



Two-Generation Economic Empowerment Act

U.S. Senators Martin Heinrich (D-N.M.) & Susan Collins (R-Maine)

The federal government's current approach to poverty is not effective enough. Although we have data demonstrating what works, many of the federally funded programs intended to help families are disjointed and difficult to navigate for both families in need and for organizations trying to provide help. While multiple federal programs exist to help low-income parents and children, they have separate funding streams causing silos and fragmentation. Addressing the needs of children and parents separately and without a comprehensive strategy often leaves children or parents behind and diminishes a whole family's chance of success.

The Two-Generation Economic Empowerment Act, introduced by U.S. Senators Martin Heinrich (D-N.M.) and Susan Collins (R-Maine), seeks to increase opportunities for families living in poverty through programs targeting both parents and children with support aimed at increasing economic security, educational success, social capital, and health and wellbeing. By aligning and linking existing systems and funding streams, our bill will lead to improved outcomes for parents and children together while improving the effectiveness of service delivery.

Innovative approaches in this legislation will collectively ensure that no matter your zip code, you will have an opportunity to use already existing federal resources or attract private investment to implement the two-generation approach in your community. Specifically, the Two-Generation Economic Empowerment Act will give states, local governments, and tribes more flexibility to develop programs that meet their needs.

Coordinate Federal Efforts to Assist in the Development and Implementation of Two-Generation Programs

- The Interagency Council on Multigenerational Poverty will create a national focus on multigenerational poverty by facilitating coordinated efforts across multiple agencies and departments. This interagency collaboration will align and link fragmented systems and funding streams, resulting in holistic approaches that simultaneously address the needs of children and their parents or guardians. The Council brings together designees from multiple agencies and departments, including:
- Office of Management and Budget; Department of Agriculture; Department of Education; Department of Health and Human Services; Department of Housing and Urban Development; Department of Labor; Department of Transportation; Department of the Treasury; Department of Veterans; Bureau of Indian Affairs; Corporation for National and Community Service; Domestic Policy Council; and National Economic Council.

Increase Flexibility for States, Local Governments and Tribes to Develop Programs That Best Meet Their Needs

- **Two-Generation Performance Partnerships:** Federal, state, and local governments will have the ability to test innovative ways of using federal resources by allowing increased flexibility in blending discretionary funds across multiple federal programs in exchange for greater accountability in achieving two-generation outcomes.
- **Two-Generation Social Impact Bonds:** A pilot program will incentivize public-private partnerships, increase funding for two-generation programs, and save the federal government money in the long run. Private investors will lend money to two-generation service providers. In turn, the providers are expected to meet certain measurable goal by a given date. If these goals are met, the government repays the initial investment. If the goals are not met, the government repays nothing.
- **Government Accounting Office Report on Block Grant Collaboration:** The legislation also instructs the Government Accounting Office (GAO) to study and report to Congress and the Interagency Council on the barriers and opportunities for collaboration of federal block grant recipients. GAO will identify block grants available to support the two-generation approach and any federal impediments to collaboration among block-grant recipients.

Increase Opportunities for Families in Need by Funding Projects that Work

Successful Two-Generation Programs have the potential to lift families out of poverty by using evidence-based strategies. Examples of this approach include:

- Extending the hours for career services and childhood development programs for students who have young children to better match parents' schedules.
- Expanding home visiting programs to offer information on education, workforce training, and employment opportunities.
- Providing access for low-income students who have young children to career services and childhood development programs through their schools.
- Creating partnerships between private, state, and community colleges and universities with government and non-profit organizations to provide services for low-income students who have young children.
- Allowing programs such as Head Start and Early Head Start to partner with organizations that help the parents of low-income children to further their education and receive job training.

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