BEYOND JOB SEARCH OR BASIC EDUCATION:

RETHINKING THE ROLE OF SKILLS IN WELFARE REFORM

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Executive Summary

Beyond Job Search or Basic Education: Rethinking the Role of Skills in Welfare Reform

In recent years, states and localities have shifted away from welfare-to-work strategies that encourage people to build their skills toward strategies that require people to find jobs quickly. While policymakers had already begun to make this shift before passage of the 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act accelerated the trend by requiring states to move increasing percentages of adults on welfare into work. At the same time, the advent of lifetime limits on welfare aid raised the stakes for welfare-to-work programs to help recipients work more and earn more over the long term.

In practice, these two different welfare-to-work strategies—quick employment vs. building skills—have emphasized different program services:

- In **quick employment** programs, the most common activity for people has been individual or group job search.
- In **skill building** programs, the most common activity has been basic education, reflecting the generally low education levels of welfare recipients. Few skill building programs have made substantial use of job training or postsecondary education because many recipients have not been able to meet entry requirements for those activities.

Quick employment and skill building strategies can be seen as opposite ends of a continuum, with the narrowest programs at either end offering job search or basic education almost exclusively and mixed strategy programs in the middle offering a wider range of employment and training services. Even among this middle group of mixed strategy programs, however, important differences exist in their relative emphasis on quick employment vs. building skills, with corresponding differences in whether job search or basic education is the most common activity.

This paper reviews the research and summarizes what is known about the effectiveness of these two most commonly tried welfare-to-work strategies. The discussion of quick employment programs covers both job search-only programs and mixed strategy programs providing a broader range of services. The discussion of research on skill building programs is separated into two parts to allow a closer examination of different types of services. The first part examines the research on programs where basic education was the most common activity and most recipients lacked a high school diploma or GED (high school equivalency), referred to in this paper as **basic education** programs. Research on other skill building services, such as classroom or on-the-job training and postsecondary education, is included in a later discussion of program examples for moving beyond the more common approaches of quick employment or basic education.

In examining the research, this paper focuses on two challenges that the current generation of welfare-to-work programs must meet in order to be more effective than their predecessors: how to help the most disadvantaged recipients for whom job search may not be successful and how to help recipients find better jobs. A third challenge, how to help recipients sustain employment, is also critical to long-term success, but is not discussed in depth here.

The research clearly shows that the most successful programs have been found in the middle of the job search to basic education continuum, with mixed strategies of employment and skill building services. While states and localities are just beginning to implement the new welfare law, some may have lost sight of this important evidence in favor of a balanced approach to welfare reform. Early indications are that welfare policymakers may be in danger of abandoning one extreme (basic education programs with few links to employment) for another extreme: quick employment programs that are in practice not just work first, but because they provide such limited access to anything but job search, essentially work *only* programs.

Rather than seeing employment and building skills as competing goals, the research suggests that policymakers should make a wide variety of employment, training, and other services available in support of a clear employment goal, and allow local flexibility in deciding which services are most appropriate for which people. The new welfare law makes this ideal much more difficult to attain, however, by placing time limits on aid and barring most activities other than work from counting toward meeting participation rates.

The research also shows that while successful programs share a commitment to employment as the ultimate goal, programs that have helped recipients find better jobs placed a strong emphasis on building *job* skills. By contrast, neither quick employment programs nor basic education programs have generally been able to help people find better jobs, a serious failing given that research shows that most recipients find low wage work and do not move up over time on their own.

The Benefits and Limits of Quick Employment Strategies

- **Quick employment programs consistently increase employment and average earnings, and reduce welfare payments. Program impacts typically diminish, however, after the first one or two years and, in job search-only programs, disappear after three or four years.** Of the five quick employment programs with five years of follow-up data, only the mixed strategy Riverside and San Diego Greater Avenues to Independence (GAIN) programs have sustained their impacts over a five year period. Impacts in all five programs peaked in the initial years.[1] More recent quick employment programs appear to be following a similar pattern, with impacts appearing early and, after two years, leveling off in a mixed strategy site and declining in a job search-only site. The trend in the third site is not yet clear.[2]

[1] Daniel Friedlander and Gary Burtless, *Five Years After: The Long Term Effects of Welfare -to-Work Programs (*New York, NY: Russell Sage Foundation, 1995). Stephen Freedman, Daniel Friedlander, Winston Lin, and Amanda Schweder, *The GAIN Evaluation, Working Paper 96.1, Five Year Impacts on Employment, Earnings and AFDC Receipt* (New York, NY: Manpower Demonstration Research Corporation, July 1996).

[2] Gayle Hamilton, Thomas Brock, Mary Farrell, Daniel Friedlander, and Kristen Harknett, *Evaluating Two Welfare-to-Work Program Approaches: Two-Year Findings on the Labor Force Attachment and Human Capitol Development Programs in Three Sites* (Washington, DC: U.S. Department of Health and Human Services and the U.S. Department of Education, September 1997).

- **Mixed strategy, quick employment programs that offer a full range of employment and training services have generally had larger and longer-lasting impacts, and been more likely to help the most disadvantaged recipients than job search-only programs.** Researchers believe that the unusually large initial impacts in Riverside GAIN–including for those without high school diplomas and/or low skills–and the persistence of impacts over time may be due to its mix of a quick employment philosophy combined with substantial use of skill development (60% of participants received education or training).[3] Evidence for this can be seen in the very different results of the current, redesigned Riverside program, which relies almost exclusively on job search: the earnings impacts there were much smaller and were already declining in the second year of follow-up.[4]

- **Quick employment programs–both mixed strategy and job search-only–increase average earnings primarily by helping recipients work more, not by helping them find better jobs.** Even Riverside GAIN failed to help recipients find better jobs–after three years, program group members had lower-paying jobs than controls. In contrast, both the Alameda and Butte GAIN programs, which focused on building skills, did help some recipients find better jobs.[5] Other measures of job quality in the GAIN study, such as access to health benefits, show a similar pattern.[6]

- **Not helping recipients find better jobs is a key shortcoming of past quick employment strategies because labor market data show that welfare recipients find predominately low wage jobs and their wages increase very little over time.** Labor market data shows that most welfare recipients move up very little in the labor market over time. For example, a 1997 study looked at 12 years of earnings for young women receiving welfare in 1979 and found they experienced very little wage growth, moving from an hourly wage of $6.07 per hour to only $6.72 over that time.[7]

The Benefits and Limits of Basic Education Strategies

- **Welfare-to-work programs that emphasize building skills have relied primarily on basic education because of recipients' generally low basic skills**. While recipients are a diverse group, low basic skills stand out among a range of personal barriers to employment as by far the most common barrier and the one most connected to not working. Two-thirds of recipients score in the bottom fourth of all women their age on a test of basic skills, and half of those recipients—

[3] Dan Bloom, *After AFDC: Welfare-to-Work Choices and Challenges for States* (New York, NY: Manpower Demonstration Research Corporation, 1997).

[4] Hamilton, et al, September 1997.

[5] All of the research discussed here, except where noted, is from random assignment evaluations of welfare-to-work programs. In such evaluations, welfare recipients are randomly assigned either to the program being studied–referred to here as the "program group"–or assigned to a control group not in the program. See note on page three for further explanation.

[6] James Riccio, Daniel Friedlander, and Stephen Freedman, *GAIN: Benefits,Costs, and Three-Year Impacts of a Welfare-to-Work Program* (New York, NY: Manpower Demonstration Research Corporation, September 1994).

[7] Gary Burtless, "Welfare Recipients' Job Skills and Employment Prospects" (*The Future of Children*, Vol. 7, No. 1, Spring 1997).

one-third of all recipients—have basic skills lower than 90% of other women their age.[8] These low skills bar them from entering most job training and postsecondary education services.

- **Despite the prevalence of low basic skills among recipients, a review of early research on basic education welfare-to-work programs found that fewer than half increased employment and average earnings.**[9] Those that did increase earnings did so primarily by increasing employment, not helping recipients find better jobs. The education impacts of these programs were also limited: the majority of recipients who enrolled in basic education did not obtain a GED and most programs did not raise recipients' scores on a test of basic skills. Further, no clear relationship can be seen in this research between basic education programs that raised test scores or increased GED receipt and those that raised earnings.[10]

- **More recent, long-term research shows that two of the three California GAIN programs that emphasized basic education increased earnings significantly for recipients assessed to need education. It is unclear, however, what role basic education played in producing the impacts.** Both the Butte and Tulare GAIN programs increased earnings over five years for those in need of education. In Butte, the five-year total earnings gains and welfare savings were larger than those seen in Riverside for the in need of education group.[11] The Butte program, however, placed less emphasis on basic education than the other two GAIN basic education programs and was most noteworthy instead for its intensive case management.

More light may eventually be shed on the effectiveness of basic education by the National Evaluation of Welfare-to-Work Strategies. Early results, however, are not promising: in two years, just one of the three basic education sites had increased earnings for those without a high school diploma/GED, although impacts may be emerging in a second site.[12]

[8] LaDonna Pavetti, *Against the Odds: Steady Employment Among Low-Skilled Women* (Washington, DC: The Urban Institute, July 1997).

[9] Edward Pauly with Cristina DiMeo, *Adult Education for People on AFDC: A Synthesis of Research* (Washington, DC: U.S. Department of Health and Human Services and U.S. Department of Education, 1996). This report is somewhat dated but includes a helpful chart of the different evaluations, describing characteristics of programs and recipients and listing impact findings for each.

[10] Pauly, 1996. In California's GAIN program, recipients were determined to be in need of basic education if they lacked a high school diploma or GED, scored below a certain level on a test of basic skills, or were not proficient in English.

[11] Freedman, et al, July 1996.

[12] This evaluation is studying programs created under the Job Opportunities and Basic Skills Training (JOBS) program. Earnings for the program group in the Atlanta site were higher than those of the control group in the last two quarters of the second year, and the difference was growing but not yet statistically significant. In the GAIN evaluation, the strong earnings impacts in Tulare did not emerge until the third year of follow-up.

Principles for Creating More Effective Welfare-to-Work Strategies

- **The most effective welfare-to-work programs share a flexible, balanced approach that offers job search, education, job training, and work. Successful employment programs more generally offer a wide range of individualized services; have a central focus on employment; have close ties to local employers; and are intensive, setting high expectations for participation.** The balanced approach to welfare reform—with a central focus on employment but room for skill development—can be seen in the examples of successful welfare-to-work programs such as the Butte and Riverside GAIN programs, and the Baltimore OPTIONS program.[13] Research on employment programs for other disadvantaged adults and for youth confirm the importance of an employment-focused strategy that provides a wide range of individualized services.[14]

- **Job training in the classroom or workplace and access to postsecondary education are key components of a strategy aimed at better jobs. Training must be made more consistently effective, however, and more accessible to those with low basic skills.** Job training that ends in a certificate or degree is more likely than job search or basic education services to increase the earnings potential of welfare recipients. Programs that have succeeded in helping recipients find better jobs include Florida's Family Transition Program, the Alameda and Butte GAIN programs; the San Jose, California, Center for Employment Training program; the Baltimore, Maryland, OPTIONS program; the National Supported Work Demonstration, some of the AFDC Homemaker-Home Health Aides demonstrations, and the on-the-job training component of the Job Training Partnership Act program.[15]

- **Activities to improve basic education skills are also important but should be provided as part of a broader range of employment and training activities.** Given the limited economic benefits of basic education alone, new ways of combining basic skills instruction with work and training need to be developed. At a minimum, the GED should not be promoted as an end goal but rather as a step toward obtaining job training or other postsecondary education. For those unlikely to get a GED or otherwise gain access to job training, alternative credentials should be developed that certify an individual's mastery of basic and "soft" skills needed for entry jobs in specific business sectors.

- **Work can be a critical part of increasing recipients' employability if it is part of a broad range of employment and training services. It may be especially effective for the most disadvantaged recipients.** Paid employment has been a key element in some programs that were especially effective with very disadvantaged recipients, such as the Supported Work demonstration, and in other successful programs such as state demonstrations of on-the-job training for welfare recipients. Unpaid employment may also be effective if designed as a

[13] For a description of the long-term Baltimore OPTIONS results, see Friedlander and Burtless, 1995.

[14] Gary Walker, "Out of School and Unemployed: Principles for More Effective Policies and Programs," in *A Generation of Challenge: Pathways to Success for Urban Youth* (Baltimore, MD: Sar Levitan Center for Social Policy Studies, Johns Hopkins University, June 1997).

[15] See Section III of this paper for research on these programs.

learning experience. Research on unpaid work experience programs run in the 1980's, however, generally found no impacts on either recipients' employment or earnings.[16]

- **In many states welfare time limits and/or a quick employment focus mean that policymakers should consider new ways to build skills quickly and to help low income workers, including former welfare recipients, improve their skills and move up to better jobs over time.** First, existing job training programs that are successful should be compressed into shorter, more intensive schedules wherever this is possible *without sacrificing the quality of the program.*[17] Second, ways should be found to support longer-term, full-time education and training for low income parents outside of the welfare system. For example, two states, Maine and Wyoming, have created new state-funded student aid programs for low income parents. The federal government may also need to examine the impact of its student aid policies on single women with children. Third, states and localities can increase opportunities for low income workers, including former recipients, to upgrade their skills. Most low wage workers do not have a chance to upgrade their skills at work because businesses typically provide formal training primarily to professional and managerial staff. Several states are addressing this issue with new policy initiatives to encourage job training for employed former recipients.

The new federal welfare law, while discouraging skill building activities, does leave room for substantial education and training activities if states choose to invest in them. Even so, policymakers must be realistic about how much any welfare-to-work program can achieve. To date only a handful of programs evaluated have succeeded in helping welfare recipients earn more for as long as five years after beginning the program—these include the Baltimore, Maryland, OPTIONS program; four of the California county GAIN programs (Butte, Riverside, San Diego, and Tulare); the Homemaker/Home Health Aides demonstrations; the Center for Employment Training in San Jose; and, the National Supported Work Demonstration.

In addition, given the low skills of welfare recipients and the growing bias of the labor market against those without job skills or postsecondary education, even the most effective welfare-to-work programs have not been able to help families escape poverty or leave welfare permanently.[18] With each recipient limited to five years of cash assistance over his or her lifetime, clearly other measures, such as public jobs or wage supplements for some recipients and continued cash assistance beyond five years for others, will be necessary to protect the well-being of poor families and children.

[16] Thomas Brock, David Butler, and David Long, *Unpaid Work Experience for Welfare Recipients* (New York, NY: Manpower Demonstration Research Corporation, September 1993).

[17] The national JTPA evaluation showed that very short-term, classroom training, as is common in JTPA, has not been successful with welfare recipients.

[18] Nightingale, Demetra Smith, and Holcomb, Pamela, "Alternative Strategies for Increasing Employment" (*The Future of Children*, Vol. 7., No. 1, Spring 1997).

Introduction

In recent years, states and localities have shifted away from welfare-to-work strategies that encourage people to build their skills toward strategies that require people to find jobs quickly. While policymakers had already begun to make this shift before passage of the 1996 federal welfare reform law, the Personal Responsibility and Work Opportunity Reconciliation Act accelerated the trend by requiring states to move increasing percentages of adults on welfare into work. At the same time, the advent of lifetime limits on welfare aid raised the stakes for welfare-to-work programs to help recipients work more and earn more over the long term.

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This paper reviews the research and summarizes what is known about the effectiveness of these two most commonly tried welfare-to-work strategies. The discussion of quick employment programs covers both job search-only programs and mixed strategy programs providing a broader range of services. The discussion of research on skill building programs is separated into two parts to allow a closer examination of different types of services. The first part examines the research on programs where basic education was the most common activity and most recipients lacked a high school diploma or GED (high school equivalency), referred to in this paper as **basic education** programs. Research on other skill building services, such as classroom or on-the-job training and postsecondary education, is included in a later discussion of program examples for moving beyond the more common approaches of quick employment or basic education.

In examining the research, this paper focuses on two challenges that the current generation of welfare-to-work programs must meet in order to be more effective than their predecessors: how to help the most disadvantaged recipients for whom job search may not be successful and how to help recipients find better jobs. A third challenge, how to help recipients sustain employment, is also critical to long-term success, but is not discussed in depth here.

The research clearly shows that the most successful programs have been found in the middle of the job search to basic education continuum, with mixed strategies of employment and skill building services. While states and localities are just beginning to implement the new welfare law, some may have lost sight of this important evidence in favor of a balanced approach to welfare reform. Early indications are that welfare policymakers may be in danger of abandoning one extreme (basic education programs with few links to employment) for another extreme: quick employment programs that are in practice not just work first, but because they provide such limited access to anything but job search, essentially work *only* programs.

Rather than seeing employment and building skills as competing goals, the research suggests that policymakers should make a wide variety of employment, training, and other services available in support of a clear employment goal, and allow local flexibility in deciding which services are most appropriate for which people. The new welfare law makes this ideal much more difficult to attain, however, by placing time limits on aid and barring most activities other than work from counting toward meeting participation rates.

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Scope and Sources for the Paper

The scope of this paper is limited to the research on employment, education and training services for welfare recipients and does not cover many other services critical to welfare reform, such as child care, transportation, substance abuse and mental health treatment, case management and others. One clear lesson from the research is that these other services do matter, and that employment and training services by themselves are unlikely to succeed with the most disadvantaged recipients.

The sources for this paper are, except where noted, limited to random assignment evaluations of programs serving welfare recipients because researchers have the most confidence in findings from these types of studies. (See note on page three.) Much of the discussion focuses on the results of two, especially large-scale, random assignment evaluations: the National Evaluation of Welfare-to-Work Strategies and the evaluation of California's Greater Avenues to Independence (GAIN) program.

The National Evaluation of Welfare-to-Work Strategies

The most recent rigorous research on large-scale, public welfare-to-work programs is from the national evaluation of the Job Opportunities and Basic Skills Training (JOBS) program, now called the National Evaluation of Welfare-to-Work Strategies. This study includes programs in five localities: Atlanta, Georgia; Columbus, Ohio; Grand Rapids, Michigan; Riverside, California; and Portland, Oregon.

In three of these sites–Atlanta, Grand Rapids, and Riverside–the evaluation includes a special side-by-side comparison of quick employment and skill building approaches. Recipients in these sites were assigned either to a quick employment group, a skill building group, or to the control group. Studying the two approaches within the same site allows researchers to be more confident that differences in the impacts seen are the results of the programs themselves and not other variations in site characteristics. Two years of impacts are now available for the three quick employment and three skill building programs in these three sites. In addition, results for the Portland site (which emphasizes quick employment but also provides short-term education, training, substance abuse treatment and other services) will be available in June, 1998.

California's GAIN Program

Much of the long-term research discussed in this paper is from the evaluation of California's GAIN program. GAIN began operating statewide in 1986 and, in 1989, became the state's version of the federal JOBS program. The GAIN evaluation followed 33,000 recipients over a five-year period in six counties: Alameda, Butte, Los Angeles, Riverside, San Diego, and Tulare. All six counties followed a mixed services strategy, although the state required that recipients enter basic education first if they lacked a high school diploma/GED or basic literacy skills. Two of the counties, Riverside and San Diego, emphasized quick employment while the other four emphasized building skills.[19] Of the four skill building programs, Tulare put the most emphasis on basic education, while Alameda put the most emphasis on job training (targeting long-term recipients who already had a high school education). Both Butte and Alameda sought to help recipients qualify for better jobs.[20]

Note on welfare-to-work research methodology: Most of the research reviewed in this paper is from random assignment evaluations of programs. Such evaluations use the same method as is used in trials of medical treatments: individuals are randomly assigned to participate in a program (the "program" group) or not to participate (the "control" group). This process allows researchers to be confident that differences in outcomes for the two groups are due to the effects of the program itself, rather than to any systematic differences between the two groups. In most of these studies, random assignment to the program or control group was done at the time that welfare recipients were asked to come to the welfare office for an orientation. Some of these recipients never actually participated in the program being evaluated and impacts are averaged across all program group members, whether or not they participated. Where the paper includes research results from nonexperimental studies, this is explicitly stated, and readers should be aware that researchers generally have less confidence in such findings because there may be unobservable differences (such as levels of personal motivation) between recipients participating in a program and other recipients that affect the research results.

[19] Participation data show that recipients in basic education in both of these counties received about five months of services, compared to about twice that much (9-11 months) in the other counties. See Martinson and Friedlander, 1994.

[20] Riccio, Friedlander, and Freedman, 1994.

I. THE BENEFITS AND LIMITS OF QUICK EMPLOYMENT STRATEGIES

Many of the recent decisions made by Congress and the states to limit education and training for welfare recipients have been influenced by early research findings from evaluations of welfare reform strategies that emphasized quick employment. These early findings showed that a program focused on quick job placement for all recipients could deliver significant increases in employment and earnings in a short time frame. By contrast, most local programs created under the previous federal welfare reform law, the Family Support Act, had focused on building recipients' basic education skills and had few links to employers.

The evidence on the impacts of quick employment programs come from a mix of six mixed strategy programs and six job search-only programs. The mixed strategy programs studied include Job Opportunities and Basic Skills (JOBS) programs from the 1990's in Atlanta, Georgia, and Grand Rapids, Michigan; the Project Independence demonstration in Florida; the Riverside and San Diego sites of California's Greater Avenues to Independence (GAIN) program, studied in the late 1980's; and the SWIM demonstration in San Diego program. The job-search only programs studied include the Riverside site in the JOBS evaluation and five programs from the early to mid-1980's in Arkansas, Illinois, Louisville, San Diego, and Virginia.[21]

Five years of findings are now available from the study that was the most influential in popularizing quick employment strategies, the evaluation of the California GAIN program.[22] These five-year findings confirm the benefits of the Riverside GAIN site's quick employment focus while also raising some important questions about its limits. There are also two years of results from the national JOBS evaluation which is comparing quick employment strategies to skill development strategies (primarily basic education) within the same locations; these side-by-side comparisons are being conducted for JOBS programs in Atlanta, Georgia, Grand Rapids, Michigan, and Riverside, California (a different program from that in the GAIN evaluation).[23] In addition, there are five year findings for two of the1980's job search-only programs, in Virginia and Arkansas, and one 1980's mixed strategy program, SWIM in San Diego.[24]

Research on Quick Employment Programs

Mixed Strategy	Job Search-Only
Atlanta JOBS	Riverside JOBS
Grand Rapids JOBS	Arkansas
Riverside GAIN	Illinois
San Diego GAIN	Louisville
San Diego SWIM	San Diego
	Virginia

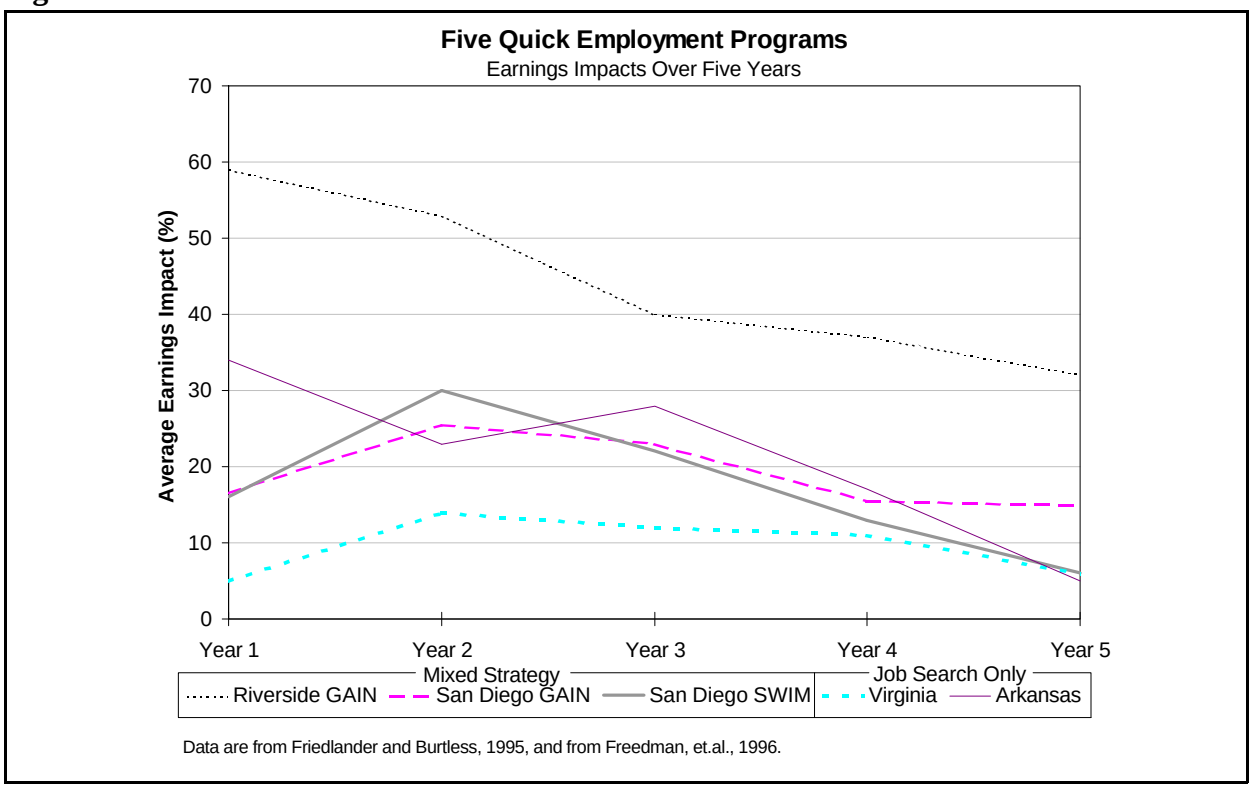
[21] Bloom, 1997; Hamilton, et al, September 1997.

[22] Freedman, et al, July 1996.

[23] Hamilton, et al, September 1997.

[24] Bloom, 1997; Friedlander and Burtless, 1995.

Figure 1



This body of research on quick employment programs paints a more complex picture of what a quick employment strategy can achieve and what it cannot than is commonly understood. In particular, three broad lessons can be drawn from the findings.

- **Quick employment programs consistently increase employment and earnings, and reduce welfare payments. Program impacts typically diminish, however, after the first one or two years and, in job search-only programs, disappear after three or four years.**

Of the five quick employment programs with five years of follow-up data, only the mixed strategy Riverside and San Diego GAIN programs have sustained their impacts over a five year period. Impacts in all five programs peaked in the initial years.[25] (**Figure 1**) More recently, the three quick employment programs that are part of the national JOBS evaluation appear to be following a similar pattern, with impacts appearing early and, after two years, starting to level off in a mixed strategy site (Atlanta) and decline in a job search-only site (Riverside). In Grand Rapids at the two year-point, earnings had declined to zero for high school graduates but were increasing for those without a high school diploma or GED, so the future overall earnings trend was not yet clear.[26] (**Figure 2**)

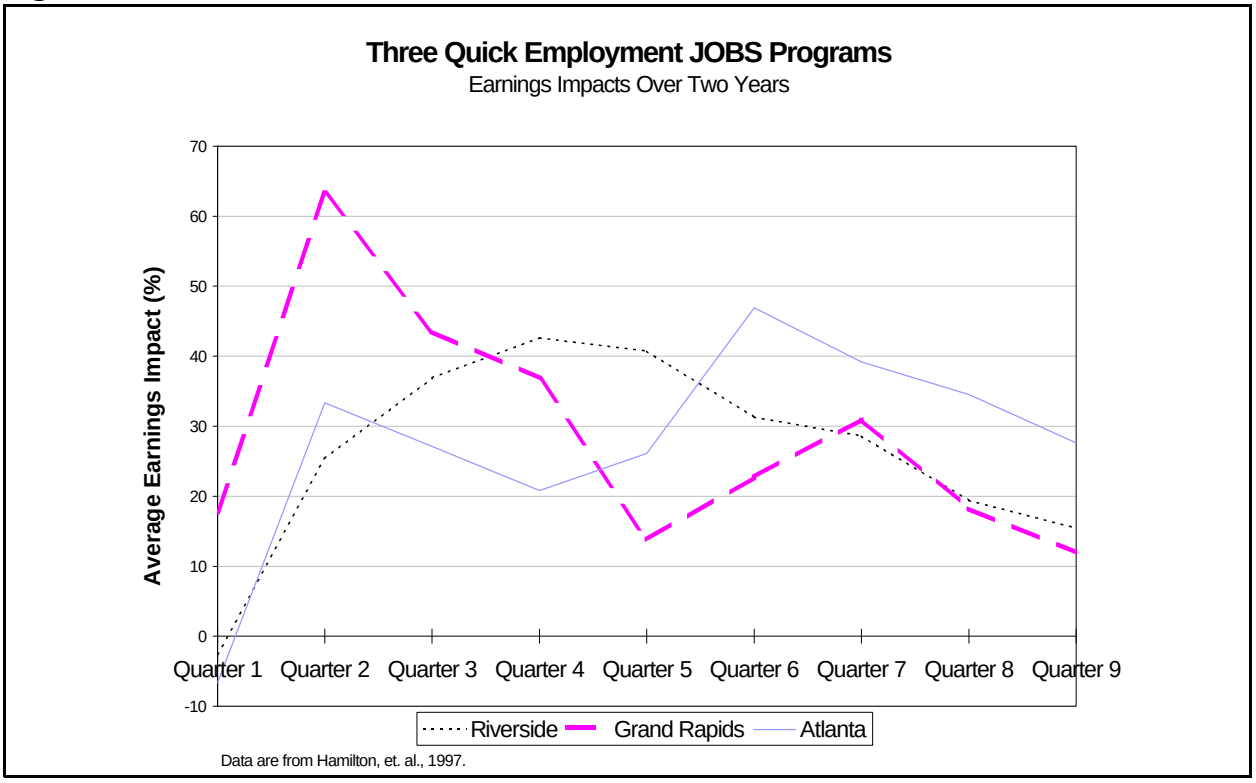
Quick employment programs achieve their results by helping people work more, rather than helping them prepare for better jobs or helping them keep jobs longer. Consequently, the impact of these programs tends to be largest in the first year or two and then diminishes over time as many program

[25] Friedlander and Burtless, 1995; Freedman, et al, July 1996.

[26] Hamilton, et al, September 1997.

group members lose the jobs they find initially and do not earn more while employed. At the same time, many of the welfare recipients assigned to control groups in these studies eventually found on their own the same kinds of jobs as recipients enrolled in the programs.[27]

Figure 2



- **Mixed strategy, quick employment programs that offer a full range of employment and training services generally have larger and longer-lasting impacts, and are more likely to help the most disadvantaged recipients, than job search-only ones.**

How quickly and to what extent the impacts of quick employment programs fade generally seems to depend on the program design. Programs that were low cost, job search-only programs (such as the Virginia and Arkansas ones) have had smaller initial impacts than more moderate cost programs that offered more mixed strategy services (such as the Florida, San Diego SWIM, San Diego GAIN, and Riverside GAIN ones). In addition, job search-only programs operated in the 1980's failed to help the most disadvantaged recipients.[28]

The moderate cost, mixed strategy Riverside GAIN program achieved the largest employment and earnings impacts of any quick employment program to date, increasing earnings by 42% over a five-

[27] Friedlander and Burtless, 1995.

[28] Friedlander and Burtless, 1995.

year period, employment by 16%, and reducing welfare payments by 15%.[29] The next largest earnings impacts achieved by quick employment programs–in three JOBS evaluation sites–are only about half as large as Riverside GAIN's impacts were over a similar two year follow-up period.[30] Researchers believe that the unusually large initial impacts in Riverside GAIN–including for those without high school diplomas and/or low skills–and the persistence of impacts over time may be due to its mix of a quick employment philosophy combined with substantial use of skill development (60% of participants received education or training).[31] Evidence for this can be seen in the very different results of the current, redesigned Riverside JOBS program, which relies almost exclusively on job search: the earnings impacts there are much smaller and were already declining in the second year of follow-up.[32]

- **Quick employment programs–both mixed strategy and job search-only–increase average earnings primarily by helping recipients work more, not by helping them find better jobs.**

After three years, program group members in Riverside GAIN had lower-paying jobs than controls. In contrast, both the Alameda and Butte GAIN programs, which focused on building skills, helped recipients increase earnings on the job. Other measures of job quality in the GAIN study, such as access to health benefits, show similar patterns. In fact, two to three years after entering the program, Riverside program group members were 9% *less* likely to have any health care coverage than controls and were 16% more likely to have a recent job that did not provide health benefits.[33] Similarly in the JOBS evaluation, two of the three quick employment sites–Riverside, California and Grand Rapids, Michigan–did not help recipients find higher paying or longer lasting jobs. The third quick employment site, Atlanta, Georgia, did help recipients earn more on the job.[34]

Because quick employment programs generally do not help recipients find better jobs or keep them longer, recipients are typically still poor, unemployed, and reliant on welfare after participating in the program, despite working more. For the three quick employment sites in the JOBS evaluation, between half and two-thirds of program group members were receiving welfare at the end of the two-year follow-up period; between 38 and 50% were both unemployed and receiving welfare.[35] Even in the unusually successful Riverside GAIN program, the economic picture for most program group members three years after starting the program was bleak:

[29] Freedman, et al, 1996.

[30] Freedman, 1996; Hamilton, et al, September 1997.

[31] Bloom, 1997.

[32] Hamilton, et al, September 1997.

[33] Riccio, Friedlander, and Freedman, September 1994. In Alameda, survey data show higher wage rates for the program group at the end of three years. In Butte, no survey was conducted and the higher earnings for those employed may be due to higher wages and/or more hours of work.

[34] Hamilton, et al, September 1997.

[35] Hamilton, et al, September 1997.

- 41% of recipients in the Riverside GAIN program were receiving AFDC;
- 81% had income at or below the poverty line, with 46% earning less than $5,000 per year; and,
- just 31% were employed (even though 67% had worked at some point during the three years).[36]

Both better jobs and steady work eluded the majority of recipients enrolled in Riverside GAIN. The percent of recipients in the program ever employed during a year fell steadily during five years of follow-up, from a high of 52% in the first year to a low of 39% in the fifth year.[37] As a consequence of low earnings and sporadic employment, by the end of the fifth year, there was no difference between recipients in Riverside GAIN and a control group in level of reliance on welfare aid—about one-third of both groups were receiving AFDC in the last quarter of the fifth year.[38]

- **Not helping recipients to find better jobs is a key shortcoming of past quick employment strategies because labor market data show that welfare recipients find predominately low wage jobs and their wages increase very little over time.**

Many proponents of quick employment programs have asserted that skill development is not necessary in welfare reform because the best preparation for work is work and entry level jobs will lead to better jobs for welfare recipients over time. Researchers have looked closely in recent years at whether welfare recipients do in fact move up to better jobs over time and their work helps illustrate the likely upper limits of what quick employment programs can accomplish if they fail to help recipients find better jobs.

The consensus of this labor market research is that most welfare recipients find low wage jobs and move up very little in the labor market over time. For example, a 1997 study looked at 12 years of earnings for young women receiving welfare in 1979 and found they experienced very little wage growth, moving from $6.07 per hour to only $6.72 per hour over that time.[39] By contrast, the wages of women not receiving welfare at the start of the period rose substantially throughout their twenties and thirties, from $6.07 at baseline to over $10 per hour.[40]

Recipients with low educational attainment are at a particular disadvantage in the labor market. From 1979 to 1993, unmarried, 25-34 year old mothers without a high school diploma experienced a 25% drop in their earnings. But even high school graduates who were unmarried mothers saw wages fall by 10% to 16%. Only older, unmarried mothers (35-44) experienced any growth in wages.[41]

More recent 1996 and 1997 analyses have reached similar conclusions. One study examined reasons for welfare exits and found that though the majority of recipients leave welfare by finding work, over

[36] Bloom, 1997.

[37] Bloom, 1997.

[38] Freedman, et al, July 1996.

[39] Burtless, 1997.

[40] Gary Burtless, "Employment Prospects of Welfare Recipients," in *The Work Alternative* (Washington, DC: The Urban Institute, 1995).

[41] Burtless, 1997.

a three year period their low entry wages do not increase and more than half return to welfare because of work instability.[42] Another study looked at the quality of jobs found over a ten-year period by women who share the characteristics of welfare recipients. Researchers found that after ten years, when they were in their late twenties, about 40% of these women worked steadily but were stuck in low quality jobs, and more than a third worked just sporadically. Only 1/4 had made the transition to higher quality jobs. Those who hadn't completed high school fared less well, just 14% of them made the transition to a better job. [43]

Overall, then, quick employment welfare-to-work strategies produce real benefits to the public generally and to recipients by helping single parents work more than they would have on their own. These benefits are largely short-term, however, because some recipients involved in the program enter the same types of low skill, low wage jobs they would have eventually found on their own and others who would not have worked begin jobs but leave the labor market quickly.

[42] Kathleen Mullan Harris, "Life After Welfare: Women, Work, and Repeat Dependency" (*American Sociological Review*, Vol. 61, No. 3, June 1996).

[43] LaDonna Pavetti, and Gregory Acs, *Moving Up, Moving Out, Moving Nowhere? A Study of the Employment Patters of Young Women and the Implications for Welfare Mothers* (Washington, DC: The Urban Institute, July 1997).

II. THE BENEFITS AND LIMITS OF BASIC EDUCATION STRATEGIES

Low Basic Skills as a Barrier to Work

Welfare recipients face a variety of barriers to employment, job retention, and job advancement, including lack of transportation, lack of social networks, low educational attainment, racial discrimination, health problems for themselves or their children, the demands of parenting young children, lack of work experience, and unavailability of affordable child care. When just personal and family barriers to work are examined, however, low basic skills stand out as both the most common barrier to steady work and, by far, the strongest single predictor of whether a recipient works at all. It overshadows a range of others, including physical disabilities, mental health problems, children's health problems, substance abuse, and domestic violence.[44] Low basic skills also bar many recipients from job training and postsecondary education programs that could help them become more employable because such programs often require a high school diploma/GED and/or certain minimum test scores for entry.

How low are recipients' skills? Two-thirds of recipients score in the bottom fourth of all women their age on a test of basic skills, and half of those recipients–one-third of all recipients–have basic skills lower than 90% of other women their age. Those with the lowest skills have the least connection to the workforce. A study of women who share the low skills of recipients found that those with moderately low skills (lower than between 75% and 90% of women their age) took a long time to settle into the workforce but by their late twenties, most of these women were working steadily although at very low wage jobs. In contrast, women with extremely low basic skills (lower than 90% of women their age) were more likely to be disconnected entirely from the workforce. Forty-four percent of women with extremely low basic skills had not worked for most of the two year period studied, compared with just 15% of women with moderately low skills and less than 10% of higher skilled women.[45]

This research implies that quicker attachment to the labor force, job retention, and job advancement are the key issues for the one-third of recipients with moderately low basic skills. The one-third with extremely low basic skills, however, raise potentially more difficult questions around how to help them move into the workforce at all.[46] By one estimate, even if welfare reform succeeds in helping recipients to work as much as nonrecipients with similar characteristics–which would mean recipients working 30% more than they do now–fewer than half of recipients who had not completed high school would be working steadily by their late twenties.[47]

The low basic skill levels observed among welfare recipients may be traceable in part to undiagnosed learning disabilities among women. Three recent studies of JOBS participants found

[44] Krista Olson and LaDonna Pavetti, *Personal and Family Challenges to the Successful Transition from Welfare-to-Work, Final Report* (Washington, DC: The Urban Institute, May 17, 1996).

[45] Pavetti, July 1997.

[46] Pavetti, July 1997.

[47] LaDonna Pavetti, *How Much More Can They Work? Setting Realistic Expectations for Welfare Mothers* (Washington, DC: The Urban Institute, July 1997).

that between 25% and 35% of participants in welfare-to-work programs had learning disabilities. In addition, a smaller but significant percentage (5-7%) were diagnosed as mildly mentally retarded.[48] Schools identify and treat boys with learning disabilities three times more often than girls. Yet research by the National Institutes of Health using functional brain scans has shown that learning disabilities occur equally often in girls and boys.[49]

Research on Basic Education Welfare-to-Work Programs

Given the prevalence of low basic skills among welfare recipients, basic education services would seem to be a logical intervention and indeed, basic education has been the most common activity in welfare-to-work programs emphasizing skill development rather than quick employment. To prove more effective than quick employment programs, however, basic education programs and other skill development strategies must not only increase employment among participants but also help them find better jobs. This is because quick employment programs allow recipients to start earning earlier and longer than programs where participants are kept out of employment in order to build skills. Thus skill building programs such as basic education must put participants in higher-paying jobs in order to produce earnings impacts as large as quick employment programs over the same time period.

The evaluation research in this area is not conclusive, primarily because it has not been designed to isolate the effects of any single service, such as basic education, from the effects of a program as a whole. Earnings impact results for basic education programs, for example, are reported for everyone enrolled in the program, whether they ever actually received basic education services or not. (See note on page three). Nevertheless, because these studies collect data over a number of years on economic and educational outcomes for recipients whose main activity was basic education, this body of research does illuminate the benefits and limits of such strategies.

There are three main sources of information on welfare-to-work programs with a basic education focus. The two most recent sources are the five-year findings from three counties with basic education programs in California's GAIN program (Butte, Los Angeles, Tulare) and the two-year findings from the skill building sites in the national JOBS evaluation. Because the GAIN and JOBS programs provided a range of employment and training services, discussion of results from these evaluations is limited to the group identified as needing basic education in GAIN and the group without high school diplomas or GEDs at program entry in JOBS. Adult basic education was the primary activity for these two groups in the evaluation sites.

A third, older but more comprehensive source, is a 1996 U.S. Department of Education report that synthesizes the research findings from all experimental evaluations of basic education services for

[48] These data come from three projects funded by the U.S. Department of Health and Human Services in the city of Cleveland, Kansas state, and Washington state, to examine the prevalence of learning disabilities among participants in the Job Opportunities and Basic Skills (JOBS) program.

[49] Glenn Young, National Institute for Literacy, January 11, 1998 briefing on welfare, learning disabilities and attention deficit disorder (see summary in *CLASP Update*, January 28, 1998)*;* Glenn Young, *Welfare and Disabilities*, draft paper (Washington, DC: National Institute for Literacy); Sally E. Shaywitz, "Dyslexia" (*Scientific American*, Volume 275, No. 5, November 1996); Melinda Giovengo with Elizabeth J. Moore, *Washington State Division of Employment and Social Services Learning Disabilities Initiative: An Interim Report* (Olympia, WA: Dept. of Social and Health Services, January 1997).

welfare recipients available by 1995.[50] The report covers 18 welfare-to-work programs that were a mix of voluntary and mandatory ones, most had mixed strategies, and most served adults but several were for teens: what they all had in common was that they served primarily welfare recipients without high school diplomas or GEDs (or could report impacts separately for that group) and basic education was the main activity for the group whose impacts are described.[51]

Four broad lessons can be drawn from this body of research on welfare-to-work programs whose primary activity was basic education. Except where noted, research findings are from the U.S. Department of Education synthesis report.

- **Despite the prevalence of low basic skills as a barrier to employment, a review of early research on basic education programs for welfare recipients found that fewer than half increased employment and average earnings.[52] Those that did increase earnings did so primarily by increasing employment, not helping recipients find better jobs.**

The employment impacts were generally small—ranging from 3 to 14 percentage points. While the synthesis report did not cover job quality issues, other reports on some of the same programs show that earnings impacts generally were due to recipients working more, not to them finding better jobs.[53] This is a disappointing result for a skill building strategy since it is essentially the same outcome as for the quick employment approach, only at a much higher cost and with a slower payoff.

- **This early research also showed that while basic education programs helped more recipients get GEDs, the majority of recipients who enrolled in basic education did not obtain a GED. Further, most programs did not raise recipients' scores on a test of basic skills.**

Most of the programs reviewed succeeded in substantially increasing participation in basic education. This was true of both mandatory and voluntary programs. Welfare-to-work programs, therefore, provide an important avenue for many welfare recipients to get basic education services who would not otherwise. In addition, program group members received more hours of instruction than typical basic education students.

The synthesis report also found that most of the programs increased the number of people who got an educational credential (in most cases a GED, but some high school diplomas as well). Five sites

[50] Pauly, 1996.

[51] The programs reviewed by the report are the San Diego SWIM program, five separate California GAIN county-level results for single parents, the combined GAIN results for two-parent families, the four programs in the Minority Female Single Parent (MFSP) Demonstration, the three Teen Parent Demonstration sites, the Ohio Learning, Earning, and Parenting (LEAP) program, the JOBSTART Demonstration, and the New Chance Demonstration.

[52] Pauly, 1996. This report includes a helpful chart of the different evaluations, describing characteristics of programs and recipients and listing impact findings for each.

[53] See Riccio, Friedlander, and Freedman, 1994, on higher employment accounting for most of Riverside and Tulare GAIN's earnings impacts and Friedlander and Burtless, 1995, for explanation of SWIM results. One of the MFSP sites, the CET program did achieve higher hourly earnings but provided primarily job training, not basic education.

increased GED receipt by more than 10%. Welfare recipients with the highest test scores on entering the program were the most successful in getting the GED and in the voluntary programs, this impact disappeared over the follow-up period, probably because members of both the program group and the control group were self-motivated to pursue education. The two-year impacts from the JOBS evaluation corroborate the ability of basic education programs to increase GED receipt. Two of the three basic education JOBS study sites increased GED receipt, by about 10%.

Most program group members, however, who did not have a GED or high school diploma on entering the program still did not at the end of the follow-up period (ranging for these programs from 18 months to 4 years). In voluntary programs (i.e. the most motivated group), 53-62% of program group members did not obtain a GED or high school diploma. In the mandatory programs reviewed, an even higher percentage of program group members failed to earn a credential—between 67% and 97%—in a two- or three-year follow-up period.

In addition, few of the programs reviewed increased education test scores. Just two of the nine sites that measured education gains for program group members found impacts—the San Diego GAIN program and the Camden, New Jersey site of the Teen Parent Demonstration. The education gains in San Diego were experienced mainly by those who had the highest entry level test scores.[54]

- **There was no clear relationship in this early research between basic education programs that produced education impacts and those that raised earnings.**

Without a consistent link between education impacts and earnings impacts, it is difficult to tell whether basic education services were a key mechanism in the sites that raised earnings or whether other factors were at work. The synthesis report found that programs that raised test scores or increased GED receipt did not always increase earnings, and some programs that had no education impacts (either on test scores or GED receipt) did increase earnings for those without high school diplomas.

Other, nonexperimental research on the economic effects of obtaining a GED suggest that it has modest economic benefits and increases earnings most for those who go on to further education and training.[55] A recent study confirms that obtaining a GED does substantially increase the likelihood that dropouts will enroll in proprietary or government-sponsored training. Most still do not go on, however, to postsecondary education—less than 20% of GED holders complete at least 1 year of postsecondary education by the time they reach their late twenties.[56] More recent research, using data on all GED test takers so that selection bias is eliminated, shows substantial racial differences in

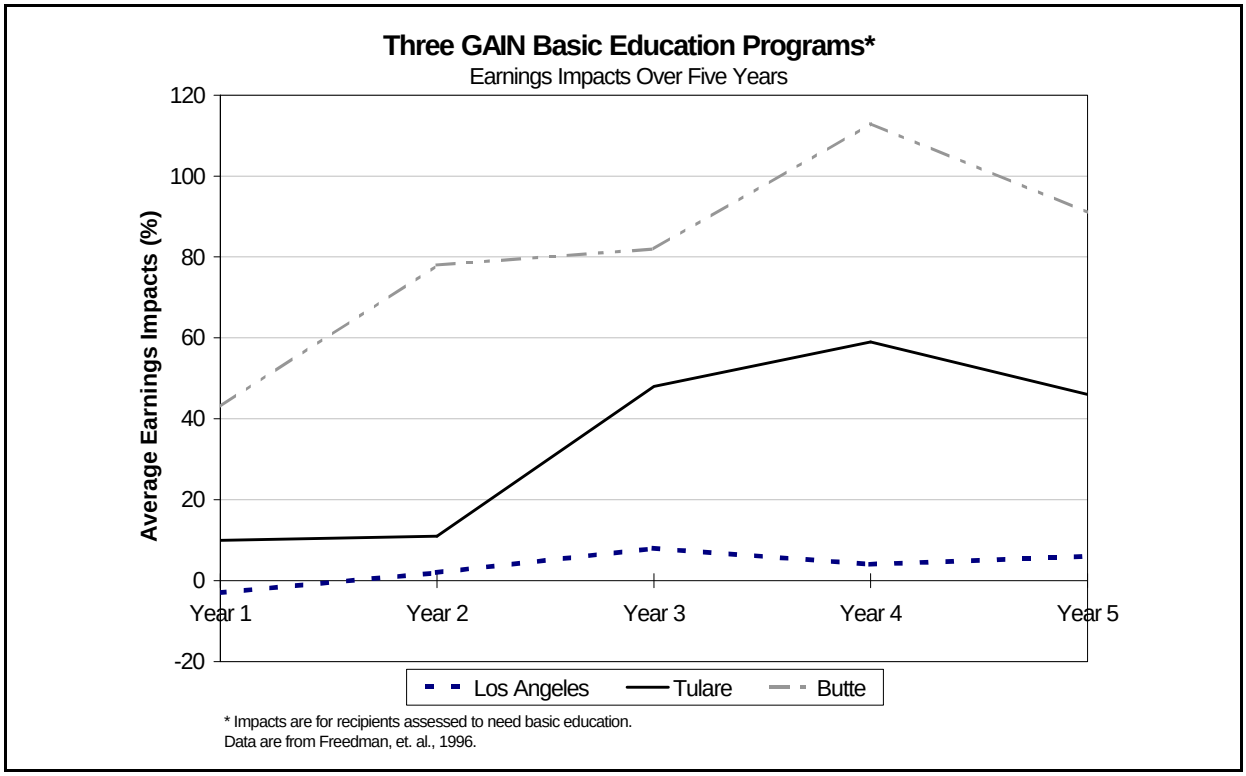
[54] These results may understate education gains, however, if the gains were not large, because basic skills tests were given to all program group members without high school diplomas, whether they ever participated in basic education or not. The tests were also not designed to measure what basic education participants were taught but rather were tests of general literacy skills.

[55] S.V. Cameron and J.J.Heckman, "The Nonequivalence of High School Equivalents" (*Journal of Labor Economics*, Vol. 11, Pt. 1, 1993); Murnane, Richard J., John B. Willett and Kathryn Parker Boudett, "Do High School Dropouts Benefit From Obtaining a GED?" (*Educational Evaluation and Policy Analysis*, Vol. 17. No. 2, Summer 1995.)

[56] Richard J. Murnane, John B. Willett and Kathryn Parker Boudett, *Does Acquisition of a GED Lead to More Training, Postsecondary Education and Military Service for School Dropouts,* NBER Working Paper 5992 (Cambridge, MA: National Bureau of Economic Research, April 1997).

the economic benefits of GED receipt. For white dropouts, obtaining a GED increased their earnings five years later by 10-19%, with most of that impact due to the direct effect on employer hiring of having a GED. But for people of color who had dropped out of school, there was no evidence that obtaining a GED increased their earnings, even five years later.[57]

Figure 3



- **Recent research findings, with five years of follow-up, show that two of the three GAIN basic education programs increased earnings significantly for recipients assessed to need education services. It is unclear, however, what role basic education services played in producing the impacts.**

The five-year findings from the California GAIN evaluation change somewhat the picture of what basic education programs can achieve. (The U.S. Department of Education's synthesis report included follow-up data for the GAIN evaluation only for the first three years and did not include the Butte county results.)[58] These recent findings show that two of the three basic education programs,

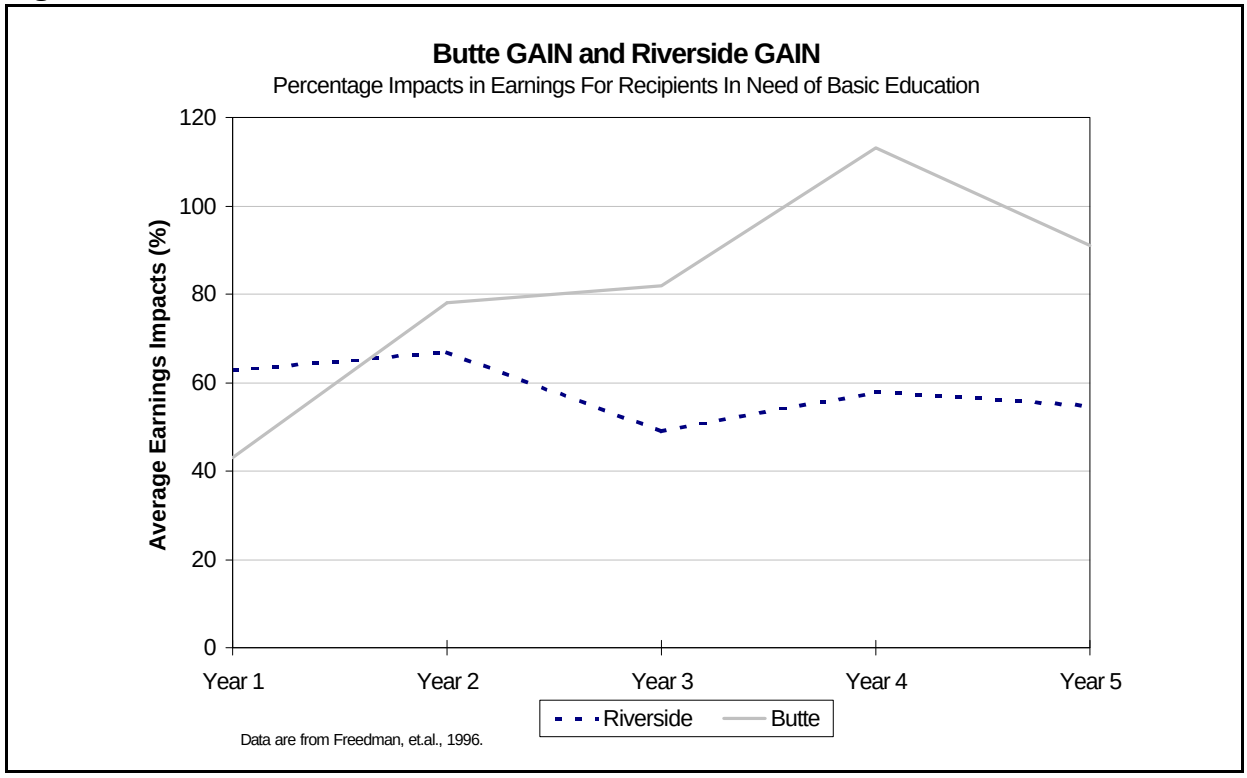
[57] John H. Tyler, Richard J. Murnane, and John B. Willett, *Estimating the Impact of the GED on the Earnings of Young Dropouts Using a Series of Natural Experiments*, NBER Working Paper 6391 (Cambridge, MA: National Bureau of Economic Research, February 1998).

[58] The synthesis report included all GAIN counties except Butte. I have not used five year findings for Alameda, Riverside, and San Diego in the discussion of basic education programs because none of them combined a skill building strategy with an emphasis on basic education. Riverside and San Diego emphasized quick employment and Alameda emphasized job training for those who had a high school diploma/GED.

Butte and Tulare counties, increased earnings substantially for those assessed to need basic education services **(Figure 3)**. The third basic education program in GAIN, Los Angeles, did not raise earnings for this group. **Tulare County** increased earnings for program group members in need of basic education by 48% in the third year, 59% in the fourth year, and 46% in the fifth year. By the third year of follow-up, Tulare had also helped 19% more recipients earn GEDs, primarily by helping those who entered the program with higher literacy levels to obtain the credential. The program did not succeed in raising the educational test scores of program group members.

Butte County increased earnings for program group members in need of basic education as early as the first year of follow-up, with the earnings impacts growing to an impressive 113% by the fourth year and tapering off to 91% in the fifth year. In Butte the earnings gains in the later years were large enough to push the five year total earnings impacts for this group beyond those seen in Riverside, despite a slower start in Butte.[59] **(Figure 4)** Welfare savings in Butte county for those in need of basic education also exceeded those found in Riverside. GAIN evaluators caution, however, that the county's sample of recipients was small and less disadvantaged than recipients in other counties.

Figure 4



Because literacy tests and surveys were not done as part of the GAIN evaluation in Butte (as they were in the larger counties in the study), it is not possible to know whether Butte also produced any educational outcomes. Researchers point out that a smaller percentage of program group members (27%) participated in basic education in Butte in the first year than in any of the other counties,

[59] Freedman, et. al., 1996.

primarily because of a large waiting list for GAIN services there. In addition, Butte administrators did not create any special services around basic education nor did staff there view basic education as very worthwhile for recipients. What stood out most about the Butte program, rather, were intensive case management and a positive attitude among staff about recipients and the ability of the program to help them.[60]

New, shorter-term results from the JOBS evaluation show that just one of the three basic education sites (Grand Rapids) has achieved earnings impacts for those without a high school diploma/GED so far, although impacts may be emerging in a second site.[61] One striking and sobering result at the two-year point is that due to high sanction rates and low earnings impacts in the JOBS basic education sites, the program group without a high school diploma or GED was significantly poorer than controls.[62]

In summary, basic education welfare-to-work programs consistently increase basic education participation and often increase GED attainment. Most experimental group members in these studies are left, however, without a GED or high school diploma and there has not been consistent success in raising basic skills levels. Such programs do not consistently increase earnings, however. While the Butte and Tulare GAIN programs are important success stories, they by themselves do not outweigh an overall pattern of quite limited economic benefits from basic education strategies. Butte, in particular, seems likely to have achieved its success at least in part through mechanisms other than basic education.

Why aren't basic education welfare-to-work strategies more effective, despite studies showing that workers with higher literacy skills work more and earn more, regardless of educational attainment?[63] This is a major unanswered question—the research suggests that the possible answers might include uneven program quality, widespread undiagnosed learning disabilities, poor motivation by recipients with employment goals to return to school, and the lack of close links between most basic education programs and local employers or training programs.

Programs that pay attention to the quality of basic education services can produce better results, according to a special study of basic education in the GAIN Program. The two counties that produced education gains, San Diego and Tulare, monitored participation in basic education carefully and adapted programs to meet recipients' needs. San Diego, especially, endeavored to create high quality services: it developed an entirely new system of learning centers just for GAIN students, which featured computerized instruction, specially trained staff, off-campus locations, and

[60] Riccio, Friedlander, and Freedman, 1994; Karin Martinson and Daniel Friedlander, *GAIN: Basic Education in a Welfare-to-Work Program* (New York, NY: Manpower Demonstration Research Corporation, 1994).

[61] Earnings for the program group in the Atlanta site were higher than those of the control group in the last two quarters of the second year, and the difference was growing but not yet statistically significant. In the GAIN evaluation, the strong earnings impacts in Tulare did not emerge until the third year of follow-up.

[62] Hamilton, et. al., September 1997.

[63] Irwin S. Kirsch, Ann Jungeblut, Lynn Jenkins, and Andrew Kolstad, *Adult Literacy In America: A First Look at the Results of the National Adult Literacy Survey* (Washington, DC: U.S. Department of Education, September 1993).

more hours of instruction per week than regular adult education classes.[64] These efforts seem to have paid off, as San Diego was the only GAIN county that raised the test scores of the program group.

The general inability of basic education to raise earnings may also be a credentialing problem. If students who improve their skills do not obtain a GED or training credential, they may have no way of documenting their educational gains to potential employers. Some support for this hypothesis comes from San Diego GAIN, where basic education services seemed to be high quality and did result in higher test scores yet failed to translate into earnings impacts. This puzzling result may be explained in part by San Diego's insistence (due to its quick employment approach) that recipients who completed adult basic education go directly to job search, rather than continue on to further education or training.[65]

Other factors that may limit how much basic education can achieve are high dropout rates and low attendance for those who do stay (55% to 75% of scheduled hours on average). Overall welfare-to-work basic education students average 100-200 hours of instruction over a 2-3 year period, twice as much as other basic education students, but still a relatively small amount. There are several possible explanations for why recipients may not stay longer:

- **Lack of interest in basic education**. While recipients without a high school diploma or GED believe that more schooling would help them get a good job, most do not want to attend basic education (it was the first preference of only 6-10% of recipients surveyed in the JOBS evaluation). Job training is the clear first preference of recipients (42-61% list it as their first choice) among activities and job readiness/job search programs are the second preference (23-41% list it as first choice).

- **Lack of appropriate services for those with special needs**. Services for those with special needs, such as learning disabilities or limited English proficiency, appear to be inadequate in many areas. In addition, little is known about the best way to serve these populations. NIH research, for example, shows distinct differences in the brain functioning of individuals with dyslexia compared with nondyslexic people. This research raises important questions for how much of the problem of learning disabilities in adults can be addressed through educational services, even with improved instructional techniques, versus a strategy of increasing accommodations for learning disabled people in the classroom and on the job. Such accommodations might include such things as being given more time to take the GED test or being given job instructions verbally rather than in writing.[66]

- **Lack of employment focus in basic education services**. Most basic education programs are focused on noneconomic goals, such as obtaining a GED (which is an academic credential) or simply improving reading skills. This puts them in conflict with the economic goals of many welfare recipients and of welfare-to-work programs. A 1992 national survey of basic education

[64] Martinson and Friedlander, 1994.

[65] Martinson and Friedlander, 1994.

[66] Young, in *CLASP Update*, January 1998.

programs indicated that only about 17% of all basic education clients were served in programs that emphasized workplace or life skills.[67]

In addition, it may be that employers at the low wage end of the labor market simply do not value increases in basic skills or a GED certificate as much as they do work experience or occupational credentials. This conclusion is suggested by a nonexperimental study that examined program and labor market data on two thousand young welfare mothers (16-22) who had dropped out of school. The study estimated the economic payoff over three and a half years to three different kinds of services—basic education, job training, and college attendance. It isolated the effects of GED attainment and basic education services by themselves from the effects of subsequent vocational training and college attendance.

The study also tried to separate out the opportunity costs of education and training by examining two key questions: 1) what were the short term earnings effects of participation in a service? and, 2) what were the separate effects of getting a credential, over and above the effects of participation? The study found that:

- 42% of the mothers in the study got a GED; 8% got a high school diploma; and 21% got a job training certificate. Few acquired college credit (12.6%).
- Job training had by far the biggest economic payoff for participants, resulting in a 43% increase in earnings. This was larger than the effect of two years of college if it did not result in a degree.
- Basic education services that did not result in a GED had the biggest cost to recipients, primarily because they lost the opportunity to acquire work experience while not gaining marketable skills.
- GED attainment also resulted in a net economic loss for recipients unless they went on to further job training or postsecondary education. While getting a GED did result in higher earnings for recipients, the increase was so small that it was outweighed by the lost work experience.
- Obtaining a GED if it was combined with further job training or college did have a net benefit to recipients.[68]

[67] Pauly, 1996.

[68] Johannes M. Bos, *Effects of Education and Educational Credentials on the Earnings of Economically Disadvantaged Young Mothers*, draft paper (New York, NY: Manpower Demonstration Research Corporation, October 1996).

III. BEYOND JOB SEARCH OR BASIC EDUCATION

The previous sections described research findings on the two most commonly tried strategies to welfare reform: strategies that rely primarily on job search and strategies that rely primarily on basic education. Rigorous evaluations of programs show that job search alone is effective only in the short-term and that mixed strategy, quick employment programs can have more lasting impacts but generally fail to help recipients find better jobs or sustain employment. These evaluation results make sense given that longitudinal studies of welfare recipients in the labor market find that most recipients lack the skills and education credentials to move up in the workforce.

On the other hand, the record of skill building programs that have relied on basic education is clearly worse than that of quick employment programs. While a few mixed strategy, basic education programs have produced strong and lasting earnings impacts, programs with basic education focus generally have not succeeded in helping recipients find better jobs, a serious failing given that skill building strategies are relatively expensive and can only prove more cost effective than quick employment strategies if they produce higher earnings over the long run.

The research record suggests, then, that quick employment strategies will have limited, largely short-term, success but that the second most common activity in the past, basic education, is unlikely to do better. What services, then, should future welfare-to-work programs emphasize? The presence of time limits on welfare aid raise the stakes for recipients and the programs that serve them, making it more urgent that programs find ways to address three central challenges:

- how to help recipients sustain employment;
- how to help recipients find better jobs; and,
- how to help the most disadvantaged recipients for whom job search may not be successful.

Research on the first challenge—how to help low income parents sustain employment—is only in its infancy. There is a consensus on the importance of the issue. Both welfare-to-work evaluation research and longitudinal studies of recipients have found high rates of job loss and returns to welfare among low income single parents. A federally-funded demonstration in four major cities is studying whether part of the solution may be to provide help with job, medical, transportation and child care issues that emerge after a welfare recipient begins employment.[69] Given the temporary nature of many jobs in the low wage, low skill end of the labor market, though, a certain amount of ob loss may prove unavoidable. If so, then an important program strategy could be helping recipients to move on to subsequent jobs quickly while also improving their job and educational skills.[70]

[69] Anu Rangarajan, *Taking the First Steps: Helping Welfare Recipients Who Get Jobs Keep Them* (Princeton, NJ: Mathematica Policy Research, Inc., November 1996).

[70] Alan M. Hershey and LaDonna A. Pavetti, "Turning Job Finders Into Job Keepers"(*The Future of Children*, Vol. 7., No. 1, Spring 1997); Toby Herr, Suzanne Wagner and Robert Halpern, *Making the Shoe Fit: Creating a Work Prep System for a Large and Diverse Welfare Population* (Project Match, Erickson Institute, Chicago, IL 1996).

There is more research available on the second question of which strategies work best to help recipients find better jobs. The weight of experimental and nonexperimental research suggests that mixed strategy, employment-focused programs with substantial job training and postsecondary education components are more likely than those using primarily job search or basic education to help recipients find better jobs and to sustain their impacts over the long term.

Among welfare-to-work programs that have been rigorously evaluated, only a few have succeeded in raising recipients' earnings by helping them find better jobs; most programs have increased average earnings primarily by helping recipients work more. Programs that have helped recipients find better jobs have made this a central goal and have emphasized preparing recipients for specific occupations through classroom training, on-the-job training and other, carefully structured, paid or unpaid work experience. In addition, nonexperimental analysis suggests that postsecondary education has a substantial impact on earnings, even when controlling for differences in ability and family background. No rigorous evaluations have been conducted, however, on the impact of postsecondary education for welfare recipients.

On the last challenge, how to help the most disadvantaged, few of the programs rigorously evaluated to date have involved the most difficult to employ recipients. The Supported Work demonstration and some of the AFDC Homemaker-Home Health Aides demonstrations did raise earnings for this group and also helped recipients find better jobs. The experience of these demonstrations suggests, however, that working with the hardest-to-employ recipients will require a much more costly, intensive approach than large, public welfare-to-work programs are accustomed to operating. The two-year findings from the JOBS evaluation are particularly worrisome here, because the more disadvantaged recipients (those without a high school diploma/GED) had become poorer in every site, in both the quick employment and the skill development programs, due to high rates of sanctioning and generally small earnings impacts.[71]

The research described below illustrates that it is possible to help welfare recipients find better jobs, though less commonly for those with low basic skills, and that it is possible to raise the earnings of the harder-to-employ. In addition, the programs highlighted here generally sustained their positive impacts over the long term.

- The **Alameda County, California, GAIN** program offered a full range of employment and training services but stressed job training for long-term recipients who were assessed at program entry not to be in need of basic education. Over a three-year period, the program raised average earnings for all program group members by 30%, and for the group it targeted, by 41%, or about $1,000 annually. More importantly, though, it helped recipients earn more on the job, raising average earnings per quarter of employment by 12.4%.[72] In addition, after three years, employed members of the program group were twice as likely as controls to be in jobs paying more than $10 per hour. By contrast, the Riverside GAIN program had larger overall effects on earnings

[71] Hamilton, September 1997.

[72] Bloom, 1997. After five years, Alameda's positive impacts on earnings were no longer statistically significant, but remained large (an over $1,000 increase in average annual earnings). Alameda was the only one of the five counties studied to give control group members high priority for GAIN services after the study's three-year bar on GAIN services to them ended. See Freedman, et al, July 1996.

(49% over three years) than Alameda but achieved them primarily by raising overall employment.[73]

- The **Baltimore, Maryland, OPTIONS** program was a welfare demonstration that offered intensive, individually tailored services with the goal of helping participants become more economically secure. Participants were given a choice among activities—including job search, on-the-job training, basic education, classroom training, and unpaid work experience—and recipients could be in multiple activities at the same time.[74] OPTIONS produced earnings impacts that were still strong five years later, and appeared to be growing over time. These long-term earnings impacts were primarily due to program group members earning more on the job (in the fifth year, a 6.5% increase in average earnings per quarter employed) rather than to increases in overall employment. Impacts were concentrated among welfare applicants, the less disadvantaged group served by the program: while earnings for all program group members increased by about $500 in the fifth year, earnings for applicants rose by more than $1,000.[75]

- The **AFDC Homemaker-Home Health Aides** demonstration was a seven-state demonstration that offered AFDC recipients four to eight weeks of homemaker-home health aide training followed by up to a year of subsidized employment providing those services. The training included both classroom instruction and a training practicum in a nursing home or individual's home. Five of the seven states succeeded in raising overall earnings of trainees in the second year after the end of subsidized employment, with the impacts ranging from 48% to 103%. Earnings gains in the first and second years averaged $2,000 annually. Three states raised hourly wage rates in both years of follow-up, with impacts from 9% to 22%, and two other states raised hourly wage rates in one but not both of the postdemonstration years.[76] Analysis of longer-term data found that program group members in the demonstration sustained these gains, earning $500 more annually than controls in the fourth to fifth years after exiting the program.[77]

- The **National Supported Work Demonstration** provided a year of subsidized, structured employment (with gradually increasing levels of hours and responsibility) together with some on-the-job training and intensive supportive services. Program group members earned about $1,700 more annually than control group members in the first two years after exiting the program. Even more impressive, program group members were still earning about $900 more annually than controls in the sixth through eighth years after exiting the program. These sustained earning gains, and accompanying welfare savings, made Supported Work cost effective (benefits were estimated to be 1.5 times the cost) despite its high initial expense. In addition,

[73] Riccio, Friedlander, and Freedman, 1994.

[74] Lisa Plimpton and Demetra Smith Nightingale, *Welfare Employment Programs: Impacts and Cost-Effectiveness of Employment and Training Activities*, unpublished paper.

[75] Friedlander and Burtless, 1995. Baltimore targeted two groups who were newly mandated to participate in welfare-to-work activities: welfare applicants and long term recipients whose youngest child had just turned six.

[76] Stephen H. Bell, Nancy R. Burstein, Larry L. Orr, *Evaluation of the AFDC Homemaker-Home Health Aide Demonstrations: Overview of Evaluation Results (*Bethesda, Maryland: Abt Associates Inc., December 1987).

[77] *What's Working (and what's not)* (Washington, DC: U.S. Department of Labor, January 1995).

Supported Work was most successful with the most disadvantaged recipients—those who had received welfare the longest, lacked a high school diploma/GED, or had never worked.[78]

- The **Minority Female Single Parent (MFSP)** demonstration studied voluntary employment programs serving low income, single, minority mothers in four cities. Three of the sites primarily provided basic education services to people; a fourth, the **Center for Employment Training** in San Jose, California, provided people with job training immediately, regardless of their basic skill levels or whether they had a high school diploma. CET training was full-time and based on actual employer requirements for jobs in demand locally. Basic academic skills needed for each occupation were taught as students moved through training. The other three sites did not raise earnings or employment for recipients, but the MFSP program group members enrolled in CET earned 45% more than the control group over a two and a half year follow-up period. In addition, earnings gains persisted through five years of follow-up even though three-fifths of control group members entered other education and training services during this time through the state's GAIN program. CET raised earnings both by increasing hourly wages and by increasing hours of work. Even those with low basic skills and/or limited English proficiency had achieved higher employment and earnings, without first attending basic education or acquiring a GED, at the two and a half year follow-up point. Effects for the group that entered without a high school diploma or GED had disappeared, however, by the five year follow-up point, suggesting the need for additional services for them to sustain earnings gains.[79] In recent years, CET has endeavored to build a career ladder for its graduates, by negotiating articulation agreements with a local community college so that CET training can be applied toward earning an associate degree.

- **On-the-job training** has been shown to produce significant increases in annual earnings in welfare-to-work programs in **Maine** and **New Jersey**. In both states, higher wages and more hours of work were responsible for the higher earnings of the program group.[80] The national evaluation of the **Job Training Partnership Act** found that JTPA increased average earnings for program group members who were adult women receiving AFDC by $2,387 over a 30-month follow-up period. Nonexperimental analysis found that these earnings impacts were concentrated among those recipients who had received on-the-job training and/or job search assistance, rather than those who received classroom training, basic education or other services. The earnings impact for the OJT/job search subgroup was $4,833 per enrollee over 30 months. This analysis also found that the impacts were due to the program group working more (increasing hours of employment by 9.8%) and earning higher wages (increasing hourly earnings by 7.8%).[81] An evaluation of JTPA's predecessor, the **Comprehensive Employment and Training Act**, also found on-the-job training to be the most effective activity for welfare recipients.[82]

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[78] Gueron and Pauly, 1991; U.S. Department of Labor, 1995.

[79] Amy Zambrowski and Ann Gordon, *Evaluation of the Minority Female Single Parent Demonstration: Fifth Year Impacts at CET* (Princeton, New Jersey: Mathematica Policy Research, December 1993).

[80] Judith M. Gueron and Edward Pauly, *From Welfare to Work* (New York, NY: Russell Sage Foundation, 1991).

[81] Larry L. Orr, Howard S. Bloom, Stephen H. Bell, Fred Doolittle, Winston Lin, and Geroge Cave, *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study* (Washington, DC: Urban Institute Press, 1996).

[82] Plimpton and Nightingale, unpublished paper.

- Interim findings from **Florida's Family Transition Program** show promising results. The Family Transition Program is a pilot in two counties that emphasizes preparation for better jobs and includes intensive case management, a range of employment and training services, a mandate to participate 30 hours per week, financial incentives, and a two-year time limit on aid. After two and a half years, early enrollees in the program group were earning 36% more (about $1,200 on an annual basis) than controls. Earnings impacts were growing over time. In addition, program group members were more likely to obtain full-time jobs and jobs that provided benefits such as health care and sick leave. Program group members were not earning higher wages, however, at the two-year point.[83]

- Nonexperimental analysis of the long-term economic benefits of **postsecondary education** shows large earnings gains from participation in programs at both community colleges and four-year institutions, even after adjusting for differences in ability and family background between those who go to college and those who do not. One study found that the average person who attends a two-year college earns about 10% more annually than those without any college education, even without completing an associate degree. Women's hourly earnings only increased substantially, however, if they completed at least an associate degree. Economic returns to two- and four-year college were both similar—a four to six percent earnings gain for every year of postsecondary education completed. Other studies have reached similar conclusions, with even larger earnings gains seen for individuals from families where their parents did not have any postsecondary education.[84]

Principles for Creating More Effective Welfare-to-Work Strategies

The research reviewed above does not provide policymakers one definitive blueprint for successful welfare reform. It is possible, however, to discern some guideposts in the research for how to design welfare-to-work programs that have the capacity to increase earnings overall, help the more disadvantaged recipients, and help at least some groups of welfare recipients find better jobs.

- **The most effective welfare-to-work programs share a flexible, balanced approach that combines job search, education, job training, and work. Successful employment programs more generally offer a wide range of individualized services; have a central focus on employment; have close ties to local employers; and are intensive, setting high expectations for participation.**

The balanced approach to welfare reform—with a central focus on employment but room for skill development—can be see in the examples of successful welfare-to-work programs such as the Butte and Riverside GAIN programs, Florida's Family Transition Program, and the Baltimore OPTIONS program.

[83] Dan Bloom, Mary Farrell, James J. Kemple, and Nandita Verma, *The Family Transition Program: Implementation and Interim Impacts of Florida's Initial Time-Limited Welfare Program* (New York, NY: Manpower Demonstration Corporation, March 1998).

[84] Thomas J. Kane and Cecilia Elena Rouse, "Labor-Market Returns to Two- and Four-Year College". *American Economic Review* (June 1995); U.S. Department of Labor, 1995.

Other, nonexperimental research reinforces the importance of a comprehensive approach for operating successful welfare-to-work programs. A 1995 Urban Institute study of five state welfare-to-work programs with high participation rates found that these programs offered a range of services to meet diverse needs, set high expectations for participation, rewarded work, and had a clear employment focus, though many individual paths to work.[85]

A 1996 study by the U.S. General Accounting Office of successful employment programs found that they set high expectations for clients attending and completing training, addressed a variety of personal and logistical barriers that stood in the way of client participation in training and work, taught general employability skills as well as specific job skills, and linked job training closely to local labor market needs.[86] Finally, a 1996 review of research on employment programs for disadvantaged youth concluded that employment—not just as an end goal but as a first step and learning tool—and job and educational skill building activities were all central to the success of such efforts.[87]

- **Job training in the classroom or workplace and access to postsecondary education are key components of a strategy aimed at better jobs. Training must be made more consistently effective, however, and more accessible to those with low basic skills.**

Job training that ends in a certificate or degree is more likely than job search or basic education services to increase the earnings potential of welfare recipients. Programs that have succeeded in helping recipients find better jobs include Florida's Family Transition Program, the Alameda and Butte GAIN programs; the San Jose, California, Center for Employment Training program; the Baltimore, Maryland, OPTIONS program; the national Supported Work demonstration, some of the Home Health Aides demonstrations, and the on-the-job training component of the Job Training Partnership Act program. These programs show it is possible to help recipients find better jobs through classroom and workplace training.

Several important caveats, however, must be kept in mind here. First, the quality of job training services varies widely and such training has not proven consistently effective, with the least success seen in short-term (less than six month) classroom training.[88] While there is no definitive research on what makes one job training program more effective than another, a common thread among successful programs is an effort to tie training closely to the workplace—involving employers in the design of training, providing training in a work-like setting, providing training on-the-job, and coupling training with paid or unpaid work experience. A second important caveat is that job training and/or postsecondary education are not options for many recipients because such programs often require a high school diploma or GED for admission and nearly half of all recipients and two-thirds of long-term recipients lack these credentials. Finally, state and federal time limits on welfare

[85] LaDonna Pavetti, Pamela Holcomb and Amy-Ellen Duke, *Increasing Participation in Work and Work-Related Activities: Lessons from Five State Welfare Reform Demonstration Projects* (Washington, DC: The Urban Institute, 1995).

[86] U.S. General Accounting Office, 1996.

[87] Walker, 1997.

[88] U.S. Department of Labor, 1995.

aid make longer-term training or education for welfare recipients risky: if these services do not result in better or longer-lasting jobs, then recipients will have wasted valuable months of limited welfare aid.

- **Activities to improve basic education skills are also important but should be provided as part of a broader range of employment and training activities.**

Given the limited economic benefits of basic education alone, new ways of combining basic skills instruction with work and training need to be developed. At a minimum, the GED should not be promoted as an end goal but rather as a step toward obtaining job training or other postsecondary education. Whenever possible, job-specific training and postsecondary education should be made accessible to those without high school diplomas or GEDs.[89] Basic education providers can play an important role here by identifying high quality, job training programs and helping prepare recipients to enter them. For those unlikely to get a GED or otherwise gain access to job training, alternative credentials should be developed that certify an individual's mastery of basic and "soft" skills needed for entry jobs in specific business sectors.

In addition, much more work needs to be done to assist those with learning disabilities. Basic education providers should forge relationships with the state vocational rehabilitation agencies responsible for helping the disabled become employable. Without such partnerships, learning disabled recipients are unlikely to obtain the specialized services they need to assess and document their disabilities—a critical first step in accessing job training for the disabled and winning accommodations in GED testing and other arenas.[90]

- **Work can be a critical part of increasing recipients' employability if it is part of a broad range of employment and training services. It may be especially effective for the most disadvantaged recipients.**

Supportive, paid employment has been a key element in programs that were especially effective with very disadvantaged individuals, such as the National Supported Work Demonstration described above and a number of youth employment programs. On-the-job training has consistently proven effective for welfare recipients. This suggests that broader use ought to be made of welfare-to-work activities that include paid employment, such as on-the-job training, grant diversion/wage supplementation, or simply using the new federal block grant funds directly to create time-limited, subsidized work with a training component.

Even unpaid work, if it offers an opportunity to learn real skills and is part of a continuum of other services, can be a useful short-term activity as, for example, in the Baltimore OPTIONS program

[89] Neither a high school diploma nor a GED is required by the federal government in order for a recipient to receive student aid as long as the student can pass an approved test (known as an "ability to benefit" test) that shows he or she has the basic skills to benefit from the course of study.

[90] Anna Henderson, *Making "Welfare-to-Work" Work for the Hard to Employ: Strategies form the West Side* (Chicago, Illinois: Chicago Commons Employment Training Center, March 1998). In New York state, close relationships between basic education and vocational rehabilitation have allowed far more learning disabled people to take the GED test with accommodations than in any other state.

described earlier. Project Match, a private, welfare-to-work program in Chicago that serves very disadvantaged recipients, has also had good results in using unpaid work on a volunteer basis as one "step" on a ladder of increasingly demanding self-sufficiency activities.[91] It is important to keep in mind, however, that rigorous research on unpaid work experience (CWEP) programs for welfare recipients in the 1980's found that CWEP generally did not increase either employment or earnings. These work experience programs were generally short-term and part of low-cost programs where job search was usually the only other service provided.[92]

- **Job loss is a major limiting factor in the effectiveness of welfare-to-work programs but there is little research on what works best to prevent it. Job retention services, such as postemployment counseling, may help but services that promote rapid reemployment when jobs are lost and job advancement are also likely to be necessary.**

As noted earlier, there are few models for policymakers to learn from here because welfare-to-work and other employment programs generally have made employment the end point of their services, with little follow-up once a client finds work. In addition, job retention may be affected in important ways by the services that recipients receive *before* they go to work, not just by the postemployment component. For example, welfare-to-work programs that create a work-like atmosphere or have a work experience component may help recipients confront and resolve potential work site problems before they enter a job.

Several successful programs that do place a strong emphasis on postemployment services are Project Match in Chicago; the Center for Employment Training in San Jose, California, and a number of other cities; and STRIVE in New York, Boston, Chicago, Philadelphia, and Baltimore. STRIVE and Project Match, in particular, stress the importance of working with recipients over a long period of time. They find that the initial job placement is often a learning experience rather than a permanent job, and recipients then need help in finding the next job and in building confidence and skills. One key reason for providing reemployment services and ways to help recipients qualify for better, more permanent, jobs is the inherent instability of the low wage, low skill jobs that most recipients find.

- **In many states welfare time limits and/or a quick employment focus mean that policymakers should consider new ways to build skills quickly and to help low income workers, including former welfare recipients, improve their skills and move up to better jobs over time.**

Those involved in welfare reform who seek to help recipients improve their skills face formidable challenges. Time limits on aid and the prevailing quick employment focus place tremendous pressure on service providers to shorten the time frame within which skill development takes place. At the same time, there is an urgent need to redesign education and training services to be more consistently effective. This suggests that states and localities interested in helping recipients build skills should move forward on several fronts at the same time.

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[91] Toby Herr, Suzanne Wagner, and Robert Halpern, "Making the Shoe Fit," (Erikson Institute, Chicago, Illinois: December 1996).

[92] Thomas Brock, David Butler, and David Long, *Unpaid Work Experience for Welfare Recipients* (New York, NY: Manpower Demonstration Research Corporation, September 1993).

First, existing job training programs that are successful should be compressed into shorter, more intensive schedules wherever this is possible *without sacrificing the quality of the program*.[93] For example, many community college training programs meet on a traditional academic schedule, such as 12 hours a week, nine months each year. It is possible to adapt those programs that do not require extensive outside preparation to meet 30-40 hours per week instead so that students can complete them more quickly and a new group of students can begin the program several times a year. This has been done in several Florida and Wisconsin counties in response to time limits on welfare assistance. Perhaps as a result of these new, short-term training opportunities, Florida's Family Transition Program succeeded in increasing significantly the percentage of recipients who earned a trade license.[94]

Second, ways should be found to support longer-term, full-time education and training for low income parents outside of the welfare system. For example, Maine and Wyoming have created new state-funded student aid programs for low income parents.[95] To the extent that these programs assist families who are otherwise eligible for welfare, such state spending counts toward meeting maintenance-of-effort spending requirements under the new federal welfare law and yet these programs are separate from the welfare system and so are not subject to federal time limits and work requirements.[96] The federal government may also need to reevaluate its student aid policies–one analysis of women and federal student financial aid found that single women with children have the most critical unmet aid needs.[97]

Third, states and localities can increase opportunities for low income workers, including former recipients, to upgrade their skills. Most low wage workers do not have a chance to upgrade their skills at work because businesses typically provide formal training primarily to professional and managerial staff. Several states are addressing this issue with new policy initiatives. California is piloting industrywide upgrade training for former recipients (See page 47). This training is provided during work hours at the work site. Pennsylvania has taken a different approach, launching two pilot projects of "individual learning accounts" available to workers who wish to upgrade their skills either in the workplace or in the community. The state, the employer, and the worker each contribute to the account and the account moves with the worker if he or she changes jobs.[98] Yet a third strategy

[93] The national JTPA evaluation showed that very short-term, classroom training, as is common in JTPA, has not been successful with welfare recipients.

[94] Bloom, et al, March 1998.

[95] Currently, Wyoming appears to be continuing to use federal welfare funds to support postsecondary education for recipients, rather than spending state funds in the separate student aid program authorized in its state welfare law.

[96] Steve Savner, *The New Framework: Alternative State Funding Choices Under TANF* (Washington, DC: Center for Law and Social Policy, March 1997). States should be aware, however, that draft federal regulations seek to discourage such separate state programs. See Steve Savner, Mark Greenberg, and Paula Roberts, *Comments on Proposed TANF Regulations* (Washington, DC: Center for Law and Social Policy, February 1998).

[97] Mary Moran, *Student Financial Aid and Women* (Washington, DC: Association for the Study of Higher Education and ERIC Clearinghouse on Higher Education, 1987).

[98] For more information on this project, contact Martha L. Harris, Advisor to the Governor for Workforce Development, (717) 772-4966.

has been put in place by at least two other states, Florida and Utah, which extend welfare-to-work program services–including education, training and child care–to former recipients who are employed and seeking to advance to better jobs.

IV. EMERGING PROGRAM MODELS

Programs serving welfare recipients have rarely combined training, work, and work-related basic skills in the ways suggested in the previous section, so there are few proven models of how it might be done. The youth employment field has more often tried such strategies, as in the Job Corps, in the Youth Incentive Entitlement Pilot Projects, in the various Youth Service and Conservation Corps programs, and in youth apprenticeship and other school-to-work programs. Nevertheless, based on their own experience and on the research described earlier here, many education and training providers around the country have been shifting away from traditional, sequential (education, then training, then employment) program models to more innovative ways of combining learning and work. A hallmark of many of these programs is a creative bridging of employer and recipient needs, with programs designed to help both groups at the same time..

The advent of welfare time limits and stricter work requirements at both the federal and state level have accelerated this shift in programs serving recipients. These emerging models can be generally categorized as one of four approaches (See Table 1):

- work-related basic education, as a short-term bridge to work or job training;
- work-related basic education and training combined;
- work-related basic education, training and unpaid work combined; and,
- work-related basic education, training and paid work combined.

It is too soon to know for certain whether the programs described below will prove more effective than past models; they are offered here as food for thought for policymakers, program administrators and advocates who are seeking to push the boundaries of traditional program designs. Most of these programs are small and taking these models to a larger scale will be a critical challenge for the field.

While all of the programs profiled here serve disadvantaged people, they vary in their goals and in the skill levels of participants. The work-related basic education programs generally seek to prepare hard-to-employ people with very low skills to enter work or training. These programs include the Chicago Commons Employment Training Center and Cleveland's SCANS Skills Employability Project. Less commonly, programs that combine work-related basic education and job training, such as those at El Paso Community College, serve people with low skills.

Other programs profiled here seek to help those with relatively solid basic skills qualify for better jobs. These include the aerospace manufacturing training courses at Seattle's Shoreline Community College, the electronics manufacturing courses at Portland's Steps to Success program (run by Mt. Hood Community College), and the Advanced Technology Center courses at El Paso Community College.

A number of the work-based programs follow a *sectoral* strategy, concentrating on a single industry so that a common training curriculum can be developed for employers who not otherwise undertake training on their own. Sectoral programs profiled here include the California Employment Training

Panel's Welfare-to-Work project, the Columbus HOST program, the Cooperative Health Care Network, and the Shoreline Community College/Washington Aerospace Alliance initiative.[99]

Community organizations play an important role in many of these emerging models. Several of the programs are run by community organizations, such as Chicago Commons Employment Training Center and a number of the service and conservation corps and Resident Apprenticeship programs. In other programs, community organizations are a critical link between low income people and education and training institutions, such as Seattle's Shoreline Community College or El Paso Community College. In Shoreline community groups identify low income people to refer to the aerospace training program and provide case management after they enroll in training.

Three of the programs profiled–Chicago Commons' Employment and Training Center, New York State's EDGE program, and Cleveland's SCANS Employability Skills (SES) project–were recently selected by the National Institute for Literacy as successful models of literacy program involvement in welfare reform. A forthcoming report from the National Institute for Literacy will describe all eight of the model programs chosen. [100]

[99] For more information on sectoral approaches, see Laura Dresser and Joel Rogers, *Rebuilding Job Access and Career Advancement Systems in the New Economy*, December 1997, Center on Wisconsin Strategy, University of Wisconsin-Madison, 1180 Observatory Drive, Madison, Wisconsin, 53706; telephone (608) 263-3889.

[100] For more information, contact Alice Johnson at the National Institute for Literacy, (202) 632-1516, fax (202) 632-1512, or e-mail ajohnson@nifl.gov.

TABLE 1 Four Types of Emerging Program Models

Work-related basic education	Work-related basic education and job training combined	Work-related basic education, job training and unpaid work combined	Work-related basic educatio job training and paid work combined
Cleveland's SCANS Employability Skills program	Labor Access Development Initiative of Shoreline Community College and the Washington Aerospace Alliance	Labor Access Development Initiative of Shoreline Community College and the Washington Aerospace Alliance	California's Employment Training Panel, Welfare-to-Wo Initiative
El Paso Community College, STEP PREP program	El Paso Community College, manufacturing training in such areas as plastics and electronics	New York State's EDGE program	Columbus HOST program
Portland's Steps to Success, Employability class	Portland's Steps to Success, electronics manufacturing training	Tulsa's IndEx program	Youth Service and Conservatio Corps
Chicago Commons Employment Training Center	Chicago Commons Employment Training Center, health care training	America Works Partnership, Resident Apprenticeship Demonstration	America Works Partnership, Resident Apprenticeship Demonstration

CHICAGO COMMONS EMPLOYMENT AND TRAINING CENTER (ETC)

Program goals: To help welfare recipients find work and further job training, to learn to advocate for the services they need, to increase family literacy and time families spend reading, and to improve parenting skills.

Program size and funding: 150 adults annually. Half of ETC's funding is provided by the Illinois state welfare and education departments and half by private foundations and the United Way.

Participant characteristics: The program is open to adults on public assistance; nearly all are women and most have received public assistance for six years or more. One-third are African-American and two-thirds are Hispanic. Most are current or former victims of domestic violence and 40% read at the sixth grade level or below at the time they enroll.

Program design: All participants begin by attending an 80-hour Life Skills component where they examine their lives, have their health and literacy assessed, and decide how best to use their time at ETC. An Employment Training Specialist works with them during this time to discuss options for employment training and to help them develop a plan for finding work. After Life Skills, participants attend basic education classes. ETC has developed its own Adult Basic Education, English-as-a-Second-Language, and GED curriculum that integrates basic skills instruction and employment readiness training, and uses innovative instructional techniques, such as role-playing. Special emphasis is placed on helping adults who are unlikely to get their GEDs prepare for and enter vocational training. For example, ETC has worked closely with the Illinois Department of Rehabilitative Services to help people with learning disabilities gain access to its vocational training. ETC has also developed with Wright College a Pre-Certified Nurses Assistant training course, located at ETC, whose graduates are then admitted to the college's CNA certificate program.

In addition, ETC provides comprehensive on-site support services, including case management and counseling, child care, a health clinic, domestic violence and depression support groups, career counseling and stipends for transportation and child care. There are also toy and book lending libraries and parenting support groups. These comprehensive services are made possible by a pooling of resources and close collaboration between Chicago Commons (a private, nonprofit organization), City Colleges of Chicago, National Lekotek, Erie Family Health Center, the Illinois Department of Human Services and several other agencies. All agencies participate in bimonthly case staffings to review participant progress, discuss appropriate services, assign tasks and devise common strategies for assisting individuals. When students are ready

to finish the program, they attend exit conferences with this interagency team to put together a plan for the next goals and services. ETC has just released a report on its experience with serving harder-to-employ welfare recipients, *Making "Welfare-to-Work" Work for the Hard-to-Employ: Strategies from the West Side.*

Intensity and duration: 20 hours per week. Participants may leave whenever they have accomplished their goals and gained the skills required for employment or job training. ETC's goal is to have one-half of participants employed three years after entering.

Program outcomes reported: At the end of FY 97, about one-third of participants who enrolled in FY 95 and FY 96 were employed, 13% were enrolled in vocational training and another 18% were still participating.

Contact for further information: Jenny Wittner, Chicago Commons Employment and Training Center, 1633 North Hamlin, Chicago, Illinois, 60647. Telephone (773) 772-0900, fax (773)772-0136. For copies of their new report, please fax or mail a request to the Center.

TULSA'S INDEX PROGRAM

Program goals: To provide participants with education, training and substantive work experience, meet the needs of local businesses for low-skilled labor, and keep and create jobs in Tulsa.

Program size and funding: IndEx's funding is $500,000 annually for both the welfare reform and the out-of-school youth IndEx programs. Approximately 300 welfare recipients participate each year.

Participant characteristics: The program serves only welfare recipients but no other information on participant characteristics is available.

Program design: The Tulsa IndEx program combines four hours of basic education and manufacturing job skills training each day with four hours of work experience. IndEx is run by the Chamber of Commerce as a nonprofit corporation that contracts with local businesses to make products. The recipients gain work experience in manufacturing the product and the revenue from the contracts helps cover the cost of the program. In 1997 IndEx had contracts with about 40 companies. Currently the work experience is unpaid, but IndEx hopes soon to be able to pay participants wages by diverting their welfare benefits and combining them with the contract revenue into a minimum wage paycheck which would also make them eligible for the Earned Income Tax Credit. Part of the contract revenue now, however, does accrue for recipients in a savings account which they receive at the end of the program. Recipients are trained in job-related basic skills and key manufacturing job skills, such as reading blueprints, statistical process control, and math used in manufacturing, in a customized curriculum developed by a consortium of four local education institutions. Upon completion of the program, staff work extensively with clients and employers to ensure that clients find and keep employment, visiting participants in the workplace and even running a shuttle van to take participants from IndEx to their worksites.

A recent addition to the program are 30- and 60-day outplacement training programs. These are available primarily to IndEx participants who obtain their GED. In both outplacement programs, recipients work full-time at a company, receive their full welfare checks, and at the end of the month are paid a $4.50 per hour stipend. The employer pays IndEx $6.50 per hour for each participant and the remaining $2 covers administrative expenses, including workers' compensation. The 30-

day outplacement is intended as a general trial employment period. The 60-day outplacement program involves three weeks of additional training at IndEx in electronics and telecommunications before the trial employment period.[101]

Intensity and duration: 40 hours per week for 42 weeks.

Program outcomes reported: In 1996, 286 recipients enrolled in IndEx. 110 of these participants found employment and 76 were still participating at the beginning of 1997.

Contact for more information: For more information on IndEx, Inc., call Wayne Rowley, President, IndEx, Inc. or Tim Westberry, Executive Director, IndEx, (800) 624-6822 or (918) 585-1201.

EL PASO COMMUNITY COLLEGE'S LITERACY AND WORKFORCE DEVELOPMENT CENTER

Program goals: To develop the English reading, writing, speaking, listening, numeracy and problem solving skills in its students necessary for full participation in education and employment. EPCC also tries to strengthen families by supporting intergenerational learning, common communication skills, and providing opportunities that lead to family economic self-sufficiency. The college provides free, alternate occupational learning opportunities for underprepared students who are unable to access traditional educational systems.

Program size and funding: $5 million per year to serve approximately 4,000 students per year.

Participant characteristics: EPCC's Literacy Workforce Development Center serves a mix of dislocated workers, JTPA-sponsored students, welfare recipients, employed manufacturing workers, migrants, and enterprise community residents. The college also provides customized training to local businesses. Many of EPCC's students are very poor and many speak only Spanish.

[101] Maria L Buck, *Tulsa's IndEx Program: A Business-Led Initiative for Welfare Reform and Economic Development* (Manpower Demonstration Research Corporation, New York, NY: September 1997).

Program design: The centers provides three clusters of programs that integrate work-related basic education and ESL instruction and job-specific training. Each cluster is designed for a different group of students. In addition to the basic and job skills training, EPCC offers a **Literacy/Transition** program that prepares students to enter vocational training and help link them to support services in the community. Literacy tutors are available weekly to help vocational students with academic difficulties that arise and to help resolve any support service needs. A wide range of partners collaborate on these programs, including the public schools, the human service agency, public housing authorities, economic and community development agencies, private literacy councils, several universities, public libraries, community-based organizations, and businesses. Training sites include not only EPCC's six campus sites but also 12 public housing projects, 4 elementary schools, 3 churches, 5 community/workers centers, 4 Colinias (rural settlements outside El Paso), and many individual business worksites.

The **Workforce Training** cluster of programs is designed for students with Spanish literacy levels ranging from about 4th grade to 8th grade, depending on the occupation, and minimal literacy in English. Students receive functional and contextual ESL for three hours per day and are in vocational training for three hours per day. Initially vocational instruction is in Spanish and as the students' English skills grow, so does the use of English in the vocational classroom. GED instruction and testing is provided in both Spanish and English. Computer-assisted instruction is provided using basic skills and ESL software packages. Program length varies from 4 months to 12 months depending on the occupation. The programs in this cluster include: Plastics Operator, Plastic Injection Molding Technician, Basic Care Attendant, Machining, Computerized Bookkeeping, Industrial Maintenance, Office Technology areas (includes computer operator, data entry, secretary, clerk.)

The **Career Training Center** cluster of programs is designed for students with a 6th through 8th grade level of English. Students attend six hours of class per day for 4 to 8 months. Although half the time is in a basic skills class and half is in a parallel vocational class, the training is integrated and the basic skills emphasize SCANS skills. Much of the curriculum is based on work-context projects that cut across the basic skills and vocational training classes. GED is also offered as well as vocational guidance, computer-assisted instruction, job placement and job search assistance. Programs include Basic Care Attendant, Computer Operator, Basic Electricity, Computerized Bookkeeping, Insurance Clerk, and General Office Clerk.

The **Advanced Technology Center** programs are designed for students with an 8th to 10th grade level in English with pre-vocational basic skills, vocational guidance, computer-assisted instruction, vocational training for 6 hours per day for 6 to 12 months and job placement assistance. The Women in Technology (Carl Perkins-funded) program recruits and supports women students in the center's programs. Programs offered in this cluster include Plastics Injection Molding, Industrial Maintenance, Machining, Tool and Die, Moldmaking, Quality Technology, Automation and Control, and Computer Numerical Control. The **Manufacturers' Training Consortium** provides links to many employers and workplace literacy and technical skills training on-site once people are employed.

Program outcomes: EPCC generally lacks the funding to collect outcome data on its programs but does have some information. Data on training for migrant farmworkers is collected by JTPA and shows a 78% job placement rate for this group, which is the lowest skilled of the ESL/vocational students (averaging only one to three years of schooling in their native countries). About 150 students in the Literacy/Transition program successfully continue on to college level work each year. The Career Training Center has placed 150 recipients in jobs over the past two years.

Contact for more information: Kathleen Bombach, Director, Literacy and Workforce Development Center at El Paso Community College, P.O. Box 20500, El Paso, TX 79998. Telephone (915) 831-4432, e-mail kathleenb@epcc.edu.

COLUMBUS' HOST PROGRAM

Program goals: To provide the hotel/motel industry with a trained labor force, provide welfare recipients with paid employment and training to help them transition to unsubsidized employment, and maximize both private and government resources.

Program size and funding: 75 participants to date, in five classes. Through December 1997, funding for tuition and assessment, job profiling, and the on-the-job training subsidy came from the Ohio Department of Human Services.[102]

Participant characteristics: Welfare recipients, primarily those who lack a high school diploma or GED.

Program design: Begun in July 1996, HOST is a partnership between Ohio's education, welfare, and development agencies, local public schools and county welfare agency, and a consortium of employers in the hotel and motel industry. Current members include Crowne Plaza, Embassy Suites, Holiday Inn, Hyatt, Marriott, and Westin. Under the nine-month program, welfare recipients are paid for thirty hours of work per week but spend ten of those hours each week in the classroom learning both job-specific and basic skills. Training time in the classroom is supplemented with on-the-job-training from worksite job coaches, also trained by HOST to work with participants. The "classroom" for all participants is sited in one of the hotels. Participants have the opportunity to be cross-trained in a number of different jobs in the industry to maximize their chances for job advancement. Graduates are certified as proficient in both the job specific skills and in "soft skills' such as communication and problem-solving.

The adult vocational education department is the lead partner and provides the instructor for the classroom component as well as training for worksite mentors and supervisors. The education partners also administer a comprehensive assessment for each participant, profile jobs in the industry to assess skill needs, and develop curriculum and skills standards for the jobs. The welfare agency provides tuition reimbursement, give each employer an on-the-job-training reimbursement of $340 per month for six months, assists with recruiting participants, and assists with daycare needs. The hotel/motel consortium selects and coordinates all the apprentice sites and chooses the on-site training room, facilities and equipment. An advisory committee oversees all of these tasks as well, and evaluates the program.

[102] The state contract for HOST ended as a result of Ohio's decision to devolve many key responsibilities in welfare reform to the local level.

Ohio also has developed a similar combination of paid work and worksite education with the Kroger chain of grocery stores. Programs are located in Kroger chains of stores in Columbus and in Mansfield. Participants spend five hours per day at the worksite, two hours in class on basic skills and proficiencies needed for high school completion and three hours on the floor working. Participants in Columbus are a mix of youth at risk for not graduating from high school, welfare recipients and other unemployed individuals, and incumbent workers who wish to upgrade their skills. Articulation agreements with a local community college ease the transition to postsecondary education.

Intensity and duration: 30 hours per week for nine months.

Program outcomes reported: 54 of the 75 participants are still working at their original sites. Five have been promoted into second level positions. The overall retention rate is 72%. Twenty-two HOST participants have graduated from the program and are still working.

Contact for more information: Carolyn S. Gasiorek, Consultant, Workforce Education, Ohio Department of Education, Office of Vocational and Adult Education, (614) 644-6661, fax (614) 728-6176, e-mail VE_GASIOREK@A1.ODE.OHIO.GOV.

THE COOPERATIVE HEALTH CARE NETWORK

Program goals: To provide both high-quality paraprofessional jobs for inner-city women and high-quality care for elderly and disabled clients.

Program size and funding: 500 workers in CHCN cooperatives in three cities. Each cooperative is a for-profit, employee-owned, company. Federal funding and foundation grants supported the initial development of the cooperatives. There are approximately 360 workers in the South Bronx Cooperative, 75 in Philadelphia, and 70 in Boston.

Participant characteristics: The three cooperatives together employ about 500 inner-city workers, predominantly minority women, more than 400 of whom came to the coops from public assistance. Participants' basic skills typically range between fourth and eighth grade levels.

Program design: The Cooperative Health Care Network is a federation of three, employee-owned cooperative businesses in the South Bronx, Boston, and Philadelphia that provide home health care services and a nonprofit training and replication affiliate, the Paraprofessional Healthcare Institute. The South Bronx cooperative has been operating for twelve years. The Philadelphia replication site began operating in 1994 and the Boston replication site began in 1995. Each cooperative is both a profit-making business and an on-site, employer-based training program. After five to seven weeks of training, individuals are employed as Medicare-certified "home health aides," working full-time. Those who stay with the job at least six months are offered full benefits and the option of becoming employee-owners.

The cooperatives provide a very supportive work environment that includes continued in-service training, personal and vocational counseling, careful supervision, and career upgrading programs. In addition to the benefits for coop employees, CHCN aims to change industry practice by focusing on one sector, becoming a business participant in it, and creating pressure for industry change. In New York, for example, CHCN believes that its superior quality of care caused contractors to raise their standards for other subcontractors and helped CHCN, by working with a coalition of other providers and advocates, win higher reimbursement rates from the state legislature. The Paraprofessional Healthcare Institute has just released a new report, *Welfare to Work: An Employers' Dispatch From the Front*, which shares the lessons learned in the home care cooperatives about effective practices in employer-based training for low-income women. In addition, another

Institute publication, *The Cooperative Health Care Federation: Lessons Learned*, derives from the experience of the three cooperatives lessons for other communities who wish to create similar enterprises.

Intensity and duration: Classroom training full-time for up to five weeks followed by immediate placement as a probationary co-op employee and on-the-job training for up to three months.

Program outcomes reported: More than 50% of those entering training are still employed after six months and turnover thereafter remains low, averaging between 18 and 25 percent annually. Wages are 10-20% higher than other home health care workers, ranging from $7.50 to $8.00 an hour plus dividends from their shares in the company and health benefits for employees who have been with the cooperative at least six months. In addition, employees have more stable work and more hours than similar workers, with the cooperatives arranging 31 to 34 hours of work for them each week.

Contact for more information: For more information on the cooperatives, contact Peggy Powell, Executive Administrator of the Institute. To order the report, contact Andy Van Kleunen, Director of Communications, at the Paraprofessional Healthcare Institute, 349 East 149th Street, Suite 401, Bronx, New York, 10451. Telephone (718) 402-7766, fax (718) 585-6852, e-mail info@paraprofessional.org.

NEW YORK STATE'S EDUCATION FOR GAINFUL EMPLOYMENT (EDGE)

Program goals: To prepare welfare recipients with limited literacy and English language skills for employment. It is likely the largest work-based education program for welfare recipients in the country.

Program size and funding: EDGE's funding is approximately $32 million in 1997-98. In 1995-1996, the program received $21.5 million to serve 30,000 recipients in 55 counties. The funds are 40% state education funds and 60% federal welfare funds. Funding is performance-based and in 1997-98, counties with EDGE programs must meet retained employment targets of at least 90 days at a cost per retained employment of $3,500 or less.

Participants characteristics: Welfare recipients who lack a high school diploma or GED.

Program design: The EDGE program was created in 1990 and is administered jointly by the New York state departments of education, labor, and social services to allow welfare recipients to learn basic and job skills while gaining work experience. EDGE combines unpaid work experience assignments with work-related basic education and ESL services, GED preparation, life skills, job readiness, and job development. Some sites also include job skills training and/or postemployment services. All EDGE programs must meet targets for job placement and job retention for 90 days. The most innovative of the local EDGE programs link the classroom instruction to the work experience assignment by using job-specific materials and examples to teach both basic and job skills.

Several EDGE-funded initiatives are part of New York City's BEGIN Vocational Work Study program. The Health and Hospitals Corporation offers a 20-week concurrent work and training course in Medical Assistant/Billing Certificate. Trainees participate 35 hours per week, with two days in the classroom and three days at a hospital work site. The curriculum includes anatomy terminology, billing/coding, EKG, medical office procedures, and clinical lab/vital signs. Recipients must have a high school diploma or GED to enter the course.

In Brooklyn, EDGE participants can enroll in a five-month child care provider program which alternates weeks of job and basic skills training with weeks of internships in a child care center. Begun in 1993, the curriculum includes child development, parent/provider communication, health, safety and nutrition, schedules and curriculum, guidance and discipline, environment designs, and business and record keeping. Graduates of the program receive certificates in

infant/child CPR, Department of Health Family Day Care registration, AIDS/HIV universal precautions, child abuse recognition and reporting, and child injury prevention. The program also provides pre- and postemployment counseling and pairs students with mentors who are successful graduates of the program.[103]

EDGE has recently begun to make teen parents a priority and will be combining education services for out-of-school teens with vocational training and teen pregnancy prevention services. This new initiative is funded with a combination of EDGE and federal Carl Perkins Act funds. In addition to EDGE, the state has recently begun funding new programs under its existing Employment Preparation (EPE) initiative that combines work experience with on-site job retention services and work-related basic skills instruction. The largest of these programs is a joint project with the New York City Board of Education and involves over 600 welfare recipients in internships in the schools, with the teachers who supervise work assignments also providing six hours of basic education instruction each week.

Intensity and duration: Depending on the county, EDGE programs generally include 20 hours of unpaid work experience combined with work-related basic skills instruction and work readiness activities. Programs may not require more than 40 hours of participation in total.

Program outcomes reported: 8,000 of those served in 95-96 were placed in employment. While job retention data is not yet available for all EDGE participants, New York City's Human Resources Administration found that 79% of EDGE clients placed in 1993 were employed in 1996, with average hourly earnings of $6.29.

Contact for more information: For more information on EDGE and EPE, contact Robert Purga at the New York State Department of Education (518) 474-8920. For more information on the Brooklyn College child care training program, contact Andrea Morville at (914) 785-6527.

[103]This program is currently being redesigned.

STATE AND LOCAL SERVICE AND CONSERVATION CORPS

Program goals: Service and conservation corps have three goals: to employ out-of-school and unemployed youth; to accomplish work projects of substantial value to the community; and to educate and train corps members to be lifelong contributors to their communities.

Program size and funding: Seven local corps and three state corps now have contracts to provide work and training for welfare recipients, with the largest contract expected to involve about 100 participants annually. More generally, approximately 25% of all corps participants receive public assistance. There are 120 corps nationally, serving about 30,000 individuals.

Participant characteristics: Corps members generally are unemployed, not in school, and from low-income families. (No information is available yet on those served under the new welfare contracts.)

Program design: Service and conservation corps typically serve youth aged 16-25 and offer paid employment for up to a year, supplemented by job training, basic education and job skills training, and life skills training. Many of the corps derive additional revenue from contracts for providing specific services in the community, as well as receiving funding for their employment and training functions. Service and conservation corps are now specifically contracting with welfare agencies to provide employment and job training to youth and adult welfare recipients. According to a new report from the National Association of Service and Conservation Corps (NASCC), such contracts are in place with state conservation corps in Minnesota, Washington, and Wisconsin, and with local corps in Albany, NY, Baltimore, MD, Milwaukee, WI, Montgomery County, MD, Oakland, CA, and Sacramento, CA. In most cases, these contracts offer welfare recipients the full corps experience of paid employment and supplemental training.

Baltimore Civic Works (CW) is one example of the new corps involvement in welfare reform. This corps has a two-year contract with the Baltimore City Department of Social Services to train and employ 83 welfare recipients. CW already serves a large number of public assistance recipients but was interested in trying a more targeted approach. The contract is performance-based, with CW receiving up to $950 per participant in increments after meeting certain benchmarks such as completion of a one-month training component and placement and retention in unsubsidized employment. Additional

funding for the project comes from federal Youthbuild and Youth Apprenticeship grants, fee-for-service contracts, and general program support.

CW participants go through a one-month training component, which covers general life skills and job readiness topics and also includes technical training for whichever of the four employment options that participants choose. These four program options are all operated by CW and include: Youthbuild, which includes construction work, training in construction skills, and GED preparation; Youth Apprenticeship, which includes preapprenticeship and union apprenticeship work and training in building maintenance; Grounds Maintenance, which includes work and training in projects funded by the city's Public Works department; and a new partnership with Arrowmark Concessionaries, which includes work in food service at the city's new baseball stadium.

Intensity and duration: Varies considerably from corps to corps, but on average involves 30-35 hours of paid employment and training, with participants typically staying for seven months.

Program outcomes reported: None available yet for welfare-to-work initiatives. However, a recent independent, random assignment evaluation of four service and conservation corps found that the programs had a substantial, positive impact on African-American men, with corps participants working more, earning more and completing more associate degrees than their peers. The programs were also cost effective and yielded positive benefits to their communities through the corps' projects; specifically each hour of corps work produced over $13 worth of goods or services.[104] One of the four sites studied in the evaluation was Baltimore Civic Works.

Contact for more information: Matt Calderone with NASCC at (202) 737-6272 or by e-mail at nascc@nascc.org. NASCC's report on corps involvement in welfare reform is entitled *Welfare Reform: Corps Meeting the Welfare-to-Work Challenge*, July 1997. For more information on Baltimore Civic Works, contact Dion Wright, Youth Apprenticeship Director and Education Coordinator, at (410) 366-8533.

[104]JoAnn Jastrzab, John Blomquist, Julie Masker, Larry Orr, "Youth Corps: Promising Strategies for Young People and Their Communities" Abt Associates, Bethesda, MD, February 1997.

THE RESIDENT APPRENTICESHIP DEMONSTRATION PROGRAM OF THE AMERICA WORKS PARTNERSHIP

Program goals: The America Works Partnership has the broad goal of addressing comprehensively human resource, housing, community and economic development needs through community-based partnerships. Its Resident Apprenticeship Demonstration program endeavors to offer training tied to careers with living wages for residents of the affected community.

Program size and funding: The program has been operating in 21 demonstration cities since 1995, including Buffalo, St. Louis, New Haven, and San Francisco. It is supported by an innovative mix of federal housing funds, local bank loans, state and local public works funds, and loans from union pension funds.

Participant characteristics: 30% of trainees are women, 85% are people of color, and all are low income.

Program design: The Resident Apprenticeship Demonstration program is a project of the America Works Partnership, sponsored by the International Painters, Sheet Metal and Carpenters Unions. The program includes the following elements:

- pre-apprenticeship and apprenticeship training for residents of low-income communities
- construction career opportunities in the public and private sector
- coordination of community and private development projects
- investment standards for community development projects that commit to the program's training-to-jobs model
- technical assistance to community-based partnerships
- creation of community-based affiliates to carry out these activities
- encouraging unions to make pension funds available for community investments and residential mortgages

The Resident Apprenticeship Demonstration's training include life skills, basic skills instruction, preapprenticeship training in the construction trades, placement in an apprenticeship with local building trades unions, and job placement. In some cities, community-based organizations assist in the remedial education. In others, the unions themselves perform all remediations services. Other program elements are added depending on local needs. In Detroit, for example, the program also includes environmental cleanup certification and training in how to start small businesses. Supportive service needs such as child care and transportation are also addressed. The partnerships try to identify in advance job opportunities that

participants can move into at the end of the program, including persuading agencies, contractors, and unions to dedicate a certain number of construction jobs in a community to qualified residents. They also seek to establish access to loans and bonding collateral for small businesses and minority contractors.

Intensity and duration: The number of hours per week and the total length of the program vary from site to site. Sites receiving federal Youthbuild funding, for example, require a minimum of six months of training. Other sites, designed by private sector participants, train residents in 10 to 20 weeks. The training itself ranges from 20 to 40 hours per week, depending on the individual, her personal circumstances, and the state's welfare reform requirements.

Program outcomes reported: 485 residents have enrolled in the program since it began in November 1996. Sixty-two residents are still in training. Fifty-four percent of those who enrolled have graduated to the apprenticeship level and 82% of graduates have been placed in jobs.

Contact for more information: Edward Gorman, President of the America Works Partnership, 1750 New York Ave., NW, Suite 210, Washington, DC, 20006. Telephone (202) 639-8811, fax (202) 639-9780, website www.awp.org.

THE WELFARE-TO-WORK PROGRAM OF CALIFORNIA'S EMPLOYMENT TRAINING PANEL

Program goals: The Employment Training Panel (ETP) is a state agency created in 1982 to promote economic development by helping employers meet their incumbent worker training needs, especially those that face competition from out-of-state companies. Its new Welfare-to-Work program will assist businesses who hire welfare recipients to train these new workers in the skills they need to succeed in their jobs and remain employed.

Program size and funding: $20 million for FY 97-98 for the welfare-to-work program. ETP overall awards training contracts of $100 million annually funded through the Employment Training Tax, which is paid by employers.

Participant characteristics: Welfare recipients.

Program design: ETP will contract directly for training with employers or groups of employers (such as an industry wide consortium), training agencies, and Private Industry Councils. To be funded to train newly employed recipients, the training provider must meet the following conditions:
Trainees must be retained in employment for a minimum of 90 days out of 120 days after the end of training with no more than three employers.
Trainees must be employed at least 20 hours a week during training and at least 30 hours per week after successfully completing training.
- Trainees must be paid at least the state minimum wage.
- Training must be provided during trainees' work hours.

As of April 1998, ETP has awarded three contracts to date, in Los Angeles, Anaheim, and the San Francisco Bay area. In the San Francisco Bay area, ETP has awarded a $3.2 million contract to the Committee on Jobs (COJ), a nonprofit organization that is a consortium of large employers, including Airtouch, Arthur Anderson, Bank of America, and Pacific Gas and Electric. COJ has committed $3 million in business support for training wages to the project. COJ is subcontracting with five community-based organizations to provide training and with the United Auto Workers Labor Employment and Training Corporation for project administration and training support. The project has two categories of training. The first, called Job 1, is for recipients who are job-ready or already working but earning too little to become

ineligible for welfare benefits. These trainees will be employed either through a temporary employment agency or through a single employer and will receive 16 hours of classroom training and 270 hours of structured, on-the-job training over a 15-week period. Training will occur during normal working hours.

The second type of training, called Job 2, is for recipients with little or no work experience who have multiple barriers to employment. During the first nine to twelve weeks of the program, trainees will participate for 15-20 hours per week (180 hours total) in unpaid, classroom training and 20 hours per week (240 hours total) in structured, on-the-job training in a public or private nonprofit work experience site. After this initial phase, recipients will be placed with an eligible employer and receive an additional 120 hours of paid, structured, on-the-job training provided either by a community-based organization trainer or by the employer. After completing this training, recipients begin the ETP 90-day retention period.

In Southern California, the City of Inglewood/South Bay Private Industry Council (SBPIC) has been awarded an ETP contract of over one million dollars to provide postemployment job training to 500 welfare recipients throughout Los Angeles County. SBPIC's partners in the project are the Los Angeles County Private Industry Council and the County of Los Angeles, Department of Social Services. ETP will provide $2,086 to the SBPIC for every welfare recipient who successfully completes the training and a 90-day employment retention period. The 500 TANF recipients will be trained in one of three growth industries which include Hotel, General Merchandising and Food Service. Training will be conducted in a classroom and/or laboratory setting by El Camino Community College. Each trainee will receive 150 hours of training, of which 100 are industry-specific job skills training, and 50 hours are basic skills training in math and/or vocational English as a second language. The City of Anaheim has entered into a contract for about $800,000 in ETP funds to provide entry level training to recipients employed in the clerical, retail, and hospitality industries. Most of the training will occur on-site in the workplace, using supervisory staff to do structured, on-the-job training and as mentors and job coaches.

Intensity and duration: Will vary by project. Contracts may be for up to two years, with training for any one individual limited to 18 months.

Program outcomes reported: The welfare-to-work initiative just began. An independent, longitudinal study of the results of other ETP-funded projects found that participants in ETP training projects had higher earnings and job security than nonparticipants at a time when California's average wages and employment rates were declining overall. The nonexperimental study estimated that ETP training increased the real earnings of employed workers by $2,621 in the first year after training and that earnings increases persisted in the second year after training.[105] These workers were less economically disadvantaged, however, than welfare recipients.

Contact for more information: At the Employment Training Panel, contact Barry Worthington, Marketing Analyst, at (916) 327-5262, fax (916) 327-5270, or e-mail at SACPO51.bworthin@hw1.cahwnet.gov.

[105] Sienko, Dennis, *Survey of State Skill Upgrading Efforts*. Chicago, Illinois: National Association of Industry-Specific Training Directors, 1993.

PORTLAND'S STEPS TO SUCCESS PROGRAM

Program goals: To provide welfare recipients the training and support to help them leave public assistance and become self sufficient.

Program size and funding: Steps to Success serves approximately 5,000 welfare applicants and recipients each year. The 1997-1998 budget was $6.7 million (exclusive of funding for supportive services).

Participant characteristics: All applicants and welfare recipients are referred to the program.

Program design: Steps to Success is a comprehensive, welfare-to-work program operated by Mt. Hood Community College in partnership with the local welfare district. All of those who enter the program first do four weeks of job search and job readiness activities, which includes screening for mental health and substance abuse problems. Steps to Success provides assessment, mental health, alcohol and drug treatment services, basic education and GED preparation, career and life planning, vocational training, volunteer work experience, job search and placement assistance, retention services, and on- the-job training. Most clients then attend Life Skills, which includes career exploration, budgeting, self-esteem, stress management, resume writing, interview skills and parenting. Those who do not find employment in the first four weeks then move on to basic education, work experience, or short-term training, with an emphasis on rapid employment as the primary goal.

The **Employability** class is designed for those with reading difficulties whose skills are below the level needed to successfully participate in other components of the programs. The goal of this class is to improve workplace literacy and provide assistance in obtaining employment. Before enrolling in the class, each person attends an Employability Focus Group, which is a support group to prepare students to enter the class by engaging in an initial interview, some problem solving activities, and an introduction to the computer. The Employability class itself provides an integrated curriculum of work-related reading, writing, math, communication skills, thinking skills, problem solving, self-esteem, and goal setting. In addition, a multi-sensory approach to phonics (seeing, hearing, and writing letters and combinations of letters) is used to improve spelling and reading skills. Participants are also given the opportunity to learn basic computer literacy. Instruction is individualized based on the employment goal and needs of each person and includes completing applications or resumes and preparing for job interviews. While employment is the goal, lifelong learning is also emphasized. By the time they

leave the class, participants are expected to have improved their writing skills, be able to complete job applications, have completed a resume, and made measurable progress in raising reading and math test scores. Participants attend for ten weeks.

Steptronics is an electronics manufacturing training program designed to bridge the gap between recipients' skills and those required to enter employer training in Portland's booming electronics and semiconductor manufacturing industry. Topics include introduction to electronics and semiconductor manufacturing, workplace communication, industrial mathematics, statistical process control, keyboarding, and technical career preparation. Recipients must have a high school diploma or GED and meet certain minimum math and reading skill requirements. While the skill levels required to enter Steptronics are relatively high, Steps to Success will tutor interested recipients to help them pass the entry test. It is a six-week, 200 hour course.
Intensity and duration: 40 hours per week. Most activities are short-term (about six weeks) or combined with employment.

Program outcomes reported: The Steps to Success program is a site in the national JOBS evaluation. Two-year impact results are expected this June.

Contact for more information: Nan Poppe, Executive Director, Steps to Success, 10001 North Prescott Drive, Portland, Oregon, 97220. Telephone (503) 256-3430 or e-mail Nan Poppe at poppen@mhcc.cc.or.us.

CLEVELAND'S SCANS EMPLOYABILITY SKILLS (SES) PROJECT

Program goals: The SCANS[106] Employability Skills Project was developed by the Adult and Continuing Education Department of the Cleveland Public Schools to assist recipients in becoming employed in a short period of time through mastery of essential basic workplace skills. Certification by SES that someone has mastered workplace skills is intended to open up jobs for recipients that would otherwise be closed to them because they lack a high school diploma/GED or do not have specific, work-related skills.

Participant characteristics: SES was designed to assist recipients with little or no work history who function at a low skill level. It now serves recipients with a variety of skill levels. Recipients in the program typically lack a high school diploma/GED and have little expectation for achieving those credentials in the near future.

Program size and funding: SES began as a pilot in the winter and spring of 1997 and has served 100 students in the first year. The annual budget for SES is approximately $400,000 per year and is funded by state and federal adult basic education dollars and county welfare funds. Funding is performance-based, with SES compensated about $3,500 for each 90-day placement.

Program design: Instruction in SES is project-based, with the curriculum centered on the SCANS skills and competencies. Teachers were given special training in the approach and opportunities to learn from each other as the pilot proceeded. The SCANS skills and competencies include basic reading, writing, math, and communications skills, but also problem solving, decision making, creative thinking, and the skills needed to learn; and the ability to work in teams, allocate resources, use information, and apply technology. Students begin with a three-to-four day comprehensive vocational assessment, using a team approach that involves a counselor, the job coach, and the teacher. They then learn about the SCANS skills, observe them in use at the workplace, and then work on projects in the classroom and at work sites in which they develop and use the SCANS skills and competencies. Students participate in designing and carrying out projects. Students gradually move from classroom work into internships in selected career areas, based on the assessment of their abilities and interests, or

[106] SCANS is the acronym for the Secretary's Commission on Achieving Necessary Skills, a federal advisory commission that issued an influential 1991 report on the essential skills needed to function in the workplace. The report is called *What Work Requires of Schools* (Washington, DC: U.S. Department of Labor, 1991).

into full-time employment. Those who complete the program are assisted in finding full-time employment or enrolling in further education or training.

Support for students' educational and employment goals while in SES is provided by a Job Coach and by a Job Developer. The Job Coach is an experienced social worker or counselor who works one-on-one with each student to address any emerging problems or issues which interfere with her participation and success in the program, including transportation, child care, physical or substance abuse, and housing. The Job Coach is also the liaison to each student's welfare case worker. After a student is employed, the Job Coach provides further support to ensure success on the job.

The Cleveland Schools' Adult and Continuing Education Department also has another project underway to use the Work Keys assessment system[107] to profile specific jobs in the community and then use those job skill profiles to match potential employees with the appropriate education and training services and with jobs. These job skill profiles may also become part of the assessment phase of the SES project.

Intensity and duration: 30 hours per week, for up to twelve weeks. Students use a time clock to mark attendance as a way of creating a work-like atmosphere.

Program outcomes reported: In the initial year of the pilot, 68% of those who enrolled completed the program. Of those, 55% found employment, 22% were still seeking employment, 11% enrolled in postsecondary education, and 5% were referred for additional basic skills courses.

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[107] Work Keys is a work-related basic skills assessment system developed by the ACT, Inc., a national, nonprofit organization.

SEATTLE'S LABOR FORCE ACCESS DEVELOPMENT INITIATIVE

Program goals: The Labor Force Access Development Initiative is a joint project of Shoreline Community College (SCC) and the Washington Aerospace Alliance (WAA). The Initiative's goals are to address a shortage of trained workers in Washington's aerospace industry, to create career pathways for entry-level workers in the aerospace industry, and to train low skilled and economically disadvantaged residents of Seattle for aerospace manufacturing careers.

Program size and funding: The program serves about 200 welfare recipients each year. Approximately 90 students total are enrolled each quarter, including 45-55 welfare recipients. The remaining students are a mix of other low income people and dislocated workers. The program's annual budget is roughly $200,000 with about half of that spent to serve welfare recipients. Funding for tuition is provided by the state's welfare reform program, by the Seattle JOBS initiative, and in the case of incumbent workers, by aerospace companies.

Participant characteristics: Low-skilled and economically disadvantaged residents of Seattle and the Puget Sound region. About half are welfare recipients, many of the rest are homeless men. Most of the students enter the program without a high school diploma or GED.

Program design: Shoreline Community College and the Washington Aerospace Alliance have partnered to develop both entry-level and advanced training for Computerized Numerical Control (CNC) Machine Operators. WAA is an association of over 150 small and medium-sized aerospace industry suppliers and contractors. The entry level training was adapted from an existing, year-long (900 hour) course which was shortened to ten weeks (300 hours). This short-term, entry-level training has been in place for one year. All students begin with 11 weeks of classroom training, and those that are not immediately hired when they complete training go on to an industry internship. The classroom training covers such topics as blueprint reading, geometric tolerancing, safety, measuring and inspection, cutting tool theory, teamwork, and set up and operation of CNC machining and turning centers. The short course ends in a certificate of completion. To enter the program, students must have math skills at approximately the ninth grade level and English oral and written skills at about the eight grade level. For ESL students or other students whose skills are not high enough, SCC offers some pre-classes in a self-paced learning lab, tutors who help students in the machine operator class, and vocational ESL integrated into the machine operator class. Case management services are provided to students by several community-based organizations.

The second step in the initiative is to develop advanced-level CNC Machine Operator training to help graduates of the college's entry-level course qualify for promotions and also to meet a more general industry need for incumbent worker upgrade training. The advanced level training will include workshops on SmartCam and IGF programming, advanced cutting tool technology, labor and management human relations, and will end in an associate degree in machining technologies. The training is broken into modules to allow workers to complete the training gradually as they have time to do so. Five modules of about 300 hours currently exist and three more modules are under development. The associate degree is transferable to universities for students who wish to continue their educations or to earn a bachelor's degree in manufacturing engineering.

Intensity and duration: Training is intensive, with the entry-level classroom training meeting for 30 hours per week for about 10-11 weeks. For those who are not immediately employed, the classroom training is followed by a ten-week industry internship, for 40 hours per week.

Program outcomes reported: The program began in the spring of 1997 and by the end of the year, had graduated 150 low income people and placed them in employment. Graduates of the program are earning an average hourly wage of $11.67.

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