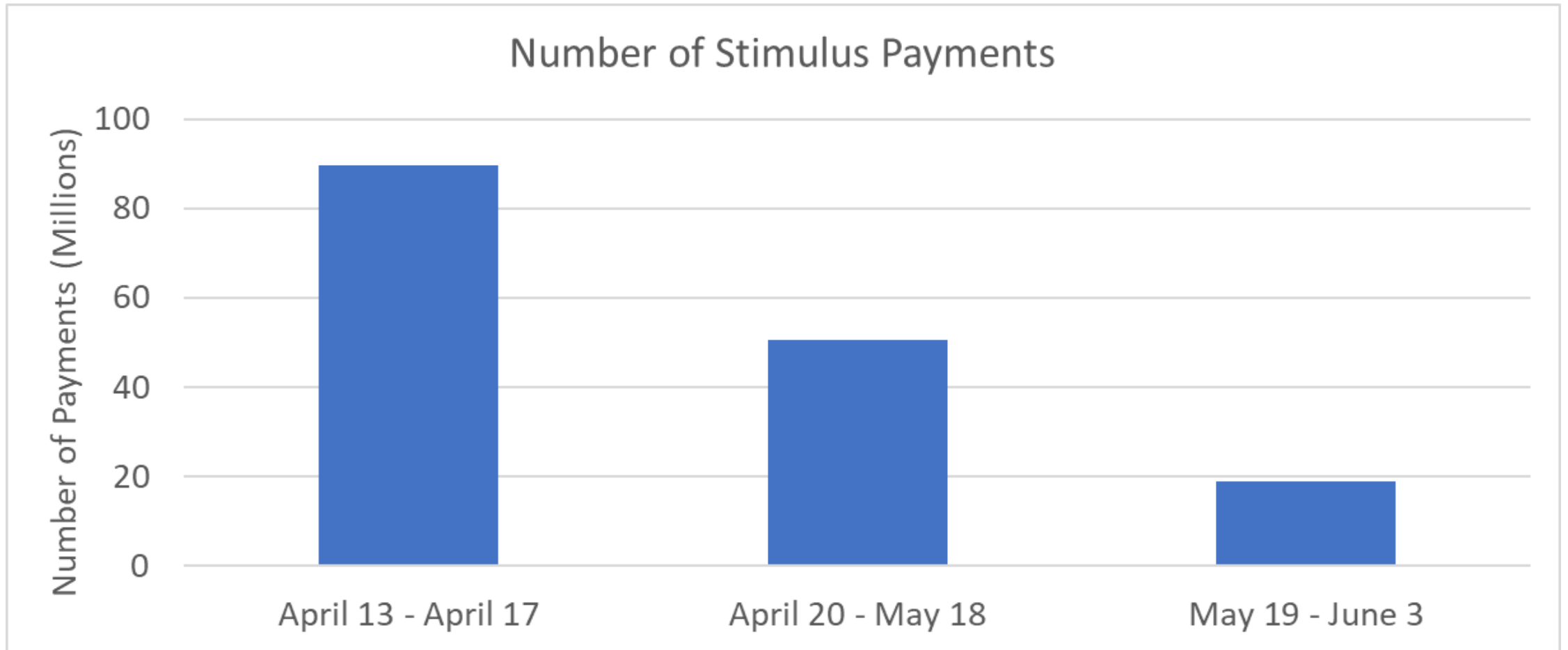
- 1) Economic Stimulus Payments
- 2) Expansion of Unemployment Insurance





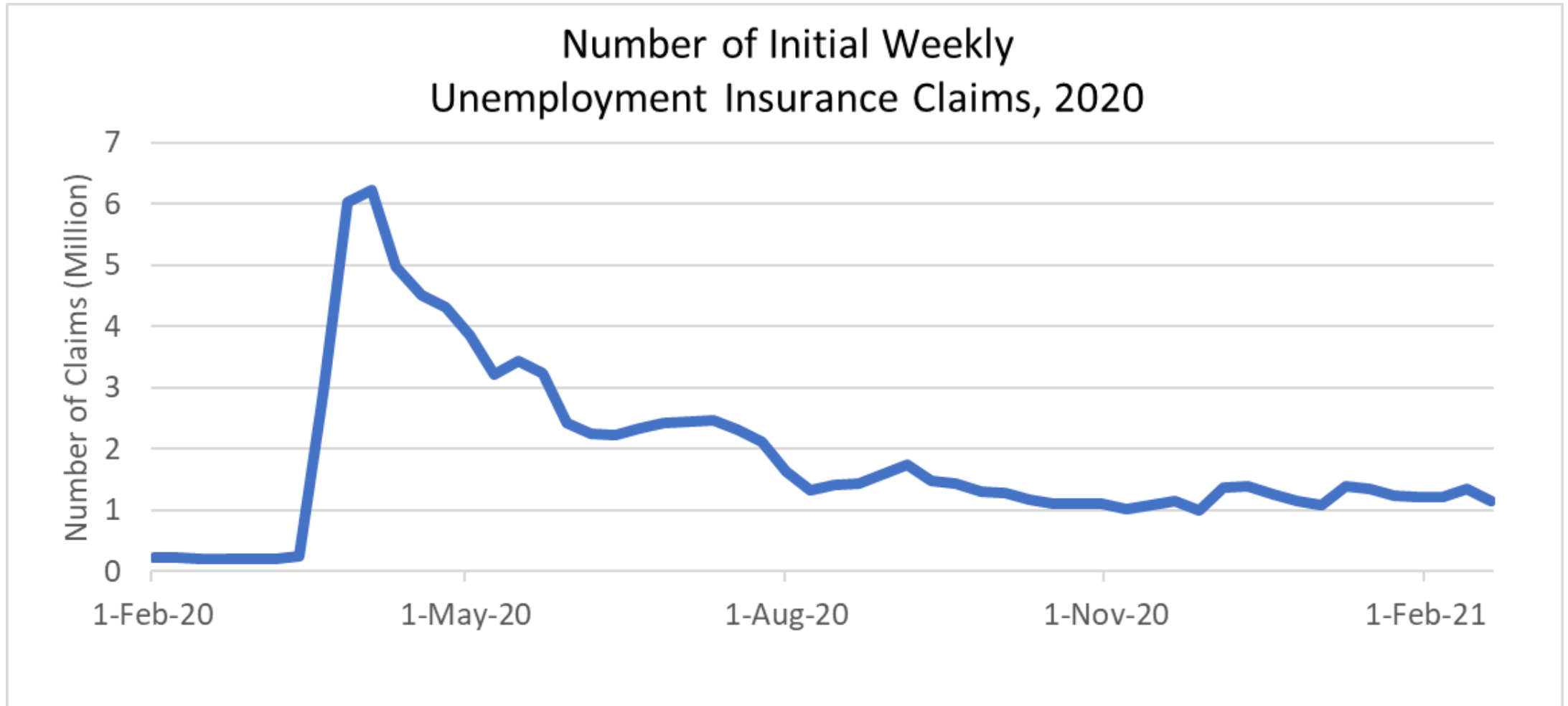
# MOTIVATION

## GOVERNMENT RESPONSE



# MOTIVATION

## GOVERNMENT RESPONSE



**QUESTION:** What is the net effect of these dramatic disruptions on poverty?

**PROBLEM:** Official statistics aren't available until September 2021.

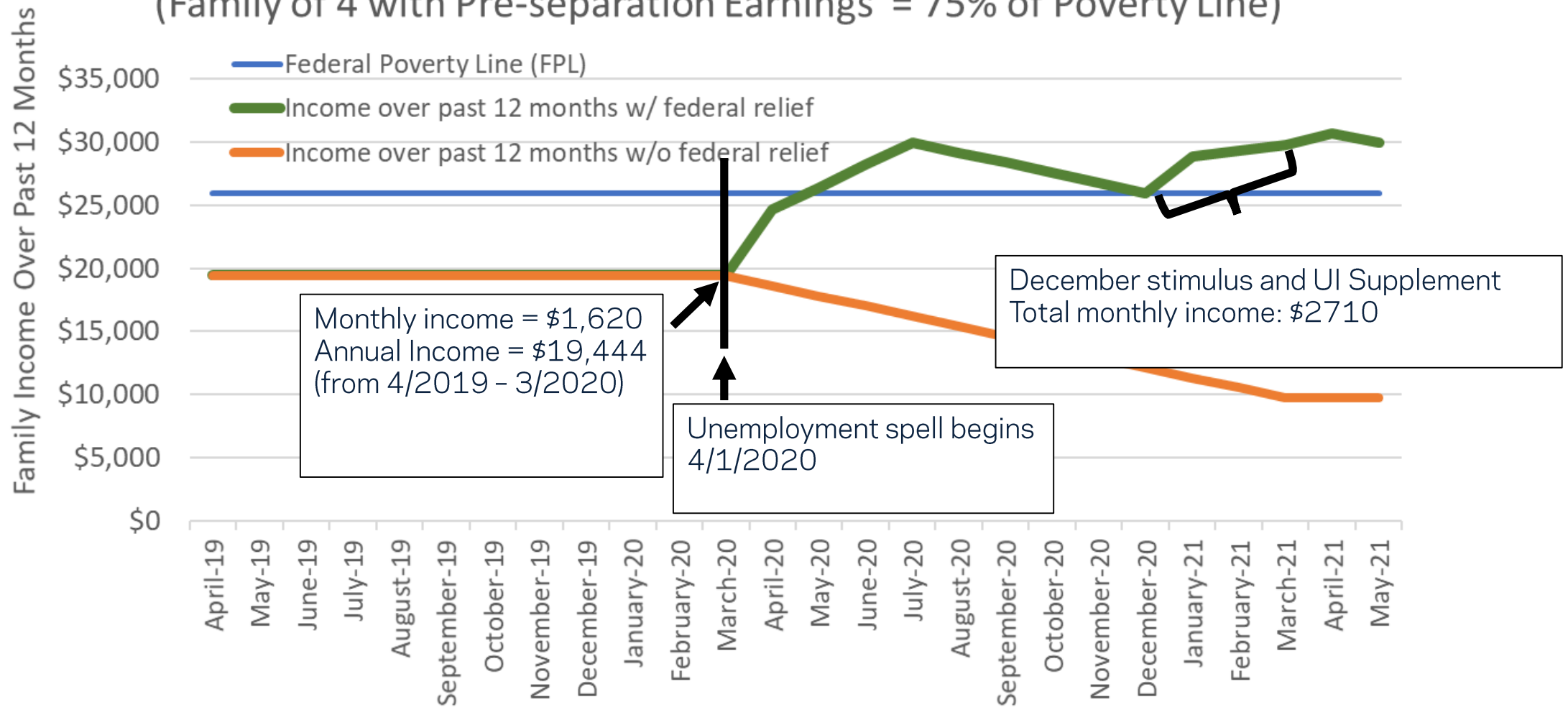
**OUR SOLUTION:** Use monthly data on family income from the U.S. Census Bureau to update poverty on a near-real-time basis.



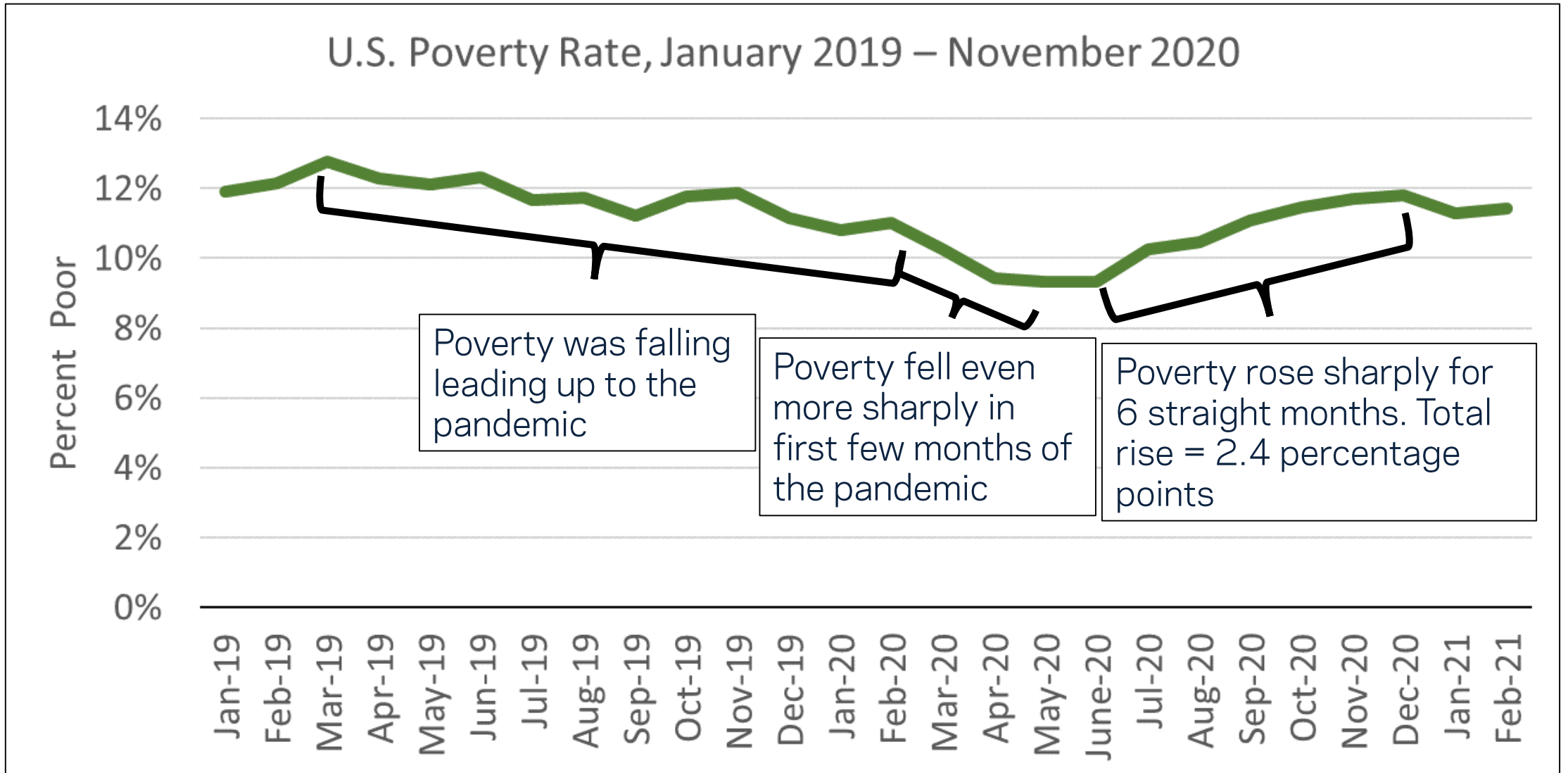


# WHAT SHOULD WE EXPECT TO FIND?

The Effect of the Government Response  
(Family of 4 with Pre-separation Earnings = 75% of Poverty Line)

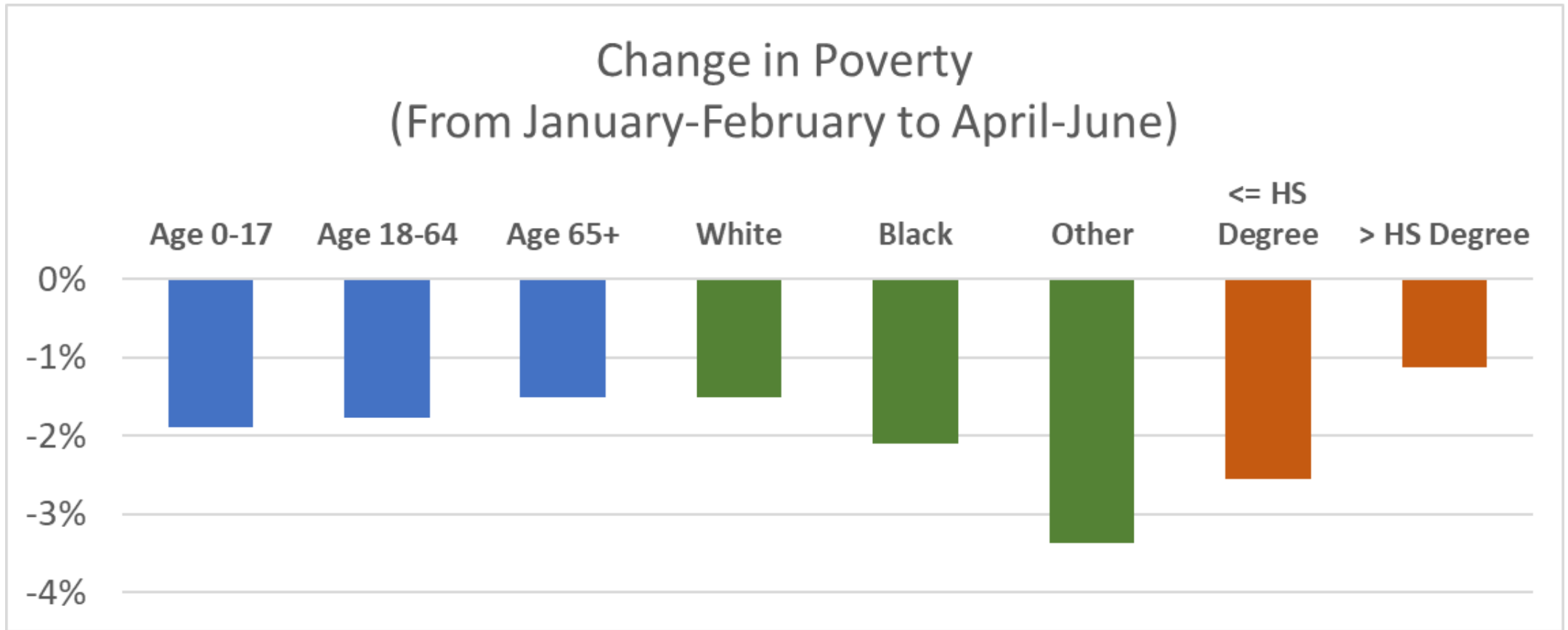


# RESULTS



# RESULTS

## BY DEMOGRAPHIC GROUP

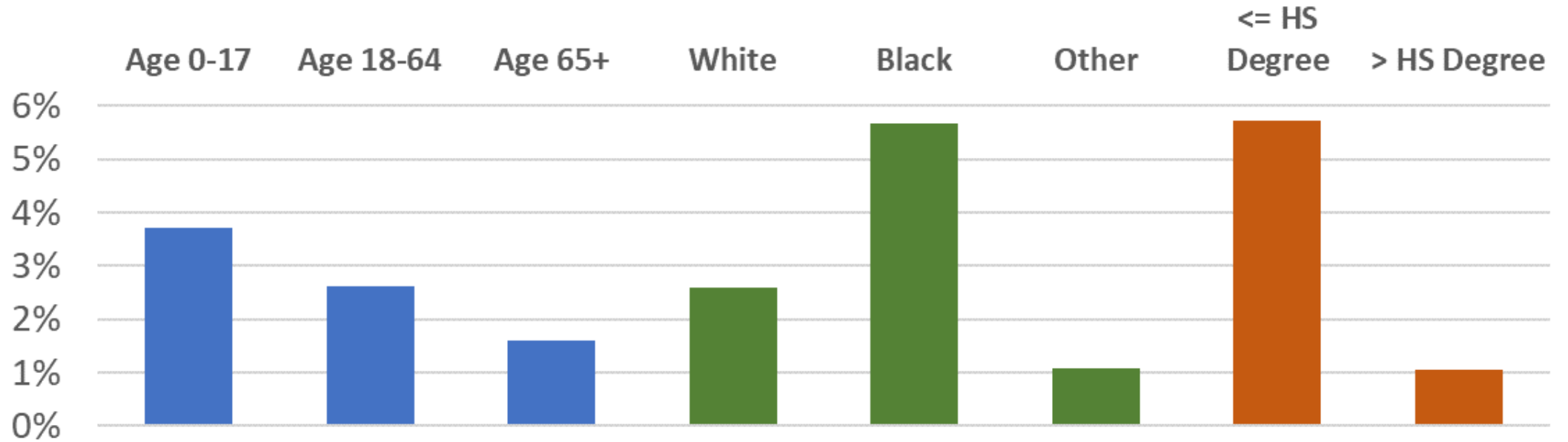




# RESULTS

## BY DEMOGRAPHIC GROUP

Change in Poverty  
(From June to December)



## OTHER EVIDENCE

### COVID-19 Has Heightened the Threat of Child Hunger, While Efforts to Prevent It Have Fallen Short

Soaring levels of food insecurity during the pandemic have placed millions of children at risk of hunger and other serious consequences.



#### The New York Times

### *'Never Seen Anything Like It': Cars Line Up for Miles at Food Banks*

Millions are flooding a charitable system that was never intended to handle a nationwide crisis.



The economy is reopening, but Americans are still going hungry

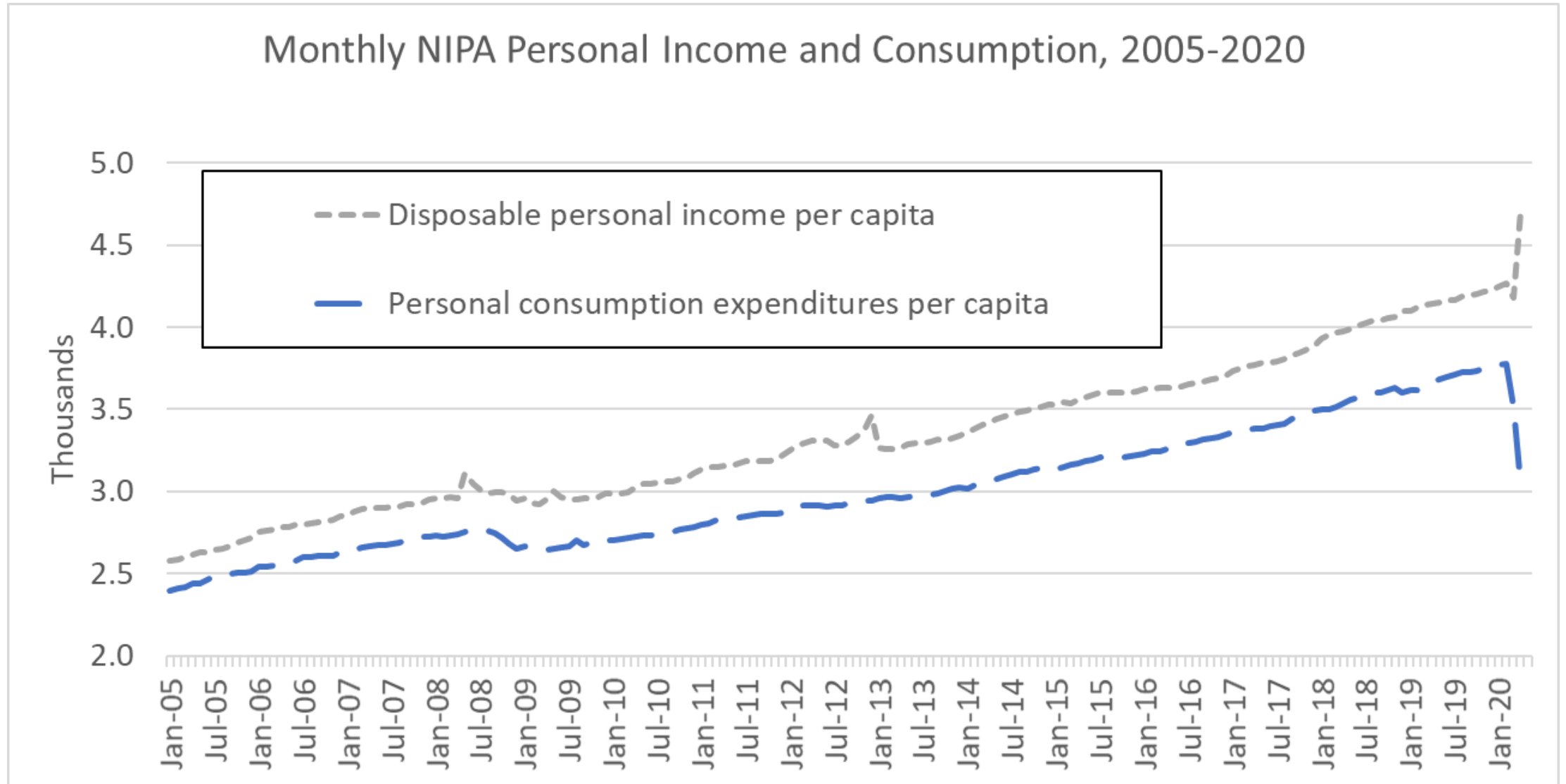


**PUZZLE:** How can you have rising food insecurity and falling poverty?

**KEY POINT:** Income poverty is not a comprehensive measure of economic well-being.



# PUZZLE





**PUZZLE:** How can you have rising food insecurity and falling poverty?

**KEY POINT:** Income poverty is not a comprehensive measure of economic well-being.

## **OTHER IMPORTANT FACTORS:**

Health concerns

Disruptions to daily life

Loss of some in-kind benefits

Uncertainty about the economy and future income



# CONCLUDING THOUGHTS

To get a full economic recovery, we need to first end the pandemic.

Latest stimulus package goes a long ways towards offsetting short-run impacts.

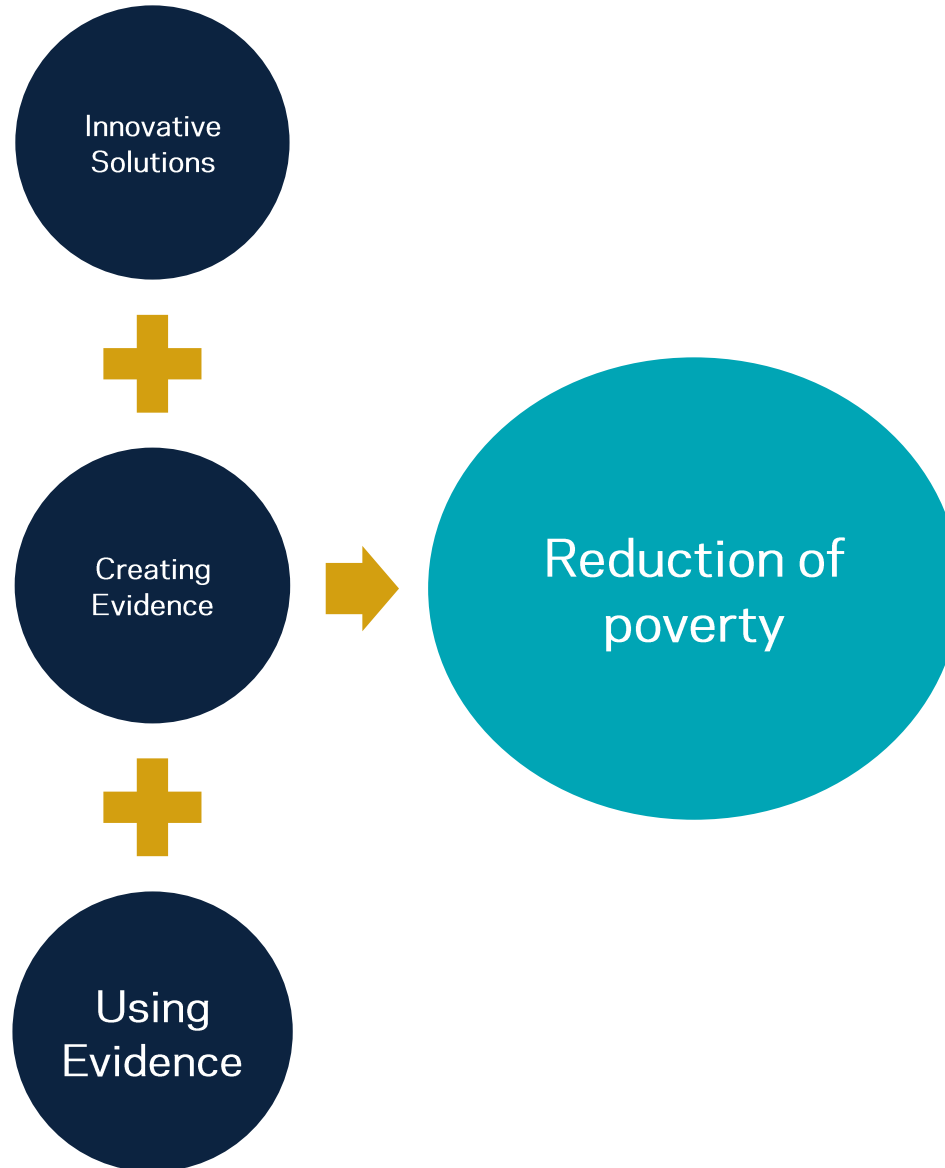
Key long-run challenge: permanent displacements



# HOW WE WORK



# LEO'S VISION OF SUCCESS



# THE INDUSTRY

## NONPROFIT ORGANIZATIONS

1.5 million in the U.S.

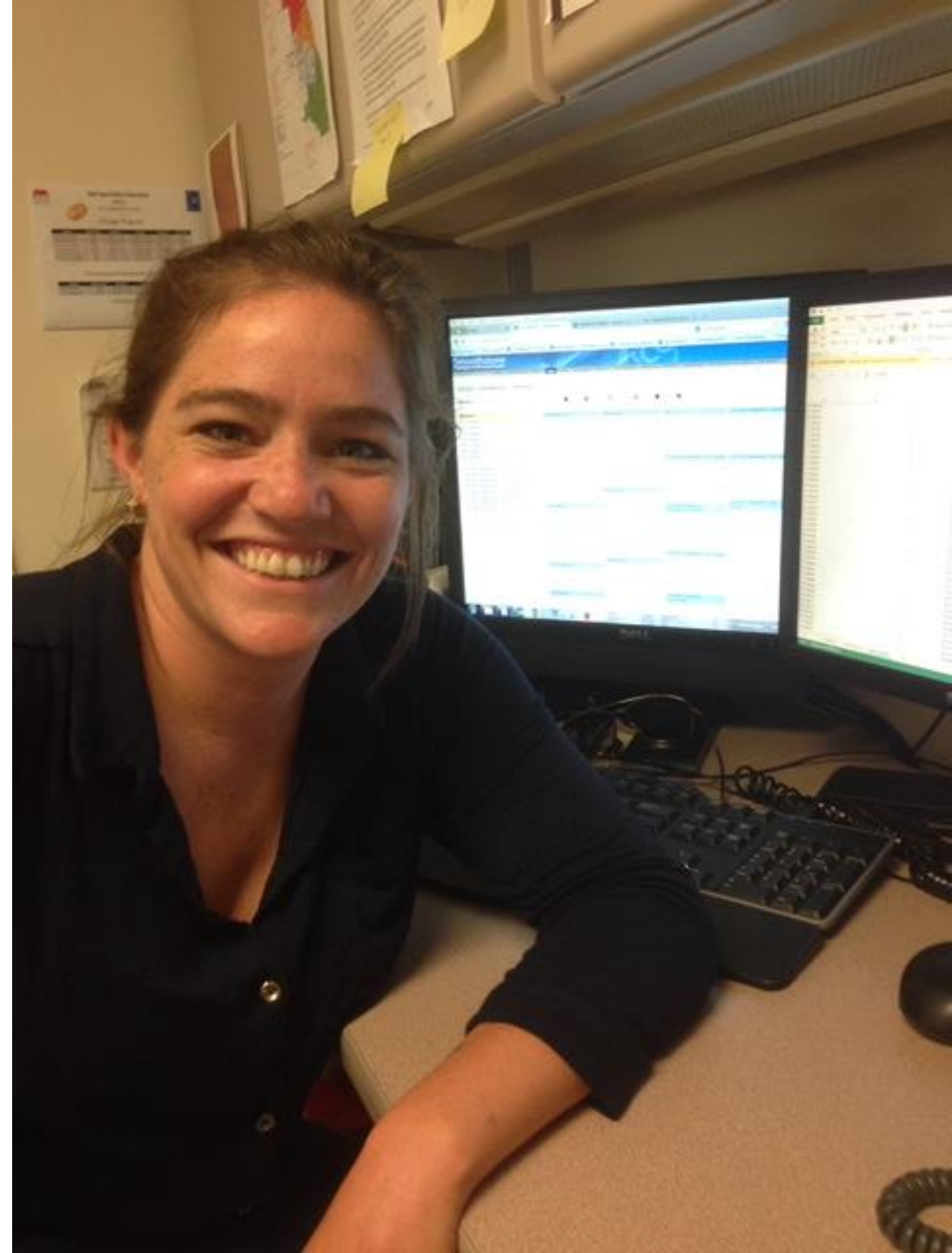
27% = human services

Growing fast! 5% of GDP

2018 U.S. charitable giving = \$427.71B



A phone operator at Chicago's Homelessness Prevention Call Center.  
Photo credit: Catholic Charities Chicago.





# NONPROFIT ORGANIZATIONS SIZE

Most operating budgets < \$1M

But these are only 2% of the sector's spending

Operating budgets > \$50M = 2% of nonprofits,  
but 80% of total sector spending



A case manager works with a client in Rochester's  
Earned Income Tax Credit refund program.  
Photo credit: ROC Your Refund.



# LEO'S NONPROFIT PARTNERS

## SIZE

Range = \$28,717 - \$157,350,199

Median = \$5,592,616

Mean = \$17,179,791



Padua™ program client Kashae and her case manager Quincie.  
Photo credit: Catholic Charities Fort Worth.



# LEO'S NONPROFIT PARTNER SIZE VS. AVERAGE NONPROFIT SIZE

		LEO'S DISTRIBUTION	U.S. NONPROFIT DISTRIBUTION
Very small	Under \$1M	19%	66%
Small	\$1M - \$5M	19%	21%
Mid-size	\$5M - \$10M	19%	5%
Large	\$10M - \$50M	38%	6%
Very large	\$50M - \$5B	4%	2%
Super-sized	\$5B +	0%	0.02%







**HOW WE WORK:  
AN EXAMPLE FROM  
THE COMMUNITY-BASED CARE TRANSITIONS PROGRAM**



## OUR ASK

Partner with us.

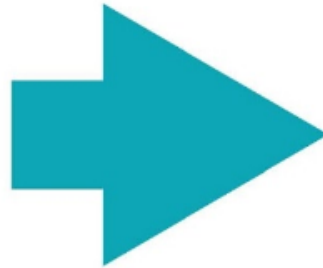




# TRADITIONAL PROGRAM ROLLOUT

## 1 Program

Provider develops program to address a community need.



## Outcomes 2

Provider measures and reports on outputs and anecdotes.

# HOW WE WORK

## 5 Present

Partners share their research designs with experienced and passionate researchers and funders.

## 4 Design

Partners work with the LEO research team to design their research studies.

## 3 Learn

Partners learn the ins and outs of impact evaluation.

## 2 Invite

Organizations apply to join our partnership program to understand, design, and launch a research study.

## 1 Connect

Provider develops disruptive anti-poverty program.



## Plan 6

LEO's research team leads our partners through all the steps to launch their research studies.

## Launch 7

The research study goes live.

## Discover 8

Together, we learn and communicate our discoveries.

## Disseminate 9

We share what we learn with others so every success can unleash thousands more.

## THE RIGHT LEO PARTNER

Believes in the **people** they serve.

Has leaders whose **vision** is to identify solutions that address the root causes of poverty.

Offers **thoughtful** interventions.

Nurtures a **culture of learning** that generates solutions in the fight against poverty.



# THE RIGHT LEO PROJECT

Ties to a **well-defined** intervention.

Identifies key desired **outcomes**.

Can recruit an ample **sample size**.

Uses a **comparison group** to pinpoint the exact impact of the intervention.



# QUESTIONS & DISCUSSION





**THANK YOU!**