



**National Investment in Subsidized and Transitional Jobs  
for the Hardest to Employ:  
*Ensuring All Workers Benefit from a Federal Jobs Package***

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The National Transitional Jobs Network (NTJN) recommends that any federal jobs package developed by the administration and Congress support the following:

- 1. Invest \$5 billion over two years for Subsidized Employment and Transitional Jobs programs. Federal agencies should allocate funds in a manner that:**
  - a. builds upon and takes advantage of the existing capacity and knowledge base within the field;
  - b. builds upon investments in Subsidized Employment and Transitional Jobs programs made by other federal agencies, such as the Department of Labor and the Department of Health and Human Services; and
  - c. provides support for programs that demonstrate capacity to serve as on-ramps to the new jobs being created through related federal actions to spur job creation.
  
- 2. The administration and federal agencies should provide maximum flexibility under key federal programs to facilitate the development and expansion of Subsidized Employment and Transitional Jobs.** These programs include the Community Development Block Grants, Food Stamp Employment and Training, Temporary Assistance for Needy Families, HEARTH Act, Senior Community Service Employment Program and the Community Services Block Grant. For more information, see: <http://transitionaljobs.net/Policy/NTJNFederalMemo.pdf>.

Far too many Americans continue to feel the strain of long periods of unemployment and hardship, and a disproportionate number of low-income individuals, minorities and those with barriers to employment remain disconnected from the labor market. A federal jobs package that includes these investments will ensure that large numbers of unemployed Americans have access to employment and income and our nation's most vulnerable jobseekers will benefit to access to employment opportunities. Tackling our current unemployment crisis by aggressively creating and maintaining jobs for the unemployed and disadvantaged while creating the conditions by which employers can maintain and grow their businesses will drive the nation toward full economic recovery and viability.

We urge the administration and Congress to lead the country back to economic prosperity by investing in job creation strategies that include Subsidized Employment and Transitional Jobs programs which in turn reinvest in individuals, employers, and communities.

The National Transitional Jobs Network is the lead national coalition of over 4,000 program providers, workforce and anti-poverty organizations, and government officials focused on supporting transitional employment to help the hardest to employ move from poverty to opportunity. For more information please visit [www.transitionaljobs.net](http://www.transitionaljobs.net).

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## Rationale

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**Far too many of our nation's workers are experiencing long periods of joblessness and vulnerable populations continue to face significantly higher unemployment rates than the national average – leading to prolonged hardship for millions of American families.** With the national unemployment rate hovering at over 9 percent millions of individuals and families continue to struggle to find employment and meet basic needs. More concerning is that 6.2 million of today's unemployed have been jobless for over 6 months and combined over 26 million Americans are unemployed and underemployed. Still staggering is the disproportionate impact unemployment has had on already low-income individuals, minorities and those who face barriers to employment who are far less likely to collect unemployment benefits than other workers.

**Recent Subsidized Employment programs have been successful in ramping up quickly, employing large numbers of unemployed and disadvantaged workers and supporting the private and public sectors in maintaining or developing jobs.** The TANF Emergency Fund placed over 260,000 low-income parents and youth in subsidized jobs in 39 states. For example, the state of Illinois Put Illinois to Work (PITW) program ramped up and employed over 27,000 low-income, unemployed Illinoisans with over 4,000 employers. Well over half (57 percent) of participating employers reported that their business' financial health was better following PITW participation and *88 percent reported* that they would participate in a program like this again. PITW paid over \$213 million in wages to participants over the course of the program which was largely spent by participants in communities across Illinois to make ends meet. PITW generated \$26 million in federal income, Medicare and Social Security taxes on wages earned by trainee-workers and \$5 million in state income tax was leveraged due to the program. Another example, the Mississippi STEPS program, found that 55 percent of those working at the end of the program were still working 6 months later. The earnings during the quarters after STEPS ended were over \$14 million.

**Transitional Jobs programs, a subset of Subsidized Employment, utilize temporary, wage-paid, real work, coupled with skill development and supportive services to transition people who face labor market barriers into work.** TJ programs are specifically targeted to people with barriers to employment such as disconnected youth, TANF recipients, persons who are formerly incarcerated, non-custodial parents, individuals experiencing homelessness and veterans. Transitional Jobs are a key entry point into the workforce for many hard to employ populations and can provide critical on-ramps and pipelines for very low-skilled workers to move into growing industry sectors. Over 30 states and numerous localities across the country have implemented Transitional Jobs programs for many hard to employ populations. Current initiatives by the US Department of Labor and US Department of Human Services are supporting small-scale investments in this strategy – but more resources and federal flexibility is necessary to support the millions of Americans who can benefit from the strategy. Evaluations point to the value of Transitional Jobs programs in helping get earned income into the hands of individuals who need it most, reducing recidivism back to the criminal justice and TANF systems, increasing earnings over time, reducing taxpayer dollars, and improving the lives of children.

### Millions of Americans Face Challenges in Accessing Employment Opportunities

- 44%, or 6.2 million of today's unemployed have been jobless for over half a year
- Over 26 million Americans are un- and under-employed
- Unemployment for youth ages 16 – 19 is at 25%, or 5.7 million youth unemployed

### Millions of Americans Face Barriers to Getting and Keeping Employment

- Over 700,000 individuals return from prison each year
- 647,000 people are homeless at any given point
- 25% of our returning veterans have disabilities that hinder their employment