

New Developments and Strategies in Subsidized and Transitional Jobs: Opportunities for the Hardest-to-Employ

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www.transitionaljobs.net

Who benefits from Transitional Jobs?

- ❑ People with multiple or severe barriers to employment
 - ❑ People with criminal records
 - ❑ Long-term recipients of public assistance
 - ❑ People who have experienced homelessness
 - ❑ Disconnected youth with no work history
- ❑ People who could not find or keep work with less intensive help

What are the goals of Transitional Jobs?

- ❑ Learning the expectations of the workplace experientially
- ❑ Building a work history and references
- ❑ Stabilizing individuals and families with earned income and supports
- ❑ Accessing incentives like the Earned Income Tax Credit
- ❑ Gaining skills and experience to transition into unsubsidized employment

Transitional Jobs Definition

Transitional Jobs (TJ) is a workforce strategy designed to overcome employment obstacles by using ***time-limited, wage-paying jobs that combine real work, skill development, and supportive services,*** to transition participants successfully into the labor market.

TJ Definition Break Down:

“Time-limited, Wage-paying Jobs”

- ❑ Subsidized jobs in a *non-profit, for profit,* and/or *government* setting
- ❑ Time-limited. The TJ typically lasts 3-9 months depending upon the population & participant needs
- ❑ **Wage-paid**

TJ Definition Break Down:

“Skill Development”

- ❑ TJ programs offer the opportunity to learn and re-learn behaviors of work
- ❑ **Soft-skill** Development sometimes combined with **Hard-skill** Development
- ❑ Access to industry specific training, bridge programs, and educational opportunities

TJ Definition Break Down: *“Supportive Services”*

- TJ programs have a strong employment case management structure and wrap-around support with linkages to the following:

Transportation

Child Care

Clothing

Housing

Substance Abuse

Mental Health

Probation/Parole Requirements

TJ Definition Break Down:

“Transition participants successfully into the labor market”

- ❑ Transition TJ participants into unsubsidized work in nonprofit or for profit job site following TJ placement.
- ❑ Retention Support
- ❑ Linkages to education & training

Transitional Jobs Program Elements

- ❑ Orientation & Assessment
- ❑ Job Readiness/Life Skills Classes
- ❑ Case Management Support
- ❑ ***Transitional Job - Real Work Experience***
- ❑ Unsubsidized Job Placement & Retention
- ❑ Linkages to Education and Training

Snapshot of General TJ Program Staff

- ❑ Case Management Team – Intake/Assessment, Counseling, Referral Services
- ❑ Job Development Team – Job Coach, Job Developer, Crew Supervisor
- ❑ Job/Life Skills Trainers
- ❑ Retention Specialist
- ❑ Education/Training Specialist

Transitional Jobs program structures

- ❑ **Scattered Employment Sites** – Participants work in for-profit, non-profit or government sites with 1-2 workers per site.
- ❑ **Work Crew** – Crews of 5-7 people work on a project often within maintenance, janitorial, parks, and community renewal projects.
- ❑ **In-House Placements** – Participants work for the TJ agency, often in the product or service revenue generating arm of the organization.

Benefits to businesses

- ❑ **TJ participants receive retention services.** Retention-oriented case-management can help employers reduce turnover costs.
- ❑ **TJ participants have both work experience and job-readiness training.** Employers benefit from candidates who have received training in soft skills and are work-ready.
- ❑ **Tax credits and wage subsidies.** Employers who hire TJ participants may be eligible for the Work Opportunity Tax Credit. Also, for employers who place TJ participants in transitional employment positions, participant wages are subsidized.

Important Questions for TJ planning

- ❑ How will the transitional employment be provided?
- ❑ How many participants can be served considering the budget?
- ❑ What entity will act as employer of record?
- ❑ What partners should be engaged to provide support services?
- ❑ How will job-readiness training be delivered?
- ❑ What policies, forms and tools need to be developed? E.g., worksite agreements, job descriptions, assessment forms
- ❑ How will data be collected and outcomes measured?

Budget considerations for TJ program planning

- Participant Wages
- Staff
- Training and Education
- Support Services
- Incentives
- Data Collection and Evaluation
- Administrative Costs

Outcomes of Transitional Jobs programs

- ❑ **TJ participants show increased wages and less reliance on public benefits over time.** Average income of post-TJ workers increased 60% during first two years in the workforce and is 148% higher than pre-TJ income. MDRC's "Hard to Employ" study found Significant decreases in TANF receipt and payments.
- ❑ **Dramatic reductions in recidivism for persons engaged in TJ programs within 90 days of release.** MDRC study shows 50% reduction in recidivism for those persons engaged in TJ program within 90 days of release. Significant recidivism reductions even after 3 years of follow-up. The study's authors said that these effects are "rarely" seen in rigorous studies.

Transitional Jobs Reentry Demonstration (TJRD)

- ❑ Funded by the Joyce Foundation
- ❑ Four sites: Detroit, Chicago, Milwaukee and St. Paul
- ❑ Random-assignment study conducted by MDRC
- ❑ Implementation evaluation by the Urban Institute; ethnography by the Gerald R. Ford School of Public Policy, University of Michigan

TJRD Findings

- ❑ Strong employment impacts that fade over time
- ❑ Did not replicate CEO recidivism impacts
- ❑ Evidence supporting stronger retention services including incentives
- ❑ High participation rate—people returning home from prison want and are willing to work!

Promising and innovative practices to improve TJ employment impacts

- ❑ Accurate targeting to determine who will benefit most from TJ
 - ❑ Evidence suggests TJ is more effective for individuals with more barriers
- ❑ Improving the developmental nature of the transitional employment experience
 - ❑ Structured work-readiness feedback
 - ❑ Graduated stress and responsibility
 - ❑ Enhanced mentoring and coaching
 - ❑ Facilitating peer support

Promising and innovative practices, continued

- ❑ Improved job development strategies
 - ❑ Making the “business case” for TJ
- ❑ Enhanced job retention and advancement services
 - ❑ Intensive follow-up; incentives
- ❑ Integrating contextualized adult learning
- ❑ Sector-based hard skills training

US Department of Labor Enhanced Transitional Jobs Demonstration

- ❑ First-ever federal budget line item for Transitional Jobs
- ❑ \$45 Million for year 1; year 2 cut from federal budget
- ❑ Competitive grants for TJ demonstration projects
- ❑ Random-assignment evaluation to be performed by MDRC
- ❑ Awards to be announced by June 30, 2011

US Department of Health & Human Services Subsidized and Transitional Employment Demonstration (STED)

- ❑ Random-assignment evaluations of up to seven subsidized employment programs
- ❑ To be led by MDRC
- ❑ Some funds to cover program costs related to evaluation, but no operations funding

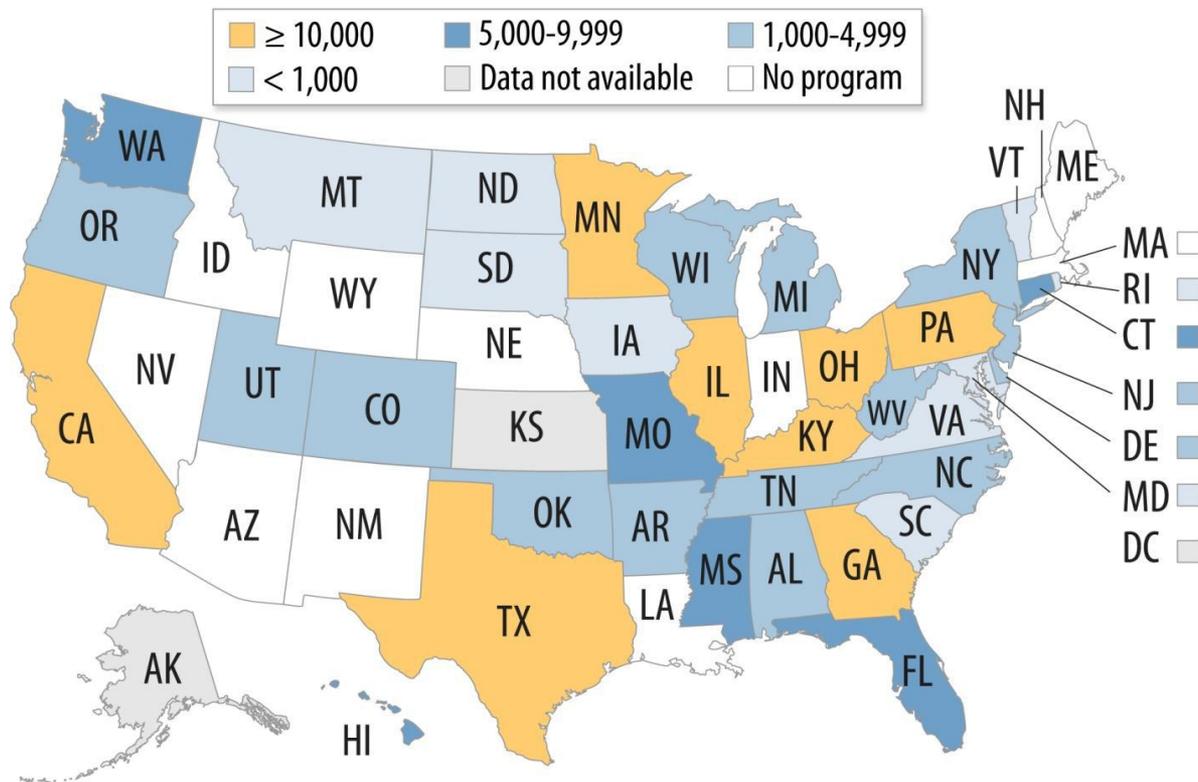
Some other public funding sources for Transitional Jobs

- ❑ TANF Emergency Fund (ended September 30)
- ❑ Office of Child Support Enforcement (new!)
- ❑ Second Chance Act
- ❑ WIA Youth & Adult Funds
- ❑ Department of Labor Pathways Out of Poverty
- ❑ Community Services Block Grants (CSBG)
- ❑ Community Development Block Grants (CDBG)
- ❑ Food Stamp Education and Training
- ❑ State and City funding

Temporary Assistance for Needy Families (TANF) Emergency Fund

- ❑ Part of the American Recovery and Reinvestment Act
- ❑ \$5 billion over two years to states to aid low-income (TANF eligible) families
- ❑ Included subsidized employment as one of three funding categories
- ❑ 33 states used TANF EF funds for adult subsidized employment

TANF Emergency Fund Subsidized Job Placements by State



Lessons from TANF-Funded state subsidized employment programs

- ❑ Large-scale, state-implemented subsidized employment initiatives can be rapidly and successfully implemented
- ❑ Initiatives can be implemented at reasonable cost
- ❑ Benefits to low-income individuals, families, businesses and communities

❑ Source: Center on Budget and Policy Priorities & Center for Law and Social Policy

State subsidized employment program example: Put Illinois to Work

- ❑ Largest TANF-EF state subsidized employment program
- ❑ Over 27,000 participants
- ❑ Paid \$107 million in wages
- ❑ 4,280 employers, mostly public sector small businesses & nonprofits
- ❑ Generated nearly \$13.6 million in federal income Medicare and Social Security taxes
- ❑ Evaluated by Social IMPACT Research Center

Findings from the Put Illinois to Work evaluation

- ❑ The vast majority of trainee-workers (92%) and employers (88%) indicate **they would participate in PITW or a similar program** if it were offered again.
- ❑ If the wage subsidy were halved, 40% of employers report they would participate, and 42% might participate.
- ❑ Over half (52%) of all employers stated that they are **more willing now to hire low-income parents and young adults** than before PITW.

Put Illinois to Work benefits to employers

- ❑ 57% report that the **financial health of their business was better or somewhat better** following participation in PITW, and 47% attributed at least half of that improvement directly to participation in PITW.
- ❑ 63% have seen the **quality of their work improve** as a result of having PITW trainee-workers.
- ❑ 68% have been able to **serve more customers** as a result of having PITW trainee-workers.
- ❑ 59% have seen **customer satisfaction improve** as a result of having PITW trainee-workers.

Put Illinois to Work Benefits to worker-trainees

The majority of trainee-workers expressed that the program:

- ❑ was important in helping them **make ends meet** (87%).
- ❑ put **more money at their disposal** than they had before (78%).
- ❑ **taught them new skills** (78%).
- ❑ saved them from likely unemployment (75%).
- ❑ **introduced them to new professional contacts** who might be resourceful in future job searches (72%).
- ❑ Of those who worked in the 2 years prior to PITW, 76% reported that their PITW jobs had a skill level at or above that of their prior job.

NTJN Role & Services

The NTJN exists to influence audiences to ensure that policies account for the hard-to-employ, that the public understands the need to invest in these services, that programs are able to effectively serve as many individuals as possible, and that best practices and technical assistance are widely shared and implemented throughout the network.

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- ❑ **Technical Assistance**
 - ❑ **Federal Policy Advocacy**
 - ❑ **Monthly Newsletters** - *sign up at: www.transitionaljobs.net*
 - ❑ **National Conference**

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