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Steady Work and Better Jobs
How to Help Low-Income Parents Sustain Employment and Advance in the Workforce

Julie Strawn
Karin Martinson

June 2000

MDRC
Manpower Demonstration Research Corporation
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Contents

List of Text Boxes v

Preface vii

Acknowledgments ix

I. Introduction 1
   1. Summary of Key Points 2
   2. About This Guide 6

II. Paths to Steady Work and Better Jobs 9
   3. How Much Do Parents Who Have Received Welfare Work and in What Kinds of Jobs? 10

III. Supporting Steady Work 21
   5. Supplementing Low Wages 23
   6. Smoothing the Transition to Work 31
   7. Brokering Services and Helping to Find the Next Job 40
   8. Strategies for the Harder-to-Employ 46

IV. Promoting Access to Better Jobs 59
   10. Upgrading Skills While Unemployed 69
   11. Upgrading Skills While Working 82
Contents

V. Providing Support Services

13. Outreach Strategies for Support Services 106
14. Meeting Child Care Needs 109
15. Improving Access to Health Care 115
16. Developing Transportation Options 120

Appendices

A. Using TANF and Related State Funds to Support Steady Work and Better Jobs 127
B. Supplementary Figures and Tables 130
C. Programs, Organizations, and Contact Information 136

References and Further Reading 141
Recent Publications on MDRC Projects 159
### List of Text Boxes

<table>
<thead>
<tr>
<th>Box</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Findings from <em>Moving Up, Moving Out, Moving Nowhere?</em></td>
<td>13</td>
</tr>
<tr>
<td>2.</td>
<td>Innovative Uses of Federal TANF and Related State Funds for Wage Supplements</td>
<td>27</td>
</tr>
<tr>
<td>3.</td>
<td>Marketing Wage Supplements: Lessons from Canada’s Self-Sufficiency Project</td>
<td>29</td>
</tr>
<tr>
<td>4.</td>
<td>Two Experienced Employment Retention Programs</td>
<td>35</td>
</tr>
<tr>
<td>5.</td>
<td>Using Intermediaries to Provide Transition Services</td>
<td>38</td>
</tr>
<tr>
<td>6.</td>
<td>Brokering Services at the Worksite in Salem, Oregon: Up With Wages</td>
<td>44</td>
</tr>
<tr>
<td>7.</td>
<td>Vocational Foundation, Inc.’s Approach to Job Loss</td>
<td>45</td>
</tr>
<tr>
<td>8.</td>
<td>The Illinois Reemployment Support Act</td>
<td>47</td>
</tr>
<tr>
<td>9.</td>
<td>Low Skills and Steady Work</td>
<td>50</td>
</tr>
<tr>
<td>10.</td>
<td>Intensive Job Coaching at the Worksite: Colorado’s New Gateways Initiative</td>
<td>55</td>
</tr>
<tr>
<td>11.</td>
<td>Early Lessons from Transitional Employment Programs</td>
<td>56</td>
</tr>
<tr>
<td>13.</td>
<td>The Workforce Investment Act</td>
<td>66</td>
</tr>
<tr>
<td>14.</td>
<td>Bridge Training: Lessons from Chicago Commons ETC</td>
<td>77</td>
</tr>
<tr>
<td>15.</td>
<td>Funding Longer-Term Education and Training</td>
<td>80</td>
</tr>
<tr>
<td>16.</td>
<td>Three Employer-Focused Training Initiatives</td>
<td>89</td>
</tr>
<tr>
<td>19.</td>
<td>Resources for Transportation Initiatives</td>
<td>122</td>
</tr>
</tbody>
</table>
Preface

The time is ripe to take welfare reform, which began with the 1996 Personal Responsibility and Work Opportunity Reconciliation Act, a few steps further. Labor market participation rates are high, and unemployment rates are lower than they have been in more than 40 years. The strong economy coupled with revamped welfare-to-work efforts have helped many former welfare recipients move into the labor force. However, many who find work lose their jobs, few find steady work, and those who do work often earn low wages with no fringe benefits.

The challenge for states and localities is to help low-income families stay in the workforce and gain access to better jobs over time. Fortunately, the strong economy and the abundant resources currently available through the federal welfare block grant (TANF), the Department of Labor’s Welfare-to-Work grants, and the Workforce Investment Act (WIA) provide a good environment in which to test innovative mechanisms for sustaining and improving employment. The final rules for TANF expand the ability of states to use federal funds to aid working, low-income families, and WIA offers opportunities to help serve low-income people after they become employed. MDRC’s welfare evaluations and field experience, as well as research conducted by other organizations, offer valuable lessons about sustaining work and moving into better jobs. This guide shares those lessons, offering practical advice to policymakers, program administrators, and staff.

Prepared with the support of the Annie E. Casey Foundation and the Charles Stewart Mott Foundation, this book is the seventh in a series of “how-to” guides that are part of our ReWORKing Welfare technical assistance project. The project, under the direction of Amy Brown, seeks to distill, synthesize, and share lessons from our research and experience in the field to assist states and localities to make informed decisions in this new environment. The funders of ReWORKing Welfare are listed at the front of this guide.

Judith M. Gueron
President
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The Authors
I. Introduction
This guide focuses on two key challenges that states and localities have identified as important for the long-term success of welfare reform and workforce development efforts: helping low-income parents sustain employment and advance in the workforce. The guide frames these two challenges as the twin goals of steady work and better jobs, and it defines them in this way:

- **Steady work.** This goal entails helping low-income parents stay in the workforce over time, as distinguished from the narrower goal of helping them to retain a particular job.

- **Better jobs.** This goal emphasizes helping low-income parents advance to better jobs, defined as those with higher pay, employer-provided benefits, regular hours, and/or full-time status.

Because there is little rigorous research on what the best strategies are for achieving these goals, this guide begins by reviewing what is known about the work experiences of low-income parents. The guide then draws upon available research and program experience to identify policies and practices that may promote steady work and access to better jobs. The recommendations in this guide are meant to provide a starting point for further experimentation.

The strong economy and the abundant resources currently available for helping low-income parents provide states and localities with an excellent opportunity to try different strategies and to evaluate them. In particular, final rules for the federal Temporary Assistance for Needy Families (TANF) block grant greatly expand the ability of states to use federal funds to aid working, low-income families, even those who have never received welfare or whose incomes are substantially higher than that allowed for families receiving TANF cash assistance. In addition, when federal block grant funds are spent outside the TANF cash assistance program, they are generally exempt from time limits, work requirements, and other conditions that apply to TANF cash assistance. (For details, see Appendix A.) Even in advance of these final rules, many governors and legislatures were moving ahead in 1999 with initiatives to help low-income working families, by eliminating waiting lists for child care, providing new transportation aid, creating after-school programs, and supplementing low wages.

### 1. Summary of Key Points

The main findings of the guide (Parts I–V) are summarized below. These general points are explored and illustrated throughout the guide with snapshots of creative approaches and in-depth analyses of particular issues.

---

1. The federal TANF block grant replaced the Aid to Families with Dependent Children (AFDC) program in 1997.

2. See, for example, Tweedie, Reichert, and Steisel, 1999.
Part II: Paths to Steady Work and Better Jobs

The lack of much rigorous research on particular policies and services to support steady work and job advancement forces policymakers to rely mostly on observations by researchers of how women who have received welfare fare in the workforce more generally. The research suggests that for parents who have received welfare:

- Work is common, but steady work is not.
- Job loss is common, especially within the first four to six months of starting employment.
- Most parents earn low wages, and wages increase little despite years of work. Despite small wage increases, earnings do rise significantly over time, as low-income parents work more hours.
- Most parents find jobs that lack benefits, such as paid sick days and health insurance. Many also work nonstandard hours and/or changing schedules.
- As a result of part-time work and intermittent work at low-wage jobs, many women remain poor or near poor, even five years after leaving welfare.
- Working steadily initially, starting out in jobs with higher wages, and starting out in jobs with employer-provided benefits — holding other factors equal — are all linked to sustaining employment over time.
- Better initial job quality — jobs with higher wages or in certain occupations — is linked to higher wages later on, holding other factors equal.
- Higher basic skills upon entering the workforce are linked to modestly higher wages later on, and education beyond high school is linked to substantially higher wages later on, holding other factors equal.

Part III: Supporting Steady Work

Work supports include policies and services aimed at helping low-income parents sustain employment. Key lessons for providing these supports include the following:

- Rigorous research on wage supplements for welfare recipients — either through the welfare system or outside it — shows that wage supplements can increase employment and earnings. They are also an effective way to make families better off financially.
- States have new flexibility to use federal TANF funds or state maintenance-of-effort funds to supplement the wages of low-income parents either inside or outside the welfare system.
Programs may be able to help low-income parents develop skills in advance of employment that equip them to better handle the demands of the workplace. Soft skills, entry-level job skills, and life skills all appear to be important to job retention.

Rigorous research on two demonstrations of postemployment case management services found no effect on how long individuals kept jobs or their overall earnings. Preemployment services combined with more intensive postemployment case management practices may improve outcomes.

Program experience suggests that frequent follow-up, especially during the critical first weeks of employment, is important in providing postemployment support. This kind of follow-up, however, is staff-intensive.

A brokering strategy — where individuals are referred to appropriate services — potentially offers a less expensive and more flexible way than intensive case management to respond to a broad set of needs among low-income, working parents. A key issue in developing brokering service strategies is determining how to effectively reach low-income workers.

Connecting low-income workers with their next job should be a central focus of work supports, both to help them stay in the workforce and as a career advancement strategy.

Rigorous research on welfare-to-work programs generally does not reveal any clear patterns on effective strategies for the harder-to-employ, although some specialized programs (such as supported employment) have had long-term success with these families. Promising strategies include substance abuse, mental health, and counseling services that are employment-focused, and opportunities for those with very low basic skills and/or very limited work experience to build incrementally their education and job skills.

**Part IV: Promoting Access to Better Jobs**

As noted above, wages of low-income workers increase little over time, despite steady work. Policies and services are therefore needed to promote job advancement. Research and program experience suggest the following:

For the majority of low-income parents, the ability to move into better jobs will depend on access to effective skill upgrading services. The infrastructure for providing these services is weak, however, especially for people with low basic skills.

Because low-income parents are a diverse group, programs will be able to make the best decisions when frontline staff understand local employer
needs, education and training options, and each person’s skills and interests.

- Rigorous research on preemployment services shows they can help welfare recipients find better jobs by providing a flexible, individualized mix of services — primarily job search, work-focused education, life skills, and job training — and by making job quality a central goal.

- One promising approach is to shorten, or “chunk,” existing occupational certificate and degree programs so that low-income parents can enter training year-round and complete it quickly. Creating short-term “bridge” training can open up training opportunities to low-skilled individuals who might not otherwise gain entry to them.

- Additional financial support and supportive services may be needed so low-income parents who are working can pursue education and training on their own.

- Partnering with employers to create customized entry-level training and upgrade training — offered at the worksite during work hours — may be the most promising strategy for overcoming logistical barriers to working parents’ upgrading their job skills.

- Helping unemployed low-income parents to enter better jobs directly, without additional education and training, requires strong relationships with employers, incentives and training for staff, and a comprehensive set of work supports.

- Working low-income parents may need new mechanisms for obtaining help with job advancement, such as one-stop career centers or other kinds of service brokers that can offer worksite, evening, and weekend services.

**Part V: Providing Support Services**

Policymakers and researchers have given much attention to the need for support services — particularly child care, health insurance, and transportation assistance — if individuals are to find and keep jobs.

- Nonexperimental research suggests that child care problems contribute to job loss among low-income workers; in particular, parents who have formal child care arrangements may retain jobs and work more over the long run than parents who rely on relatives for care. In addition, many eligible parents do not use child care subsidies because they do not know about the aid.

- Nonexperimental research suggests that low-income parents with health insurance are employed longer and rely on welfare less. However, few
parents who have received welfare find jobs that provide employer-based health insurance. In addition, many families who are eligible for Medicaid or other publicly funded health insurance coverage are not enrolled in the programs.

- There is an increasing geographic mismatch between the location of entry-level job growth — found largely in the suburbs — and the inner-city neighborhoods where many individuals receiving public assistance reside. Successful transportation initiatives require assessing the nature of transportation problems in local areas and forming partnerships to promote the collaboration of multiple stakeholders.

- Aggressive outreach is needed to inform working parents about available support services, and efforts to simplify the enrollment process are needed. Sliding fee scales and copayments should be set to ensure that they do not discourage low-income families from enrolling in programs or continuing to work.

2. About This Guide

In writing this guide, several choices were made. First, the guide focuses on welfare recipients and other low-income parents who move into the workforce; it does not address in any depth those who may have serious barriers to employment. Helping the hardest-to-employ to get and sustain work is rapidly becoming a central issue in welfare reform, especially in states where caseloads have fallen substantially, but there was not room to do justice to the topic here. Second, descriptions of policies and services are brief, so that attention could be given to the operational details of how to make them effective. References are given to other documents that provide more in-depth discussions of the policies and services themselves, and Appendix C provides contact information for many of the programs cited. Third, the guide is meant to challenge readers to think outside the box of postemployment services and to consider more broadly how employment and training, health care, child care, and social services systems can support low-income families’ efforts to move up and out of poverty.

One important caveat is that much of the research data and some of the program experience described here predate the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996. Since the passage of PRWORA, the welfare system in many states has changed fundamentally. A sharp decline in welfare caseloads may mean that the remaining families on welfare are substantially more disadvantaged than those described in the research here. This has implications for how intensive services must be to help such families succeed in the workplace. In addition, the drop in caseloads almost certainly means that many of the low-income parents whom states and localities would
like to assist are already out in the workforce and will have to be reached by means other than traditional welfare or workforce development programs.

In addition, in August 1998, the Workforce Investment Act (WIA) became law. The act has the potential to change job training and employment programs in fundamental ways. The act’s option of unified planning for welfare and workforce development programs may aid states and localities in developing seamless services for low-income parents as they transition between welfare and work and as they weather spells of unemployment. In addition, the new emphasis in WIA on serving low-income people after they become employed may enable states and localities to develop innovative ways to help low-income working parents upgrade their skills and advance to better jobs.

The guide is structured to facilitate its use as a resource for policymakers, program administrators, and staff:

- Part II reviews program evaluation and labor market research on the experiences of welfare recipients in the workforce and identifies factors that appear to be linked to sustaining employment and advancing to better jobs. This review is intended to help states and communities think strategically about where to focus their efforts.

- Part III draws on research and program experience to suggest lessons for how to implement work supports, such as wage supplements and postemployment case management.

- Part IV draws on research and program experience to suggest lessons for implementing job advancement strategies.

- Part V focuses on supportive services, such as child care, health care, and transportation.

Throughout the guide, information is organized into bulleted material and checklists. The bullets highlight key points. The checklists denote specific suggestions for readers. The guide also provides numerous examples of state and local initiatives; whenever possible, contact information is cited in Appendix C so that readers can find out more about those initiatives.
II.
Paths to Steady Work and Better Jobs
One way to approach the issue of supporting steady work and better jobs for low-income parents is to try to understand the different paths that exist for them to succeed in the workforce. A key challenge for policymakers is the scarcity of rigorous research in this area. Evaluations of welfare-to-work, wage subsidy, workforce development, child care, health care, and other related policies and services have rarely tracked how those interventions affected the ability of participants to sustain employment and advance to better jobs.

The lack of rigorous research on particular policies and services to support steady work and job advancement forces policymakers to rely mostly on observations by researchers of how women who have received welfare fare in the workforce more generally. Part II of the guide reviews this research and, in order to help states and localities think strategically about where to focus their efforts, identifies factors that appear to be linked to steady work and better jobs for low-income parents.

Several important caveats apply to this research. First, the research takes into account only easily observable factors, such as individuals' education levels and work histories and the wage levels or occupations of the jobs they hold. Yet clearly other, less obvious factors — such as a parent's motivation or the interpersonal skills of both employees and supervisors — determine in many instances success in the workforce.

Second, knowing that a factor is important for success is not the same as knowing how to change it. For example, it has long been known that a person's basic educational skills are related to his or her success in the workforce, yet welfare-to-work programs that have focused on improving basic skills have not been very effective in increasing earnings. (See Sections 8 and 10.)

Third, many factors that are important for success in the workforce are interrelated. Researchers can adjust for this with statistical techniques, but it is difficult to completely resolve the problem.

Finally, as noted earlier, much of the research discussed in this guide pre-dates implementation of the 1996 federal welfare reform law, which replaced Aid to Families with Dependent Children (AFDC) with the Temporary Assistance for Needy Families (TANF) block grant.

3. How Much Do Parents Who Have Received Welfare Work and in What Kinds of Jobs?

As described below, although most women who have received welfare work, they typically find low-wage jobs that lack benefits, often have nonstandard hours, and offer little stability or room for advancement. These women tend to spend as much time out of work as in jobs, though over the long term, they work an increasing amount of the time. For the majority whose initial jobs pay low wages, steady work by itself does not lead to substantially higher wages.
Moreover, welfare recipients with the lowest basic skills and other severe barriers to employment have seldom worked in the past but are now generally required to do so as part of the 1996 federal welfare law. Little is known about how, once they have joined the workforce, they will fare over time.

**Work is common, but steady work is not.** Research shows that the majority of welfare recipients have worked. For example, one study of young women on welfare found that over a 10-year period 95 percent of them worked, holding an average of 6.5 jobs.¹ Other studies show that over half of recipients have recent work experience.² Those parents in employment-focused welfare-to-work programs work at even higher rates: recent data from the National Evaluation of Welfare-to-Work Strategies (NEWWS) show that 69 percent of program group members worked at some point over a two-year follow-up period.³ However, steady work is far less common. Just 42 percent of the NEWWS program group were employed at the end of the two years, and only 24 percent were employed all of the second year of follow-up.⁴

**Job loss is common, especially within the first three to six months of starting employment.** Various studies show that about one-fourth of recipients who become employed stop working within three months and that at least half are no longer working within one year.⁵ Among more disadvantaged recipients, rates of job loss are higher: for example, Project Match in Chicago reports that 55 percent lost or quit their job within six months and that 71 percent did so within a year.⁶ Across recent studies, reasons for job loss are roughly consistent: about half of recipients who lose jobs are laid off or the job ends, about 10 percent are fired, and about 40 percent quit.⁷

**There are often long periods of unemployment between jobs.** Most welfare recipients who lose jobs eventually become reemployed,⁸ but how quickly they do so varies widely. One study showed that while many found new jobs quickly (30 percent within three months), a substantial minority (40 percent) did not return to work for at least one year.⁹

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3. The NEWWS Evaluation, funded by the Department of Health and Human Services, with support from the Department of Education, is a large-scale evaluation of 11 mandatory welfare-to-work programs that operated in the early- to mid-1990s in seven sites. A major focus is to determine the relative effectiveness of different approaches to moving people from welfare to work, but the evaluation addresses a wide range of issues, including the effects of welfare-to-work programs on participants' children.
4. See Appendix B, Table B.1.
Another study following for 10 years young women who had received welfare found that they spent less time in each job (37 weeks on average) than they spent unemployed between jobs (39 weeks on average).10

- **Sustained, full-time, year-round work is rare.** A study of young women leaving welfare found that over five years, just 5 percent of them worked full time, year-round, in each of the five years. By contrast, a majority of the women (60 percent) never worked full time, year-round, over that time.11 Several studies have found that recipients do typically work more over time, working both more weeks and more hours each week with each year of follow-up. However, even after five years, only about a fourth are employed full time all year.12

- **Most women who have received welfare earn low wages.** A recent national study of employed former welfare recipients found that their median hourly wage in 1997 was $6.61 — higher than the minimum wage but below the poverty level.13 Other studies show similar results.14

- **Wages increase little despite years of work.** One study that tracked recipients' wages for five years after leaving welfare for work found that median wages did increase but very modestly, by less than eight cents each year.15 In fact, another study found that 42 percent of women who had received welfare saw their wages decline over time.16 (See Box 1.)

- **Despite small wage increases, earnings do rise significantly over time, as low-income parents work more hours.** In the five years after leaving welfare, according to one study, median earnings among those working rose from $6,100 to $9,900. This increase resulted primarily from parents working more hours; for example, over the five years, the proportion of parents working full time, year-round increased from 13 percent the first year to 25 percent the fifth year.17 The quality of jobs held by low-income parents improved in other ways, too, with greater access to employer-provided benefits such as paid vacation and health insurance.18

- **Many former welfare recipients work nonstandard hours and/or changing schedules.** A recent national study of former welfare recipients found that 28 percent worked night shifts.19 Another recent study of

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Box 1

**Findings from *Moving Up, Moving Out, Moving Nowhere?***

One national study looked at the quality of jobs found over a 10-year period by young women who shared the characteristics of welfare recipients. Researchers found that after 10 years:

- About 40 percent of the women worked steadily but were stuck in low-quality jobs, and more than a third worked just sporadically.
- Less than one-quarter had made the transition to higher-quality jobs. Those who did not complete high school fared less well — just 15 percent of them made the transition to a better job. By contrast, 41 percent of all women work steadily in higher-quality jobs by their late twenties.

*Pavetti and Acs, 1997.

recipients who became employed in Portland, Chicago, Riverside, and San Antonio found that 1 in 3 recipients worked nonstandard or changing schedule hours.\(^{20}\)

- **Most recipients find jobs that lack important benefits, such as paid sick days and health insurance.** Numerous studies have found that welfare recipients typically find jobs without benefits.\(^{21}\) A recent national study of employed former recipients found that less than a fourth held jobs with health insurance, despite typically working full time.\(^{22}\) Among recipients in five counties in the California GAIN program who worked during follow-up, 71 percent did not have paid sick days.\(^{23}\)

- **As a result of part-time work and intermittent work at low-wage jobs, many recipients remain poor or near poor, even years after leaving welfare.** A 1998 study found that five years after leaving welfare, 41 percent of families had incomes below the poverty line, and 22 percent had incomes between 100 and 150 percent of the poverty level. Just 22 percent of families had incomes more than twice the poverty level.\(^{24}\) In addition, because of low earnings, the primary source of family income for these women even five years after leaving welfare was a spouse or partner’s earnings, not their own.

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20. Rangarajan, 1998. The study included in this definition work schedules that changed substantially each week.
24. See Cancian et al., 1999, and Appendix B, Figure B.1.
4. What Factors Are Linked to Sustaining Work and Moving Up to Better Jobs?

While the work patterns of women who have received welfare are alike in the general ways described above, some women are more successful in the labor market than others. This section describes recent research that has attempted to understand the importance of personal and job factors in labor market success. Though these studies help to identify key factors linked to labor market success, many unanswered questions remain about which types of policies and services most effectively promote steady work and access to better jobs. As states and localities experiment with various approaches, evaluating the results will be an important step in filling these gaps.

One striking implication from a review of the research is that obtaining work, sustaining employment, and moving up to better jobs may be somewhat separate challenges, with different factors being more important for one goal than another. Among some of the themes that emerge are:

- Working steadily initially after leaving welfare is linked to being employed in later years.
- Working steadily initially is not linked to higher hourly wages in later years.
- Starting out in better jobs (jobs with higher hourly wages or benefits) or in certain occupations is linked both to being employed and to having higher wages in later years.
- Both the chances of working steadily initially and of finding better jobs initially are likely related to other factors that are more difficult to observe, such as motivation, interpersonal and problem-solving skills, and differing labor market opportunities.

The implications of the research presented in this section for policy are complex. Broadly speaking, they point in these directions:

- Helping low-income parents retain their initial jobs and/or become reemployed quickly may also promote steady work by these parents in later years.
- Promoting steady work alone is unlikely to lead to higher-paying jobs for many low-income parents; other policies and services are needed.
- Helping low-income parents find better jobs initially may promote both steady work and further job advancement in later years.
- Over the long term, increasing access to postsecondary education and

training is likely to be an important piece of the solution to promoting access to better jobs.

Despite job advancement policies, it is likely that most low-income parents will continue to work at low-wage jobs; if poverty reduction is a goal, then wage supplements and other policies will be needed.

Finally, it is important to bear in mind that many of the hurdles low-income parents face in sustaining employment and advancing to better jobs are common to all low-skilled workers, not just those who have received welfare. These hurdles include jobs that are temporary, have nonstandard or irregular hours, and offer little opportunity for advancement. In addition, in a number of areas, there are fewer low-skill jobs available than there are unskilled workers looking for work, making it more difficult to become reemployed if an initial job is lost. States and localities may want to consider policy responses, therefore, that are not confined to the arena of welfare reform but are part of broader workforce and economic development strategies.

Key Factors Related to Sustaining Employment

The overall picture that emerges from recent research on factors related to sustaining employment is that job characteristics may be more important than previously thought, while observable personal characteristics — such as age, number of children, presence of a disability, basic skills, and education level — may be less important. This could have important implications for job placement strategies in welfare reform and workforce development programs and for efforts to target postemployment services. It should be kept in mind, however, that the research described here is for those who had received welfare and who subsequently worked. Other research shows that some personal characteristics, such as the presence of a disability or very low basic skills, are strongly correlated with who finds work at all.

Working steadily initially — other job and personal factors being equal — is linked to sustaining employment over time. In one study, women who worked more in the first year after leaving welfare were more likely to be employed four and five years after leaving welfare (though not necessarily at the same jobs). This was especially true if they worked full time all of the first year after leaving welfare, although the analysis did not control fully for the fact that the most employable recipients tend to obtain such jobs.

28. Olson and Pavetti, 1996; Pavetti, 1997a. See also Appendix B, Table B.2.
Starting out in jobs with higher wages is linked to sustaining employment over time. Another study looked at the relationship between wages and later employment for women who had left welfare for work, and it controlled for recipients' education, skills, and other factors. It found that those who began working at higher wages worked more weeks over a five-year period.\(^\text{30}\) The Postemployment Services Demonstration (PESD) study also found that recipients with higher wages and/or higher hours of work were more likely to stay employed.\(^\text{31}\)

Starting out in jobs with employer-provided benefits is linked to sustaining employment over time. One of the studies cited above also found that those who began working in jobs that offered health insurance worked 77 percent of the following two years, compared with 56 percent of the time for those without insurance. Those who began jobs that offered paid vacation leave stayed employed for an average of 12 months at a time, compared with seven months among those without such leave (holding other personal and job factors equal).\(^\text{32}\) Another recent study found similar results, with those working full time with employer health benefits having an 80 percent chance of working 18 consecutive months, compared with a 52 percent chance for those without benefits.\(^\text{33}\)

Starting out in certain occupations may be linked to sustaining employment over time. One study found that among women who began working in sales in the first year after leaving welfare, 73 percent worked at some time in the fourth and fifth years. By contrast, among women who started in other common occupations — such as private housekeeping, cleaning/maintenance, clerical, and private sector care (which includes health care and formal child care) — 83 to 95 percent worked in the fourth and fifth years after leaving welfare.\(^\text{34}\) Two other studies have also found a relationship between initial occupations and future employment; a third study, however, did not.\(^\text{35}\)

Personal characteristics, such as educational attainment and basic skill levels, are only weakly linked to sustaining employment over time, among those who find work.\(^\text{36}\) Research has found little relationship between the initial basic skills and educational attainment of

\(^\text{31}\) Rangarajan, Meckstroth, and Novak, 1998. See Section 6 for more about PESD.
\(^\text{33}\) Vartanian and Gleason, 1999.
\(^\text{34}\) Cancian and Meyer, forthcoming 2000.
\(^\text{36}\) Rangarajan, Schochet, and Chu, 1998; Olson and Pavetti, 1996. It is important to note that this could change inasmuch as the tight labor markets of the late 1990s and the broader work mandates of the 1996 federal welfare law may have brought women into the labor market who were unlikely to have worked in the past. See also Appendix B, Tables B.2 and B.3.
women who have received welfare and how much they sustain employment over a five-year period. This may reflect in part the fact that those with the lowest basic skills are unlikely to be working at all. In addition, there seems to be little relationship between other personal characteristics — such as number or age of children or housing status — and sustaining employment over time.

**Key Factors Linked to Job Advancement**

Several overall themes emerge from recent research on factors related to job advancement for low-income parents: steady work by itself is not enough; changing jobs can be a path to higher earnings, within limits; and where low-income parents start in the workforce is likely to matter for where they go in the future. In addition, basic skills matter for advancing to better jobs, but education beyond high school appears to be even more important for future wages.

- **Working steadily initially — even over several years — does not lead to higher wages later on.** One study found that women who worked full time and/or all year in the first year after leaving welfare did not have higher wages in the fourth and fifth years than those who had worked part time for only part of the year — holding job quality, personal factors, and other observable characteristics equal. Similarly, women who worked more months in the first three years after leaving welfare did not have higher wages in the fourth and fifth years than women who had worked less.37 Another study found similar results.38

- **Switching jobs periodically can be a path to higher wages later on.** The PESD study found that 40 percent of welfare recipients who went to work experienced job turnover within the first year, with two-thirds of those moving to jobs with higher wages and one-third moving to jobs with the same or lower wages.39 Another study reached similar conclusions.40 Other research has found that some job turnover is an important mechanism for wage growth among low-skilled workers, but only in moderation: one voluntary job change a year is associated with higher wages, but more job changes are linked with lower wages, as are involuntary job changes.41

- **Starting out in higher-paying jobs is linked to higher wage growth over time.** The initial wages of women leaving welfare are strongly linked to wages later, even after controlling for other work history, job,

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40. Cancian and Meyer, forthcoming 2000. They also found that five years after leaving welfare, those who had been in their current job the longest had higher wages.
and personal factors. In one study, the average wages of those in the top fourth of the wage distribution grew significantly over five years, from $7.90 to $8.84 per hour. By contrast, the average wages of those in the bottom fourth did not increase at all over five years. (See Figure 1.) Similarly, an earlier analysis found that only about half of those whose wages were below $4.50 (in 1992 dollars) in the first year after leaving welfare had incomes above the poverty line in the fifth year, compared with three-fourths of those whose initial wages were $7.50 an hour or more.

Starting out in certain occupations is linked to higher wages later on. One of the studies cited above also looked at the relationship between occupation the first year after leaving welfare and hourly wages in the fourth and fifth years. Compared with those who began working in sales, women who started out in clerical positions earned 22 percent more per hour, those in production and manufacturing or cleaning and maintenance earned 17 percent more per hour, and those in private care (which includes health care and formal child care) earned 15 percent more per hour. Different initial occupations were also associated with differing poverty rates in the fifth year.44

Higher basic skills, and especially education beyond high school, are linked to higher wages later on. The same study found that those with basic skills test scores in the top three-fourths of all scores earned about 8 percent more per hour in the fourth and fifth years than those with scores in the bottom fourth.45 Interestingly, whether someone had a high school diploma or not mattered little for wage growth after controlling for other factors, such as basic skills level, how much individuals worked, and what kinds of jobs they had. Having education beyond high school, however, was strongly linked to higher wages later on. Other studies have found that low-income parents with low educational attainment or low skills are at a particular disadvantage in the labor market.46 While the exceptionally strong economy of recent years has reversed these trends and brought real wage gains to low-skilled workers, wages for these workers remain far below the levels of the 1970s and before.47

44. See Cancian and Meyer, 1997, and Appendix B, Figure B.2.
47. Bernstein and Mishel, 1999.
III. Supporting Steady Work
This part of the guide focuses on work supports — policies and services aimed at helping low-income parents sustain employment. Such supports may be especially critical when low-income parents first enter the workforce; as noted earlier, job loss is common, especially in the first few months of employment, and many parents have long spells of unemployment between jobs. Unfortunately, there is little rigorous research available on whether work supports can in fact help more low-income parents to work steadily over time. The discussion that follows, then, is necessarily based largely on program experience.

This part is divided into four sections, each summarizing research and operational lessons for different approaches to supporting steady work:

- Supplementing low wages
- Helping low-income parents smooth the transition to steady employment
- Brokering services and helping workers find their next job
- Supporting steady work by those who are harder-to-employ

(Not covered here are the roles of supportive services, such as child care and transportation, which are discussed in Part V.)

Of these approaches, wage supplements should perhaps receive the most attention. First, financial problems related to low wages are cited by women who have received welfare as the biggest barrier (together with child care) to sustaining employment.¹ Second, because wage supplements have been tried in a number of places and rigorously evaluated, there is more known about how to design and implement them effectively. Third, there is compelling evidence from evaluations that wage supplements can increase employment and earnings and also reduce poverty.

The following issues should be considered in designing work supports:

- **Targeting.** Because many barriers to steady work are common to working-poor individuals generally, states and localities may want to conceive of the policies and services to address these barriers as similarly broad. Restricting work supports to current or former welfare recipients may seem inequitable if other families cannot access the benefits. The tradeoff is, of course, that the more universal work supports are, the higher their cost. As a middle ground, consider targeting the most intensive and expensive services to those most at risk for not sustaining employment, and provide more universal access to less intensive services.²

- **Resources.** Whether targeted or universal, there are a variety of federal funding sources available for work supports.

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2. In practice it may not prove easy to identify in advance those who are likely to lose jobs. See Section 6.
Needy Families (TANF) is one possible source.\textsuperscript{3} Final rules for TANF greatly expand the ability of states to use funds to aid working low-income families, even those who have never received welfare or whose incomes are substantially higher than that allowed for families receiving TANF cash aid. (See Appendix A.)

- **Service delivery.** To make work supports effective, market them aggressively, and deliver them at places and at times that low-income workers can access them. This requires a major shift in the way that agencies accustomed to serving the unemployed do business. Public agencies in particular need to address staffing structures and job descriptions to accommodate the demand for staff at nonstandard hours or need to consider contracting out some services. These are not issues only for programs that serve welfare recipients and former recipients; the 1998 federal Workforce Investment Act (WIA) places a strong emphasis on serving all workers, not just the unemployed, and it encourages states and localities to provide job retention and job advancement help to individuals already in the workplace.\textsuperscript{4}

### 5. Supplementing Low Wages

The wages of both women who have received welfare and other low-skilled workers tend to remain low, even after years of work.\textsuperscript{5} Welfare recipients may be more likely to sustain employment — and working-poor families to avoid welfare — if they can combine earnings with wage supplements. The federal Earned Income Credit (EIC) — also known as the Earned Income Tax Credit (EITC) — is one form of wage supplement.\textsuperscript{6} Nine states have adopted state earned income credits, similar to the federal EIC, as a nonwelfare means of income support for working families.\textsuperscript{7}

States and localities have experimented with a variety of other wage supplements.\textsuperscript{8} Many have changed welfare rules to allow recipients to keep more of what they earn without their benefits being cut. Some of these initiatives are:

- Connecticut’s Jobs First Program
- Florida’s Family Transition Program
- The Work Pays initiative in Illinois

\textsuperscript{3} See Lazere, 2000; Sweeney et al., 2000.
\textsuperscript{4} See Section 13 for effective outreach strategies and Box 13 for a description of the WIA.
\textsuperscript{6} The EIC is a tax credit available to low-income households with earnings. The EIC both offsets taxes and, because it is refundable, provides a wage supplement to families whose taxes are smaller than the credit.
\textsuperscript{7} N. Johnson, FitzPatrick, and McNichol, 1999. The states are Georgia, Kansas, Maryland, Massachusetts, Minnesota, New Mexico, New York, Vermont, and Wisconsin.
\textsuperscript{8} For more information on wage supplements, see Bloom, 1997; Blank, Card, and Robins, 1999.
Supporting Steady Work: 5. Supplementing Low Wages

- Iowa’s Family Investment Program (FIP)
- The Minnesota Family Investment Program (MFIP)
- Vermont’s Welfare Restructuring Project

Other places have tried to create alternative sources of wage supplements for working-poor families outside the welfare system. These include:

- New York’s Child Assistance Program (CAP)
- The New Hope Project in Milwaukee, Wisconsin
- Canada’s Self-Sufficiency Project (SSP)

States and localities may also want to consider other changes to maximize the total income available to low-income working families in areas such as childcare, child support, Food Stamps, and tax policies.

What the Research Says

Rigorous research on wage supplements for welfare recipients — either through the welfare system or outside it — shows that wage supplements can be effective in increasing employment among welfare recipients.9 Recipients who are offered wage supplements or enhanced earnings disregards work more than recipients in a control group. Unfortunately, evaluations of such policies have typically measured only whether overall employment and earnings increased, not whether those receiving wage supplements held jobs longer or worked more of the follow-up period than those who did not.

Nonexperimental research also suggests that wage supplements increase employment. Employment among single mothers rose substantially from 1993 to 1997, at a time when the size of the EIC was being increased significantly.10 Similarly, states that expanded earned income disregards through waivers earlier than other states saw a larger increase in employment among recipients from 1994 to 1997.11 Major changes occurred in child care, minimum-wage, and welfare policies during this period, too, so it is difficult to isolate the employment effects of these two wage supplements, but research suggests they did play some role.

Other research findings include the following:

- Wage supplements increase employment more if they include rules to target benefits toward those who are unlikely to be working otherwise.12 Targeting can be done in a number of ways, such

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9. Berlin, 2000; Blank, Card, and Robins, 1999; Bos et al., 1999; Fraker et al., 1998; Bloom et al., 1999; Miller et al., 1997; Lin et al., 1998.
as by requiring that individuals have received welfare for a certain amount of time before being eligible for the supplement or by limiting eligibility to those with less education and work experience.

► **Larger wage supplements may raise employment more than smaller ones.** Among programs that have been rigorously evaluated, Canada’s SSP had the largest supplement and also had the largest impact on employment.\(^{13}\) Interestingly, the most generous work incentive policies or programs are not necessarily the most expensive ones. Programs can keep costs down even with large work incentives by targeting those incentives as much as possible to low-income parents who would not have worked otherwise.

► **Wage supplements are an effective way to make families better off.** Wage supplements effectively address one of the largest shortcomings of past welfare-to-work programs: because reductions in welfare benefits offset increases in earnings, most families wound up no better off (and sometimes worse off) financially.\(^{14}\) In contrast, wage supplements such as in MFIP and SSP have significantly increased families’ employment and overall incomes. Participants in Milwaukee’s New Hope Project were also made substantially better off financially through its package of wage supplements and other benefits; there were also other positive effects, such as better outcomes for their children.\(^{15}\)

► **Wage supplements have a bigger impact on employment if combined with services to help individuals prepare for work.** In MFIP, the combination of the wage supplement and mandatory employment services was critical to the program’s success.\(^{16}\) Preliminary findings from SSP indicate that the availability of voluntary job search services increased employment and doubled the impact on earnings, compared with the wage supplement alone.\(^{17}\) Because harder-to-employ families appear less likely than others to take up the offer of a wage supplement, additional services may be especially important for increasing their ability to work steadily.\(^{18}\)

► **Wage supplements can be successfully implemented either within or outside the welfare system.** Two initiatives that increased work substantially, Canada’s SSP and New York’s CAP, operated outside the welfare system. Research suggests that people were more eager to

\(^{13}\) Lin et al., 1998. It is possible, however, that other features of SSP, such as its targeting mechanism, were responsible for the larger impacts.

\(^{14}\) Bloom, 1997.

\(^{15}\) Bos et al., 1999.

\(^{16}\) Miller et al., 1997.

\(^{17}\) Quets et al., 1999; and presentation by Gordon Berlin, MDRC, November 1998.

\(^{18}\) Pavetti et al., 1997.
participate in something that only working people qualified for and that
was not stigmatized as welfare.\textsuperscript{19} Setting up a new system to deliver work
incentives, however, can be complex and costly, and studies of MFIP and
Iowa’s FIP show that supplements within the welfare system can also be
effective.\textsuperscript{20}

\textbf{Lessons for Policy and Practice}

Beyond the research findings described above, state and local experiences with
various wage supplements offer a number of lessons about how to structure
and implement them. In addition, states may want to consider the impact of
policies in other areas on the income of working families.

\textbf{Options for Supplementing Wages}

✔ Create wage subsidies, refundable tax credits, or modest work ex-
pense allowances with federal TANF funds outside the TANF cash aid
program. Final TANF rules allow states to supplement wages outside the
TANF cash assistance program through such mechanisms as refundable
earned income tax credits and wage subsidies paid to employers. These
nonwelfare wage supplements do not trigger conditions that apply to federal
TANF cash benefits, such as time limits and work requirements. Work expense
allowances, which compensate families for employment-related costs, are also
permitted, as long as the allowance is not designed to meet a family’s ongoing
basic needs. Kentucky has recently adopted such an allowance.\textsuperscript{21} (See Box 2.)

Further, states can supplement the wages of families whose incomes are
significantly higher than families receiving TANF cash assistance. A state could
choose, for example, to provide refundable earned income tax credits or work
expense allowances to families up to 200 percent of the poverty line, even if
eligibility for TANF cash assistance in the state ended at 75 percent of it.\textsuperscript{22}
(See Appendix A.)

✔ Use state TANF maintenance-of-effort funds to create larger wage
supplements outside the TANF cash aid program. Aside from refundable
earned income credits and modest work expense allowances, states cannot
use federal TANF funds to provide ongoing wage supplements to families
without time limits and other TANF cash aid conditions applying. States that
wish to provide larger wage supplements outside the TANF cash assistance

\textsuperscript{19} W. Hamilton et al., 1996; Lin et al., 1998.
\textsuperscript{20} The 1998 Workforce Investment Act mandates creation of one-stop career centers in every locality;
these could become vehicles for delivering wage supplements outside the welfare system.
\textsuperscript{21} Center for Law and Social Policy Audio Conference, May 12, 1999, with Mack Storrs, Director, Division
of Self-Sufficiency Programs, Office of Family Assistance, Administration for Children and Families, U.S.
Department of Health and Human Services.
\textsuperscript{22} U.S. Department of Health and Human Services, Administration for Children and Families, Health Care
Financing Administration, 1999.
Innovative Uses of Federal TANF and Related State Funds for Wage Supplements

- **Illinois**, through its Work Pays initiative, allows welfare recipients who go to work to keep $2 of every $3 they earn. In addition, the state uses its own funds to pay supplements for those who work at least 25 hours per week. Because the TANF cash assistance program’s 60-month time limit does not apply to the state funds if they are tracked separately, supplementing wages with these funds “stops the clock” for working families while still allowing the state to count them toward federal work participation rates.

- **Maryland** recently raised its earned income disregards and, like Illinois, will pay benefits to working welfare recipients from state funds in order to stop their time-limit clocks. For families who become employed while receiving TANF cash aid, the state will disregard 41 percent of earnings. All recipients who work will be exempt from federal and state time limits on cash aid.

- **Kentucky** recently decided to offer a nine-month wage supplement to families who leave welfare for work. Former TANF recipients who work 35 hours per week will be eligible to receive $500 every three months for a total of nine months.

Supplements funded this way are not subject to TANF time limits or work requirements, yet the state spending still counts toward meeting TANF maintenance-of-effort requirements. As with federal TANF funds, states could provide such supplements to families with higher incomes than TANF families, such as 200 percent of the poverty line. (See Appendix A.)

Supplement wages with state TANF maintenance-of-effort funds through expanded TANF earned income disregards. A key disadvantage of the most common strategy for supplementing wages — earned income disregards in TANF — is that families may use up their time-limited welfare benefits more quickly if the disregards prolong their receipt of welfare. In Florida, half of those reaching a two-year time limit were working, and many of them did not understand that their small welfare checks counted against the time limit.  

States can avoid this by paying TANF benefits to working families from state funds, as Illinois, Maryland, and Maine are doing. Paying TANF benefits with state funds...
funds allows the state to count these families toward meeting federal work participation rates but does not use up months of TANF eligibility from their federal five-year limit. As the Florida example shows, however, in many states there is also a state time limit that may affect working families. Florida recently created an “earn back” provision, giving working families a month of extra TANF eligibility for each month worked in subsidized or unsubsidized employment, up to a maximum of one year.24

Implementing Wage Supplements

✔ Keep wage supplements simple, and market them aggressively. Wage supplements are an effective incentive only if parents know about and understand them.25 Simpler supplements are easier to explain. For example, the Work Pays initiative in Illinois is simple for case managers to explain to families — it allows families to keep $2 out of every $3 they earn. Some other supplements use complicated formulas that can make outreach more difficult. Marketing might include orientation sessions describing the supplements, worksheets that case managers can use to show participants what their income will be when they start working, and periodic reminders after participants have begun work. Agencies should not rely solely on written notices to inform eligible families. In addition, program staff can use regular interactions with individuals to publicize and facilitate supplements. It is important to provide training and materials to staff so that they can clearly explain the benefits to low-income workers. Pennsylvania sends each county welfare office manager a detailed memorandum about the significance of the EIC, including a seven-step strategy for each office to follow. Wisconsin pays incentive bonuses to line staff who get clients to sign up for the EIC. (See Box 3.)

✔ Form partnerships, set up hotlines, and involve employers to reach families not on welfare. Several key lessons emerge from the experience of a number of states that have developed EIC outreach efforts.26 The Maryland Department of Human Resources, for example, supports a part-time staff person at a nonprofit agency to coordinate an EIC campaign and to build partnerships with a wide range of public, private, and nonprofit agencies. In New Jersey, 3,000 agencies were involved in the distribution of 300,000 EIC fliers; a utility company covered much of the cost of producing the materials.

Employers can both help inform their workers about supplements and facilitate access to them. In Texas, the Comptroller of Public Accounts sends an EIC mailing each year to all employers and will provide quantities of

26. Interview with John Wancheck, Center on Budget and Policy Priorities.
5. Supplementing Low Wages

Supporting Steady Work: 5. Supplementing Low Wages

Box 3

Marketing Wage Supplements:
Lessons from Canada’s Self-Sufficiency Project*

The Self-Sufficiency Project (SSP) operated in two Canadian provinces and provided a substantial wage supplement for up to three years to families who had been on welfare at least one year and moved to full-time employment. A family earning $12,000 per year would double its income with the supplement. SSP showed impressive early results. After 18 months, twice as many recipients in the program were working full-time, compared with a control group. Every $1 spent on increased benefits translated into $2 of increased earnings and $3 of additional family income. SSP took the following extraordinary steps to ensure that all eligible families knew about the supplement, which was paid monthly:

- Invitation letters followed by phone calls to every family were used to bring eligible individuals in for small-group briefings on SSP. As a result, 96 percent of eligible families attended an orientation.
- Staff made home visits to families who did not respond to the letter and phone invitations.
- After families attended an SSP orientation, they received follow-up telephone calls, during which staff would answer questions and review the major features of the program.

*Lin et al., 1998; and observations from a September 1998 site visit to SSP in Vancouver by Clifford Johnson, Center on Budget and Policy Priorities.

informational materials to employers upon request. Washington State recently created a full-time EIC outreach position to work with employers and individuals. Among other things, the state will help employers switch their payroll tax systems from yearly to monthly in order to ease payment of the advance EIC.

Hotlines can also help employers and individuals get information about wage supplements. Five people staff Washington State’s EIC hotline during the tax season. Callers can receive EIC information and tax forms and can speak directly to an agent. Minnesota also has a tax-season EIC hotline.

Provide supplements on a monthly basis. One advantage of wage supplements paid directly by state or local government is that families can receive them on a monthly basis, helping families to meet day-to-day expenses. By contrast, tax credits may not help families working at low wages to offset the costs of working if the credit is paid only once a year at tax time. Low-income workers can receive an advance payment of the EIC in their
Supporting Steady Work: 5. **Supplementing Low Wages**

Paychecks, but few do so. Most are not aware of the option, and some fear that advance payment may inadvertently result in an overpayment that they will then have to pay back at year’s end.

**Other Policy Options for Increasing Family Income**

- **Pass through some or all of the state’s share of child support collections.** This can ensure that families are better off when paternity is established and support is collected. Three states — Connecticut, Vermont, and Wisconsin — pass through to families receiving TANF the state’s entire share of current child support collected. These states also disregard some or all of the current child support in determining TANF benefits. Twenty other states pass through some portion of their share and disregard it from TANF benefits.

- **Target unemployed noncustodial parents for employment assistance.** Helping noncustodial parents find jobs can lead to increased child support payments and therefore higher total family income. These parents can also be served under TANF or the Workforce Investment Act and through the federal Department of Labor’s Welfare-to-Work grants. Recent changes to the Welfare-to-Work program loosen eligibility criteria and allow six months of preemployment vocational education and training, which should allow greater use of these funds for noncustodial parents.

- **Examine the impact of state income taxes on low-income working families.** In 19 states, single-parent families earning less than the federal poverty level still owe state income taxes. Six states — Alabama, Hawaii, Illinois, Kentucky, New Jersey, and Virginia — collected income taxes from families with incomes below half of the poverty line. Illinois had the lowest tax threshold, imposing income taxes on a family of three when their income exceeded $3,000. By contrast, 10 states — Arizona, California, Connecticut, Maryland, Massachusetts, Minnesota, New York, Pennsylvania, Rhode Island, and Vermont — do not tax families of four until their income reaches approximately 125 percent or more of the poverty line.

- **Ensure that low-income working parents know they are still eligible for Food Stamp and Medicaid benefits when TANF cash assistance ends.** The large decline in TANF caseloads over the last four years has been

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27. IRS data show that 1.3 percent of all EIC beneficiaries received an advance payment in tax year 1997. Early data for tax year 1998 indicate that 1.1 percent received the advance payment (Internal Revenue Service, 1998, 1999).

28. Survey conducted by the Center for Law and Social Policy, December 1997. Connecticut disregards $50, and Vermont disregards $100; Wisconsin has a flat TANF grant, regardless of child support.

29. See also Doolittle et al., 1998, and Doolittle and Lynn, 1998, for results from the national Parents’ Fair Share demonstration; and Orr et al., 1996, for other research on training for this population.


accompanied by large declines in Food Stamp and Medicaid caseloads, even though most of those leaving TANF are likely to still be eligible for these benefits. For a typical former welfare recipient working 34 hours per week and earning $6.50 per hour, obtaining Food Stamps means an additional $1,800 in annual income. (See Section 15 for a discussion of Medicaid.) For families with lower earnings — working, for example, 30 hours per week at minimum wage — Food Stamps can increase their income by more than 40 percent, or about $3,000 annually. One barrier to getting Food Stamps may be that families typically must go to welfare offices to apply, and few offices are open beyond working hours.

6. Smoothing the Transition to Work

For unemployed low-income parents without sustained work experience, states and localities may want to consider services to aid the transition to work. While these are often thought of as postemployment case management services, a closer look at existing models for helping low-income people stabilize in the workforce reveals a more complex approach. In particular, these model programs provide a mix of preemployment and postemployment services, case management, and skill development.

Some of the problems low-income parents cite as interfering with keeping a job are related to the workplace, such as difficulties with coworkers or supervisors. Others involve issues outside of work, such as financial pressures, child care, transportation, or personal and family problems. This discussion focuses primarily on work-related issues, while Section 5 discusses financial issues; Section 8 examines personal and family issues; and Part V discusses the roles of child care, health care, and transportation.

What the Research Says

- Employers and program administrators typically cite soft skills as being more important than job-related skills in determining whether someone can keep a job. While job quality — especially low wages and lack of benefits — appears to be a key factor in who sustains employment, research also points to workplace issues as a major cause of job loss. In particular, a lack of soft skills — commonly defined as including problem-solving, interpersonal, teamwork, and communication skills — are thought to be a prime cause of low-income parents' not sustaining employment. Among recipients in the Postemployment Service

35. See Rangarajan, 1998, for a detailed discussion of these issues.
Demonstration (PESD) study, 40 percent experienced a problem at work, with the majority of those saying that getting along with a coworker or supervisor was difficult. In addition, supervisors of low-wage workers may lack the skills themselves to train and manage workers and to mediate workplace conflicts. They may also be accustomed to high turnover and may see new employees as probationary and replaceable.

**Other research suggests that many low-income parents may also lack job skills commonly required in entry-level work.** A study of welfare recipients in Michigan found that 90 percent were familiar with workplace norms, and those who were not were no less likely to be working 20 or more hours a week than those who were. By contrast, recipients who had few entry-level job skills were substantially less likely to be working 20 or more hours per week than those who did (34 percent, compared with 63 percent).

**Postemployment case management did not increase job retention or earnings in a recent national demonstration.** Although there has been little rigorous research on services to help low-income parents sustain employment, the federal Department of Health and Human Services did fund a major project in the mid-1990s, the Postemployment Services Demonstration (PESD).

PESD operated in four sites between 1994 and 1996: Chicago, Illinois; Riverside, California; Portland, Oregon; and San Antonio, Texas. In these cities, case managers within the welfare agency sought to contact clients who had found employment and provide them with:

- counseling and support;
- job search assistance;
- resolution of benefits issues (such as transitional Medicaid and child care);
- service referrals (child care, health care, skills training, legal aid); and
- small, occasional payments to help with work-related expenses.

The evaluation of PESD’s two-year impacts found:

- Parents in PESD did not keep jobs longer than control group members in any of the sites.
- Parents in PESD did not earn more than control group members in any of the sites.

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38. Danziger et al., 1999. See also Holzer, 1996.
Parents in PESD in Chicago were slightly more likely to be employed than control group members.

Cash assistance and Food Stamps receipt fell slightly in Chicago and San Antonio.

This is consistent with a rigorous study of similar services in Denver in the early 1980s, which found no impact on job retention or reemployment.40

PESD may not have shown success because the programs were new and evolving, because services may not have fit the diverse needs of participants, or because the control group received similar services in some sites.41 In addition, case managers spent a large amount of time trying to contact all participants assigned to them, many of whom did not want further contact with the welfare agency. This left little time to work more intensively with those families who did want and need services. In addition, case managers were not able to work with employers in most cases, because participants did not want to be stigmatized by their association with welfare. Finally, because of the research design, case managers were not able to inform recipients about PESD services or to work with clients on transition issues before they started employment.42

Lessons for Policy and Practice

Programs that appear to have achieved high employment retention rates use a mix of preemployment and postemployment services. This section offers lessons about each.

Preemployment services

✔ Provide services in an environment that mimics the workplace, with high expectations for punctuality, attendance, and effort. Several successful programs, such as the Center for Employment Training in San Jose, believe strongly in the importance of having a work-like environment, with participants punching time clocks, having a dress code, treating their instructors and peers with respect, and adhering to other standards of the workplace. Participation in preemployment services then becomes a “dress

40. The Denver Work Incentive Program provided counseling to resolve work-related problems and help in arranging support services to assist individuals in retaining their initial jobs or, failing that, to assist them in an immediate job search for a period of six months after placement in a job. The lack of positive results appears to reflect a number of factors, including that participants did not fully utilize the postemployment support that was offered when they lost a job and that actions by staff were not intensive or aggressive enough. See Slaughter, Whiteneck, and Baumheier, 1982.
42. For these insights, the authors thank Nancye Campbell, Project Officer for PESD at the Administration for Children and Families, U.S. Department of Health and Human Services. See also Rangarajan and Novak, 1999.
Supporting Steady Work: 6. Smoothing the Transition to Work

rehearsal” for work. High expectations should be supported, however, with services that enable people to participate; otherwise, only the most employable people will succeed in completing the program.

✓ **Provide services that increase soft skills, entry-level job skills, and life skills.** Programs may be able to help low-income parents develop skills in advance of employment that equip them to handle better the demands of the workplace. For example, Vocational Foundation, Inc. (VFI), provides 22 weeks of training in soft skills, job skills, and work-related basic skills, in addition to its postemployment retention services. Curricula are widely available for developing common entry-level job skills (including computer literacy and work-related reading, writing, and math) and life skills. Soft skills curricula are becoming more common. One example is Workplus, developed by Public/Private Ventures and the Northwest Regional Education Lab. Workplus is a set of 20 employee workshops and 10 supervisor workshops aimed at improving work habits and job quality for entry-level workers. The Denver Workforce Initiative is field-testing Working It Out, an assessment of soft skills and an accompanying curriculum. And the federal Department of Labor recently awarded a Welfare-to-Work grant to test the Career Transcript System (CTS), an assessment and curriculum of soft and entry-level job skills.

✓ **Create opportunities for developing supportive relationships with staff and peers.** Many low-income parents lack supportive networks of friends and family to help them through the transition to work. Programs can help them develop alternative networks before the transition to work by providing services in interactive group settings and providing opportunities to develop bonds with program staff. Portland’s Steps to Success delivers its short-term training in small cohorts that function as support groups. Chicago Commons Employment and Training Center (ETC) uses its 80-hour life skills component as both a relationship-based assessment tool and a forum for developing a support network of peers.

✓ **Begin the transition from preemployment staff to post–employment staff before a new job begins.** Before employment, the postemployment staff should begin working with parents to plan a successful transition. At VFI, career advisors begin working with participants when they have completed 75 percent of the five-month occupational training program. Similarly, Rhode Island has the same staff handle job development, placement, and retention services to ensure continuity. In the PESD sites, by contrast, welfare recipients were not referred to retention case managers until after they had begun working. Case managers spent a significant amount of time just trying to contact the individuals they were assigned, and they found that people often

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43. Proscio and Elliot, 1999.
44. For a review of 54 soft skills training programs, see Conrad, 1999; Leigh, Lee, and Lindquist, 1999.
were not receptive to hearing from someone at the welfare agency with whom they had no previous relationship.\footnote{Rangarajan, Meckstroth, and Novak, 1998; comments from Nancye Campbell, Administration for Children and Families, U.S. Department of Health and Human Services.}

Help parents anticipate issues that will arise during the transition. A number of programs have developed checklists of issues for transition staff and participants to address before a new job begins. These include doing a detailed budget, identifying options for backup child care, and planning transportation. Rhode Island assesses individuals for job-specific skills, strengths, and personal support systems, as well as availability of child care and transportation, before job placement. The state finds that proactive assessment helps to eliminate or reduce these issues as barriers to steady work. At VFI, participants actually rehearse the logistics of getting to their job by making the trip to child care and the worksite at the appropriate starting time before their job begins. (See Box 4.)

\begin{center}
\textbf{Box 4}
\end{center}

\textbf{Two Experienced Employment Retention Programs*}

While most states and localities are just beginning to implement services to support the transition to work, a few organizations have provided such services for longer periods. Many of the suggestions in this section come from two experienced programs: Vocational Foundation, Inc. (VFI), and Rhode Island’s statewide employment and retention services component.

\textbf{Vocational Foundation, Inc.’s Moving Up.} VFI is a small private organization that operates a training program in New York City for very disadvantaged youth ages 16 to 24. In 1988, VFI began a pilot project called Moving Up to provide two years of postemployment services to its participants. The pilot project was expanded in 1994 and has served 1,500 people over the past five years. VFI has learned a number of critical lessons from its 10 years of operating Moving Up.

\textbf{Rhode Island} implemented a statewide employment and retention services component in 1997 to work with both employers of TANF recipients and recipients themselves. The state’s employment and retention staff is housed in a different site than other welfare agency staff and is responsible for job development, placement, and retention so that their relationship with parents begins before they find employment. Rhode Island’s experience provides lessons for public sector implementation of retention services for TANF recipients.

\footnote{Lessons in this box are drawn from interviews with Rebecca Taylor, former Executive Director, and Mary Bedeau, Program Director, at Vocational Foundation, Inc., June 1998; and June Allen, Rite Works Employment and Retention Service Unit, Rhode Island Department of Human Services, November 1998. For an in-depth look at VFI, see Proscio and Elliot, 1999.}
Postemployment Services

✔ Contact new workers frequently during the first few months of the transition. As described in Section 3, the majority of early job loss happens within the first three months. Case management is unlikely to have much impact, therefore, if parents are contacted only once a month. Contact new workers several times during the first week of a job and weekly thereafter during the first three months of the job. Keep in touch less frequently for at least one year. At VFI, career advisors contact new workers every day the first week and then at least weekly for the first few months, and they can be reached 24 hours a day through beepers. The career advisor asks such direct questions as the following to detect signs of trouble: What time did you arrive at work? Were you busy all of the time? Were you given things that you didn’t know how to do? Did you use the phone for any personal calls?  

✔ Seek feedback about job performance from employers. When appropriate, let the workers’ supervisors know that staff will be assisting with the transition and are available to help with any issues that arise. This helps both the workers and the program by creating a channel for feedback about whether the job candidates are meeting employers’ needs. Feedback should include information about the workers’ attendance, productivity, and progress on the job. VFI’s career advisors contact job supervisors after the first few days of work. The intensity of contacts thereafter depends on the employers’ interest. Rhode Island has found that having a wage reimbursement contract with the employer makes it far easier to establish this partnership.

✔ Keep the ratio of staff to new workers low. Job retention services require a close personal relationship and an aggressive, proactive approach by staff. In addition, low caseloads are essential if staff are to keep in frequent contact with each worker and have time for in-depth, face-to-face conversations. VFI believes that caseloads should not exceed 50 to 60 cases, depending on the career advisor’s level of experience. Rhode Island is trying to keep caseloads no higher than 60 to 70 families but would prefer even lower ratios. In contrast, in PESD caseloads rose to 100-170 in the four sites, resulting in new workers being contacted just two to four times in the first three months of employment.  

✔ Provide small, work-related payments to help low-income parents overcome unexpected, one-time financial crises. The Portland site in the PESD found that occasional work-related payments were highly valued by

47. Presentation by Rebecca Taylor, former Executive Director, VFI, 1999.
recipients and were not overused. VFI also believes that such payments are very important in helping people stabilize in the workplace; to prevent the overuse of cash payments, the career advisor’s recommendations for payment are approved by the supervisor and the executive director. Such payments are similar to “diversion” programs that offer TANF applicants a lump sum to overcome a particular financial crisis in exchange for not enrolling in TANF for a certain period. Iowa has made the connection between diversion and postemployment support directly: it plans eventually to combine its TANF postemployment services, including occasional cash payments, with the state’s diversion program. Ohio is moving to adopt a similar approach for supporting working-poor families.

**Work with employers to improve the quality of the workplace.** Rhode Island uses wage reimbursements to improve job quality, for example, by offsetting the cost to small employers of increasing the hourly wage, allowing more flexible work hours, or offering paid sick leave. Other employment and training programs now include supervisor training in their activities. For example, the Denver Workforce Initiative’s soft skills curriculum, *Working It Out,* stresses conflict resolution and includes training of both new workers and supervisors.

The state of Utah offers employers “Employment Support Services,” including training supervisors to provide supportive supervision to help develop the general work skills of individuals who have had difficulty in obtaining or retaining employment in the past. In addition to the training, Utah offers ongoing technical assistance to the employers and compensates them for the specialized supervision by paying $500 per month for each participant for six months and an additional $1,000 for participants retained 12 months.

**Hire staff who have a practical, problem-solving orientation and private sector experience.** Traditional case managers are often individuals with a counseling or therapeutic focus. In contrast, VFI staff are called “career advisors,” not case managers, and they must have a clear understanding of private sector norms. The career advisors focus services on resolving the immediate causes of problems at work. It appears that what VFI participants have needed most during the transition is the emotional support given to them by the ongoing presence of a caring, supportive adult who can help in figuring out strategies to resolve logistical problems and soft skills issues at work. The close relationship between advisors and workers ensures that more serious problems, such as domestic violence or substance abuse, tend to surface over time.

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50. Maloy et al., 1998.
Create flexible staffing structures and hours of service. Job retention services need to be provided during nonstandard hours — especially lunchtime, evenings, and weekends — and out in the field. Built into the job descriptions of VFI career advisors is that they work from 1 to 8 P.M. one day per week and can earn up to 3 hours per week of compensatory time for working past regular hours. Career advisors must also make four field visits each week. VFI believes that the ideal schedule for retention staff would be from 12 to 8 P.M. Tuesday to Friday and all day Saturday.

Box 5

Using Intermediaries to Provide Transition Services

One option for providing postemployment services is using private intermediary organizations, such as nonprofit community-based organizations or for-profit temporary staffing agencies. Riverside, California, for example, decided after its experience in PESD to move postemployment services out of the TANF office by contracting with community organizations to deliver these services. Nevada also contracts out its postemployment services. Among the advantages of using intermediaries are:

- Intermediaries may have more flexible staffing structures that allow staff to be available outside business hours and to make home and worksite visits.
- Intermediaries may be better able than a public agency to approach employers.
- Neighborhood-based intermediaries may bring knowledge of the community as well as a greater rapport with low-income parents.

Use of intermediaries may also bring several disadvantages:

- If intermediaries do not also provide preemployment services, they may miss the critical window of opportunity that begins before someone has found a job and continues through the early weeks of employment.
- Intermediaries may have more difficulty resolving public benefit issues, such as adjustments to TANF checks and child care and health care subsidies.
- Temporary staffing agencies generally have poor track records of helping workers sustain employment over the long term or move up to better jobs.*

*Canclain et al., 1999a, 1999b; Bartik, 1997.
Set clear goals, and track outcomes. VFI sets clear goals for its programs. While these are not rigid performance standards, they are used to evaluate staff performance. Career advisors, for example, must maintain contact with 80 percent of their caseload. Other goals include that 70 percent of the caseload work toward their General Educational Development certificate (GED), that 30 percent go on to postsecondary education, and that 70 percent of those placed in jobs still have them at 3, 6, 9, and 12 months.

Provide opportunities for parents to maintain peer and staff relationships that they developed in the program. VFI provides weekly opportunities for participants to maintain the relationships they developed during preemployment training after they have gone to work. VFI offers both education/training evening workshops and social/cultural events and has found that participants most value the social/cultural events, especially ones to which they can bring their children and partners. Portland’s Steps to Success also provides family-friendly evening and weekend services and activities. (See Part IV.)

Experiment with targeting transition services to parents who seem most likely to lose jobs. Public agencies responsible for helping large numbers of low-income parents find work may find it difficult to maintain small caseloads for retention staff, as the PESD sites found. One alternative to serving all parents who find jobs is to target those who are most likely to need postemployment services.

In practice, those who have implemented transition services — whether for small, community-based organizations or for such states as Utah and Rhode Island — have found it difficult to predict who will lose jobs. Efforts are under way to develop statistical models that can be used to target transition services based on objective personal characteristics.

Job characteristics and supportive service arrangements appear more strongly linked to employment retention than personal characteristics are; therefore, it may be more effective to target services based on a combination of job characteristics, support service arrangements, and personal characteristics. For example, a recipient who is starting out in sales, relies on relative-provided child care, and who has little recent work experience may be at high risk of not sustaining employment.

51. Wagner et al., 1998; and interviews in 1998 with June Allen, Rite Works Employment and Retention Service Unit, Rhode Island; and Marie Christman, Department of Workforce Services, Utah.  
53. See, for example, Appendix B, Tables B.2 and B.3; and Section 3.
7. Brokering Services and Helping to Find the Next Job

Many welfare recipients and other low-income parents will find work on their own, without giving a welfare-to-work or workforce development program an opportunity to help them with the transition. For these individuals, as well as those who simply do not need intensive transition services, states and localities might want instead to play a brokering role, connecting families who are already employed to work supports, providing career guidance, and referring families to more specialized services as needed.54 Alternatively, intermediaries or nonprofit organizations could play this service-brokering role. (See Box 5.) Regardless of who brokers the services, employers’ involvement in their design and delivery is critical to making them accessible to employees.

A service-brokering approach differs from one-on-one transition services in three main ways:

- Brokers do not provide ongoing, one-on-one counseling.
- Brokered services are more likely to be delivered in group settings.
- Brokered services are typically available only after someone begins work.

A brokering strategy potentially offers a less expensive and perhaps more feasible way for states to respond to a broad set of needs among low-income working parents. Expanded Employee Assistance Plans are one form of service-brokering; others are currently being piloted around the country. Brokering also fits well with the new workforce development law’s vision of one-stop career centers — as service brokers at the center of federally supported employment and training programs. Service-brokering may not be intensive enough, however, to assist the harder-to-employ. (See Section 8 for strategies to assist the harder-to-employ.)

States and localities may want to consider these threshold questions when designing a postemployment service-brokering model:

- Will the target population be only welfare recipients and former recipients, or will it include low-income workers more broadly?
- Who will act as service brokers: the welfare agency, the workforce development agency, and/or for-profit or non-profit intermediary organizations?
- How proactive will the service-brokering be? Will it depend on individual workers taking the initiative to use services, or will it involve more aggressive outreach to workers?

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54. For this concept of service-brokering, the authors thank Jerry Burns, Adult and Family Services, Oregon Department of Human Services.
Whatever approach is taken, connecting workers with their next job should be a principal focus of service brokers, both to help the workers stay in the workforce and to help them advance. Under TANF and the Workforce Investment Act, states and localities have an opportunity to create a unified system for brokering services and providing reemployment assistance to all workers. This section discusses service-brokering and reemployment strategies.

**What the Research Says**

**Brokering Services**

- **The reasons for job loss discussed in Part II also apply here.** Job quality, entry-level job skills, soft skills, and personal or family problems are all factors that may lead to job loss among new workers. These issues will affect different workers in different ways and to different degrees. While some will require intensive assistance, others can benefit from less intensive intervention.

- **Unfortunately, there is no rigorous evaluation research on the effectiveness of a service-brokering model in addressing these issues.** However, some approaches to it, such as Washington’s WPLEX (discussed later in this section), are similar to what was evaluated in the Postemployment Services Demonstration (PESD): several follow-up telephone calls to parents in the months after they have become employed to link them with services. The PESD experience may, therefore, provide some insights into this type of service-brokering. (See Section 6 for details about PESD.)

**Reemployment Services**

- **Studies of women who have received welfare find they typically are unemployed for long spells between jobs — an average of 39 weeks in one study.** Shortening these periods of unemployment, therefore, could greatly increase earnings. However, there has been little rigorous research — beyond the PESD — on the effectiveness of reemployment services. One strategy that has been studied is employment bonuses.

  Several states — including Arkansas, Kentucky, Nebraska, and North Carolina — offer employment bonuses to TANF recipients who find work (either through cash payments or by disregarding all earnings in calculating TANF benefits for a time after parents begin work).

- **Bonus policies that allow workers a longer time to find employment (typically about 12 weeks) have more success than those...**

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56. In addition, in New York, North Carolina, and Ohio, counties have discretion to create employment or retention bonuses (beyond North Carolina’s statewide bonus), according to national survey data for 47 states from the State Policy Demonstration Project (SPDP) and from state TANF plans.
requiring employment in a shorter time. The size of the employment bonus does not seem to be as important as the time period; both low and high bonuses having been effective and ineffective.

- Targeting employment bonuses to those most likely to stay unemployed for an extended period appears to aid in the effectiveness of the bonuses. However, it is not easy to predict who will find work and who will not. Given this uncertainty, narrowly targeted bonuses may not be more effective than somewhat more broadly targeted ones. That is, although it is helpful to identify which half of workers are less likely to return to work quickly, trying to pinpoint a smaller, higher-risk group (the one-fourth of UI recipients least likely to return to work) does not seem to yield any better results.57

Income Support Between Jobs

- Low-income working parents who have recently left welfare are typically not covered by the Unemployment Insurance (UI) system when they lose a job. Research suggests that just 10 to 13 percent of women who have left welfare for work will receive UI benefits when a job ends.58 Only 9 percent of all unemployed and discouraged workers who worked part time in 1988, for example, received UI benefits, compared with 36 percent of full-time workers. Low-wage workers frequently do not have earnings that are both large enough and sustained enough to meet the UI earning base period and workforce connection tests. In addition, parents who leave employment to fulfill family responsibilities are often not eligible for unemployment insurance. Also, in most states, parents who can work only part time or are not available to work all hours (including night or weekend shifts) are not eligible for unemployment insurance.59

Lessons for Policy and Practice

States and localities are beginning to experiment with a variety of approaches to brokering postemployment services. Their experiences offer some early lessons. Whatever approach is taken, connecting workers with their next job should be a principal focus of service-brokering.

Brokering Services

✔ Create telephone call centers. This is the central tool used in a Washington State service-brokering initiative called WPLEX (WorkFirst Postemployment Labor Exchange). Begun in August 1998, WPLEX is placing calls to all current

or former TANF recipients (within the last two years) who are working at least 20 hours a week. Callers ask the parents a series of questions, including whether they are receiving employer health benefits, whether they are getting the EIC, whether they are having problems on the job, and whether they are having other problems that interfere with work. The caller can then make appropriate referrals. Follow-up calls are also scheduled to everyone who has been contacted. In addition, WPLEX emphasizes helping people move up to better jobs, as described in Part IV. As of June 1999, WPLEX had contacted 21,908 recipients or former recipients; its target had been to reach 43,040 by that time. Washington is tracking how many people obtain better jobs or enter training as a result of these calls.60

✔ **Outstation staff at worksites.** This is a key feature of a more intensive variation of service-brokering adopted by Salem, Oregon, called Up With Wages. Staff describe it as “like having an Employment Assistance Program on-site.” The initiative began by focusing on recipients employed by state government (the largest employer in Salem) and is now expanding into the private sector, targeting employers who hire many recipients and have high turnover. Other key aspects of the initiative include staff use of “income improvement plans” to work individually with employees on sustaining employment and advancing to better jobs, one-on-one meetings between employees and staff by appointment, and workshops organized by staff on career and work/family issues. (See Box 6.)

✔ **Negotiate release time for employees to participate in on-site activities that support work.** Another important feature of Up With Wages is an agreement with participating employers to allow workers eight hours of release time per month to use the initiative’s services, both group workshops and individual appointments.

✔ **Develop or expand Employee Assistance Programs.** A number of employers have developed Employee Assistance Programs (EAPs) to provide various types of personal assistance (typically covering mental health, addiction, and/or legal issues) to their workers. These programs can be broadened to include the full range of issues that may interfere with work (such as child care, transportation, and interactions with supervisors and coworkers) in addition to addressing more serious problems. Where there are no EAPs, programs can promote their development. In particular, there is a need to make EAPs more available to small businesses: while 61 percent of workers in medium and large businesses have EAPs, just 14 percent of workers in small businesses do.61 ResourceNet, developed by Ceridian Performance Partners, is a 24-hour, toll-free telephone assistance center staffed by master’s-level

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60. Miller, 1999b.

61. Bureau of Labor Statistics, April 1999 and September 1999. Small businesses were defined as employing fewer than 100 workers.
Supporting Steady Work: 7. Brokering Services & Helping to Find the Next Job

counseling professionals who assist in assessing problems, providing support, and locating resources. Ceridian also manages a similar EAP for Marriott: the Associate Resource Line. North Carolina is piloting an Enhanced Employee Assistance Program for participants in its Work First TANF program.


Box 6

Brokering Services at the Worksite in Salem, Oregon: Up With Wages*

Salem’s Adult and Family Services (AFS) agency has been operating the Up With Wages pilot since early 1998. It was developed in response to unsuccessful experiences in Oregon both with job retention case management (as a PESD site) and with offering evening and weekend retention services that few workers used. The Salem AFS staff developed the following methods to make services more accessible and to help employed people see how work support and career advancement services could help them:

- Give workers and employers a role in designing services by asking them, before launching a component, which services are most needed to support steady work.
- After beginning services, be flexible about changing the services that are offered and when they are offered, based on the needs of the group. Solicit and listen to employee feedback.
- Make services available at the worksite to all employees, not just to former welfare recipients.
- Do not call staff “case managers”; this stigmatizes the services. Stress instead the career advancement aspects; many job retention lessons can be taught indirectly through workshops that have an upward-mobility theme.
- Maintain a continuous presence at the worksite to increase employees’ participation in services and their familiarity with staff. Up With Wages outstations staff at the worksite.

The AFS worksite services most valued by employees were the individual counseling appointments and career-oriented group workshops, which included “Volunteering to Advance Your Career” and “Resources for the Entry Level and Single Income Employee.” By contrast, although people took advantage of the individual counseling appointments to discuss personal growth issues, they generally did not want to tackle these issues in a group workshop setting.

*Lessons in this box are drawn from an interview with Jerry Burns, Adult and Family Services (AFS), District 3, with additional input from Melissa Clark; Salem, Oregon, November 1998.
Reemployment Services

Changing jobs can be a way for individuals to work more steadily and also move up into better jobs (although changing jobs too often has negative effects). Programs with experience in this area cite the following key elements for reemployment strategies:63

✔ **Aim for quick reemployment.** A certain amount of job loss is a normal and inevitable part of the learning process for new workers settling into the labor market. When jobs are lost, help workers learn from the experience and, unless there are serious personal or family problems, quickly (within 3 to 4 weeks) move on to the next job. Identifying reasons for job loss can stimulate individuals to change their behavior and can help workers understand which jobs best suit them. (See Box 7.)

<table>
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<th>Box 7</th>
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<tr>
<td><strong>Vocational Foundation, Inc.'s Approach to Job Loss</strong></td>
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<tr>
<td>At VFI, career advisors work with people who have lost their jobs to address the specific issue that contributed most to the job loss. For example, if punctuality was the problem, then a week of activities is scheduled around being at VFI on time; this helps get at the root cause of the problem.</td>
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<tr>
<td>Career advisors also contact employers to hear their perspective on why a job was lost. VFI uses a case file to record the reasons for job loss as seen by the job developer, by the participant, and by the employer.</td>
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<td>In most cases, VFI finds that the job loss had to do with soft skills and that people are able to learn from the event and go back to the job developer within three weeks. VFI helps people find their first three jobs; after that, they must find the next job on their own.</td>
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<td><em>Interview with Rebecca Taylor and Mary Bedeau, Vocational Foundation, Inc., June 1998.</em></td>
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✔ **Help workers find their next job before they lose their current one.** Often people know that a job will end or is not working out before they are laid off, quit, or are fired. Making reemployment assistance available at multiple places in the community and at times when working people can access it may enable low-income workers to find the next job while still employed. It may also encourage use of these services by workers who do not want to return to the welfare office to seek out career planning and job placement help.

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63. See A. Brown, 1997, for information on implementing effective employment components.
Help workers change jobs to build specific skills and move up to better jobs. At Chicago’s STRIVE employment program, staff work with people to establish short-term goals for mastering certain job skills (such as computer use). Once those skills have been attained, staff help people change jobs in order to advance or learn other skills. STRIVE does insist, however, that people first show they can stick with a job for an extended period (usually six months).

Income Support Between Jobs

Provide income support with state TANF maintenance-of-effort funds outside the TANF cash assistance program. This may offer several advantages over TANF assistance: it would not increase TANF caseloads, it would not be stigmatized as welfare, and states could deliver it through the same agencies that deliver Unemployment Insurance and related reemployment services. Moreover, states could choose to assist a broader group of families than are eligible for TANF, such as those with income up to 200 percent of the poverty line. (See Appendix A.) This allows states and localities to have one unified structure for reemployment help for all workers — something supported by new opportunities in the federal Workforce Investment Act for unified program planning and one-stop delivery of services.64

Consider expanding Unemployment Insurance (UI) coverage. UI expansion can help low-income parents and other low-wage workers who do not now qualify. Promising options include using an alternative base period, to ensure that a claimant’s most recent earnings are considered; defining workforce connection in terms of hours and weeks worked, not by the amount of earnings; allowing “good cause” for leaving employment to include a limited set of personal reasons (such as loss of child care, sick children, and domestic violence-related crises); and allowing single parents who are limited to part-time work because of child care or other family responsibilities to be eligible to receive UI benefits.65 (See Box 8.)

8. Strategies for the Harder-to-Employ

Welfare caseloads have dropped by half over the last five years. Families still receiving TANF may face greater challenges to obtaining and sustaining employment than those who have already left the rolls. A 1997 national survey of welfare recipients found that 44 percent reported having two or more significant obstacles to work; a similar survey in an urban Michigan county found that nearly two-thirds had multiple barriers, including chronic physical or mental

64. Advisory Council on Unemployment Compensation, 1996; Greenberg and Savner, 1999b.
65. Greenberg and Savner, 1999b.
health problems, substance abuse, domestic violence, and learning disabilities.66

Publicly funded welfare-to-work programs have little experience serving these families, which, in the past, were typically exempted from work requirements. This section summarizes what research there is on personal and family factors that make it difficult for some individuals to sustain employment and advance to better jobs. It then draws lessons from policy and practice on options for identifying and responding to these factors.

Some personal characteristics, such as very low skills and disabilities, do not appear to affect the chances of steady work but are strongly related to whether low-income parents work at all.67 (See Box 9.) This guide does not address in depth how to help such parents enter the workforce. But as the strong economy and welfare-to-work mandates bring more low-income parents into the workforce, very low skills and disabilities may become important factors for sustaining employment as well.

What the Research Says

Labor Market Experiences

Past research has suggested a wide range of personal and family factors that

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might impede low-income parents from finding or sustaining work. However, when researchers look at the actual labor market experiences over time of low-income women, and examine the links to personal and family factors, not all the potential barriers to employment turn out to be associated with working less. In the National Evaluation of Welfare-to-Work Strategies (NEWWS), for example, the lack of obvious personal and family differences between those who keep jobs and those who lose them is striking, and it helps to explain why programs have not found it easy to predict who might or might not sustain employment.68

- In one study, parents who had health limitations when they left welfare for work spent far less time working over a five-year period than those who did not. Those who cited a health limitation worked 37 percent of the time over a five-year period, while those without health limitations worked 53 percent of the time, holding other factors equal.69 On the other hand, other studies have found that those who report having a disability are not less likely to sustain employment.70 In addition, while many low-income parents have children with medical problems, nonexperimental research has not found a strong or consistent link between these problems and the parents’ likelihood of sustaining employment.71

- Low-income parents who are victims of current or recent domestic violence may be less likely to sustain employment. Several studies have found that domestic violence affects a substantial proportion of welfare recipients, with one statewide study finding that 20 percent had experienced domestic violence within the previous 12 months. Some 65 percent said they had been victimized by domestic violence at some time in the past.72 Although employment rates are comparable among victims of past abuse and other similar women who have not been abused, a new study suggests that recent or current abuse may decrease the chances of sustained employment. The study found that, after controlling for a variety of other factors, those who had experienced physical aggression or violence by male partners during a 12-month period had only one-third the odds of maintaining employment for at least 30 hours per week for six months or more during the subsequent year than did women who had not been victimized.73

- Alcohol abuse does not seem to affect employment rates, but drug use does. Recent national estimates of substance abuse among welfare

68. See Appendix B, Table B.3. See also Wagner et al., 1998; Olson and Pavetti, 1996.
73. Browne, Salomon, and Bassuk, 1999. Most of the women in the sample were welfare recipients.
recipients range from 8 to 9 percent for alcohol dependence and from 4 to 21 percent for drug abuse.\textsuperscript{74} Although a 1991 study found that those who abused alcohol and/or drugs were somewhat less likely to work year-round,\textsuperscript{75} newer research suggests that this picture may change when alcohol abuse and drug abuse are examined separately. A Michigan study found that welfare recipients who abused alcohol were substantially more likely to be working 20 or more hours a week at the time of the survey than recipients who did not (70 percent, compared with 57 percent). Recipients who abused drugs, by contrast, were much less likely than other recipients to be working 20 or more hours (40 percent, compared with 58 percent).\textsuperscript{76}

\textbf{Mental health problems, such as depression, appear to limit the ability of low-income parents to work steadily.} A number of studies have documented a high incidence of depression among welfare recipients, ranging from 19 to 42 percent.\textsuperscript{77} One study found that 23 percent of welfare recipients reported that they frequently were depressed and that these women were significantly less likely to have worked most of the year than those not reporting depression (12 percent, compared with 21 percent).\textsuperscript{78} The Michigan study found that over a fourth of recipients experienced depression (27 percent) and that they were significantly less likely to be working 20 hours or more a week at the time of the survey than those who were not depressed (48 percent, compared with 61 percent).\textsuperscript{79} Future reports from this study will examine the links among depression, job stability, and wage growth.

\textbf{Very low basic skills appear to keep low-income parents out of the workforce; among those who do work, however, low skills do not appear to affect chances of sustaining employment.} Two-thirds of welfare recipients score in the bottom fourth of all women their age on a test of basic skills, and half of those parents — one-third of all welfare recipients — have basic skills lower than 90 percent of other women their age. Those with the lowest skills have the least connection to the workforce.\textsuperscript{80} Among welfare recipients who find employment, however, those with low skills do not seem less likely than other women to sustain employment — holding job quality, previous work histories, previous earnings, and age constant.

\textsuperscript{74} Jayakody, Danziger, and Pollack, 2000; Kirby et al., 1999. Estimates are quite sensitive to the definitions used.
\textsuperscript{75} Olson and Pavetti, 1996.
\textsuperscript{76} Danziger et al., 1999.
\textsuperscript{77} Jayakody, Danziger, and Pollack, 2000.
\textsuperscript{78} Olson and Pavetti, 1996.
\textsuperscript{79} Danziger et al., 1999.
\textsuperscript{80} Olson and Pavetti, 1996. These data are from 1991. With the large decline in the welfare rolls since then, current welfare recipients have considerably less education than those who have already left. See Loprest and Zedlewski, 1999, p. 2.
and other factors equal. Undiagnosed learning disabilities may be one reason for low skill levels: recent research from three states found that between 25 and 35 percent of welfare-to-work participants had learning disabilities. (See Box 9.)

Box 9

Low Skills and Steady Work

- A study of women who share the low skills of welfare recipients found that those with moderately low skills (lower than 75 to 90 percent of women their age) took a long time to settle into the workforce but that, by their late twenties, most of these women were working steadily, although for very low wages.

- In contrast, the study found that women with extremely low basic skills (lower than 90 percent 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 percent of women with moderately low skills and less than 10 percent of higher-skilled women.*

*Pavetti, 1997a.

Program Evaluations

- Welfare-to-work programs offering a mix of job search, education, training, and work experience have been more effective with the harder-to-employ than programs offering primarily either job search or basic education. But other approaches have some success, too. Research from the NEWWS Evaluation shows that a variety of approaches increased employment and earnings for the harder-to-employ over the first two years of follow-up.83

- Some programs that offered more intensive services than typical welfare-to-work or workforce development programs have had long-term success with the harder-to-employ. The National Supported Work Demonstration, which was run in seven sites beginning in 1976, provided a year of subsidized, structured employment (with gradually increasing levels of hours and responsibility) together with on-the-job training and intensive supportive services. A rigorous evaluation found that 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

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83. Freedman et al., 1999.
$900 more annually than controls in the sixth through eighth years after exiting the program. 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.\textsuperscript{84}

Lessons for Policy and Practice

Some strategies for addressing personal and family barriers to sustained employment focus on detecting issues before employment — an approach which helps a program maintain its credibility with employers as a source of job-ready workers. Other strategies provide assistance to individuals with problems that arise or surface after they are working. Several of these approaches are summarized below.\textsuperscript{85}

\begin{itemize}
\item \textbf{Screen for personal and family issues, in an ongoing way.} Short, formal assessments of personal and family issues can be incorporated into a program’s orientation or assessment. These include existing tools to assess such issues as substance abuse and new tools being developed to assess learning disabilities.\textsuperscript{87} In addition, several new assessments cover a wide range of personal and family issues.\textsuperscript{88} In some cases, however, issues may be identified only after a parent begins participating in activities or working, either through problems with attendance and timeliness or through informal interactions with staff. Sensitive issues, such as domestic violence or substance abuse, are often not detected until an individual has developed an ongoing, trusting relationship with program staff.\textsuperscript{89}

Structured peer group interaction can also be an effective way of helping low-income parents see for themselves the need to seek services, especially regarding substance abuse or mental health treatment and counseling.\textsuperscript{90} For learning or other disabilities, situational assessments may be a good option. These involve a short internship (one or two weeks) by the participant in which the staff person conducts the assessment by observing how the participant carries out job tasks. Finally, creating a work-like environment in preemployment activities can help bring to the surface issues that may interfere with steady work.
\end{itemize}

\textsuperscript{84} Gueron and Pauly, 1991; U.S. Department of Labor, 1995. These dollar amounts are averages across the entire sample, including those not working.

\textsuperscript{85} Additional details and contact information are available in recent reports on programs serving the harder-to-employ: Dion et al., 1999; Johnson and Meckstroth, 1998; Kirby et al., 1999; Pavetti et al., 1996, 1997.

\textsuperscript{86} For profiles of model practices in this area, see U.S. Department of Labor, 1998.

\textsuperscript{87} For information on substance abuse assessments, see Kramer, 1998b, and Strawn, 1997. For information on learning disability assessments, see R. Brown, 1998, and Young, 2000.

\textsuperscript{88} These include, for example, the Situation Assessment Survey (SAS) in use in Connecticut for sanctioned families in the state’s welfare reform program. For more information, contact Carol Huckaby at Connecticut Council of Family Service Agencies.

\textsuperscript{89} Pavetti et al., 1996; Wagner et al., 1998; Rangarajan, 1998.

\textsuperscript{90} Henderson, 1998; Pavetti et al., 1997.
Invest in ongoing staff training, colocate specialized staff, and create mechanisms for coordination of services among staff. Frontline welfare and workforce development program staff will need ongoing training to identify signs of potential personal and family issues that may interfere with employment and to make appropriate referrals. In particular, staff from the various agencies that will work with the families — such as welfare, mental health, and alcohol and drug abuse agencies — should be cross-trained in each other’s goals, policies, and operations so that they can collaborate more effectively.

In addition, states and localities that have integrated counseling and other services for the harder-to-employ into welfare-to-work or workforce development programs have found a need to hire or colocate professional staff with expertise in these areas to supplement regular caseworkers and to reduce the caseloads of regular staff. Utah has social workers to carry out these responsibilities; similarly, Kentucky recently decided to add social workers to specialize in helping harder-to-employ families. Oregon collocates existing alcohol and drug treatment staff in welfare offices; administrators have found, however, that they need to delineate the responsibilities of each staff person carefully.

Whether services for the harder-to-employ are situated in-house, colocated, or provided through referral to other community agencies and private organizations, close and frequent communication among all staff working with a family is essential. Several programs working with the harder-to-employ have regularly scheduled, formal “team case staffings” in which all staff involved with a family meet to exchange information and plan coordinated services.

Provide alternative sources of ongoing social support for low-income parents who lack support from family and friends. Staff at Chicago Commons Employment Training Center (ETC), with extensive experience in serving families with multiple barriers, believe that barriers to employment may influence success less than whether a person has a supportive network of friends and family. Because many women coming to ETC lack such supports, the program tries to provide them with an alternative network of supportive peer groups and opportunities to develop close relationships with staff. An 80-hour life skills component acts both as a relationship-based assessment (rather than using a written instrument) and as a forum for developing a support network. ETC also offers specialized weekly support services.

94. Pavetti et al., 1997.
95. See, for example, Henderson, 1998.
groups organized around specific barriers, such as substance abuse, domestic violence, and depression.  

✔ **Combine substance abuse, mental health, and counseling services with work or with activities that prepare individuals for work.** Some states, such as Oregon and Utah, have done extensive work in developing partnerships between welfare, alcohol and drug abuse agencies, and mental health agencies. Diagnostic and therapeutic services, if intensive and short term, can be delivered concurrently with employment or before employment. Several recent reports offer lessons for structuring such services:  

- **Provide state leadership.** Require localities to have a strategy for addressing substance abuse, mental health, and other issues; count therapeutic activities as work, and do cross-agency training.  
- **Colocate alcohol and drug treatment professionals with employment staff.**  
- **Clearly define and structure services.** Services should have a clear beginning and end and should include frequent monitoring.  
- **Focus on building strengths and skills, not curing a problem.** Utah, for example, uses the brief therapy approach of 8 to 10 counseling sessions aimed at increasing the family’s capacity to handle day-to-day workplace and personal tasks. Such short-term counseling addresses one specific problem, rather than all potential issues in the parent’s life.  

✔ **Collaborate with employers on responses to domestic violence issues.** In Rhode Island’s retention services, domestic violence has emerged as a major issue as the caseload has shifted from applicants and voluntary participants to mandatory cases. Rhode Island has developed training for staff to identify and respond to domestic violence issues. The state has found that cooperation from employers (primarily businesses with fewer than 250 employees) is essential to resolving these issues, because workers need to take time off work in order to get restraining orders and employers need to be aware of safety plans. Employers have been very supportive so far; some employers with predominantly female employees have even asked the state to conduct domestic violence workshops on site for all their employees, not just those transitioning off public assistance.  

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96. Henderson, 1998; and presentation by Jenny Wittner, Executive Director, Chicago Commons ETC, November 1998.  
98. See also Pavetti et al., 1996.  
99. Interview and correspondence with June Allen, Rite Works Employment and Retention Service Unit, Rhode Island, November 1998.
Create opportunities for those with very low basic skills and/or very limited work experience to build incrementally their education and job skills. Combinations of work, education, and training may be more effective than any one of them alone. Programs can use volunteer work, community service, community work experience, internships, and other unpaid employment to provide opportunities for learning about the workplace. Project Match, a private welfare-to-work program in Chicago that serves very disadvantaged low-income parents, uses unpaid work as one “step” on a ladder of increasingly demanding self-sufficiency activities. The work is often something the parent arranges on her own, such as volunteering at her child’s school. Work experience should provide opportunities to learn real skills, however; past “workfare” programs were found not to increase employment or earnings. For example, Portland, Oregon’s Steps to Success uses unpaid work experience — often in the private sector — to increase employability, and positions are tailored to fit people’s skills and interests.

Work with private employers and intermediaries to provide intensive job coaching at the worksite. The first few months of a new job are critical for new entrants to the workforce. For those who may need extra help adjusting to the workplace and mastering new job tasks, worksite job coaching may be a good option. Unlike sheltered workshops, such job coaching is integrated into mainstream employment. Some private organizations and public agencies have a great deal of experience with job coaching and with establishing relationships with employers so that it can take place at the worksite.

Developmental disability agencies, for example, exist in every community and have always provided job coaching to the mildly disabled individuals they serve. The supported employment model used by these agencies includes individualized job development; adaptation of job tasks, if necessary, to fit the individual’s disabilities; and job placement followed by worksite training by the agency. In addition, these agencies can provide specialized vocational assessment and typically have long-standing relationships with employers in the community. (See Box 10.)

Consider broader use of time-limited, publicly funded combinations of paid work and learning. Publicly funded jobs could provide a viable option for harder-to-employ individuals unable to find unsubsidized work. Unlike those in unpaid work experience, participants in publicly funded jobs receive a paycheck, pay taxes, and qualify for the Earned Income Credit. Federal TANF funds may be spent outside the TANF cash assistance program

101. Herr, Wagner, and Halpern, 1996. Project Match’s approach is being replicated at six sites in five states under the name Pathways. See also U.S. Department of Labor, 1999.
103. For further information, see Savner and Greenberg, 1997b; and C. Johnson, Schweke, and Hull, 1999.
Supporting Steady Work: 8. Strategies for the Harder-to-Employ

Box 10

Intensive Job Coaching at the Worksite:
Colorado’s New Gateways Initiative*

New Gateways to Collaboration is an example of a partnership between a rural welfare-to-work program, the Gateway Program at Colorado Mountain College, and a developmental disability agency, Mountain Valley Developmental Services.

The New Gateways initiative offers participants two semesters of fast-track training (for college credit) at the college, with one semester covering a core curriculum of soft skills, basic skills, and general job skills and the second semester providing training customized to specific jobs.

After individuals have finished the college component, Mountain Valley Developmental Services places them and provides intensive job coaching at the worksite. The job coach stays with the worker all day for the first two days and then spends a couple hours a day with the worker for the remainder of the first month. Less intensive follow-up services continue to be provided for the next 12 to 24 months, as necessary.

Although New Gateways is small and relatively new, its creators believe that such partnerships hold great potential for individuals who do not need employment that is as specialized as a sheltered workshop, but who do need greater support than the typical new hire receives.


104. See Johnson and Savner, 1999.

to subsidize wages with private employers or to create publicly funded jobs without subjecting workers to TANF requirements, such as time limits. In addition, states can choose to use these jobs to serve different populations than the TANF cash assistance program does, such as noncustodial parents or at-risk youth. (See Appendix A.) Workforce Investment Act funds may also be used this way, as can the Department of Labor’s Welfare-to-Work grants or TANF funds within the TANF cash assistance program.104

Currently eight cities (Baltimore, Detroit, Indianapolis, Miami, Minneapolis, Philadelphia, San Francisco, and Seattle) and two states (Vermont and Washington) are implementing paid transitional work programs for harder-to-employ individuals as part of welfare reform.105 Though these initiatives are just getting started, some early implementation issues have emerged. (See Box 11.) In addition, several recent reports provide overviews of research and
Supporting Steady Work: 8. Strategies for the Harder-to-Employ

Box 11

Early Lessons from Transitional Employment Programs*

✅ **Identify high-quality worksites.** As with unpaid work experience, publicly funded jobs can increased employability only if designed to do so. Key features of high-quality worksites include: ongoing and supportive supervision, responsibilities and tasks that promote learning, flexible schedules that allow the combining of work and school, and the potential of hiring successful participants.

✅ **Train frontline workers to identify and refer individuals for transitional employment.** Lack of referrals has emerged as a major bottleneck for programs. In some places, referrals have been slow because frontline staff are overwhelmed by sweeping changes in the welfare system, including substantial new responsibilities for job placement. In other places, frontline staff simply are not aware of new transitional employment programs. In addition, without guidance from agency leadership, staff may perceive that other activities, such as job search, have a higher priority within the program.

✅ **Avoid complex rules and administrative procedures.** In Washington State, intricate regulations for the state’s transitional employment program required substantial extra work by case managers and sharply limited the flexibility of local contractors operating the program. In addition, the program’s separate treatment of earnings created problems for both welfare staff and contractors. The state has responded by greatly simplifying the rules for the program and reducing the administrative burdens it places on staff and contractors.

*C. Johnson, 1999; C. Johnson and Headings, 1998.

practice in paid and unpaid work experience programs, including an in-depth study of community service jobs in the New Hope demonstration in Milwaukee, Wisconsin.106 Shorter, less expensive models (compared with the National Supported Work Demonstration) for supported work may also be feasible, such as IAM Cares, sponsored by the International Association of Machinists in various sites around the country, and Kandu Industries in Ottawa County, Michigan. Both offer short-term supported employment followed by job placement and long-term follow-up for individuals with disabilities, chronic health problems, and other barriers to work.107

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Help learning-disabled parents develop coping strategies, and work with employers, training providers, and testing agencies to identify low-cost, reasonable accommodations for low-income parents with learning disabilities. A number of resources are now available for serving adults with learning disabilities. The National Institute for Literacy has developed a Learning Disabilities Toolkit. More than 30 states have participated to date in Bridges to Practice, the institute's training on using the toolkit. Georgia, Kansas, Minnesota, and Washington all screen for learning disabilities, and both Washington and Kansas have developed and validated assessments for this screening. Minnesota has developed a detailed resource manual about learning disabilities and work for use by employment counselors, employers, employees, and job-seekers. The manual includes helpful strategies for learning-disability screening and workplace accommodations.

In addition, Florida recently received a Welfare-to-Work grant for job placement and retention for welfare recipients with learning disabilities. The goals of the project are (1) to place welfare recipients in jobs with potential for advancement and (2) to provide assessment, job matching, job coaching, and follow-up support for up to three years.

Low-income parents with disabilities may need (and are legally entitled to) reasonable accommodations in services and in the workplace. These accommodations need not be expensive and may enable parents who have failed repeatedly in jobs to succeed. For example, some parents with learning disabilities may never be able to read well. Accommodations that could help them include giving job instructions verbally, providing visual materials, and allowing extra time for difficult tasks.

Even those with very low skills and/or limited English proficiency can benefit from occupational training, if it is hands-on and includes contextualized basic skills remediation. This strategy is discussed in more detail in Part IV of this guide because, among those who work, basic skill levels appear to be more important for job advancement than for sustaining employment. However, this could change as welfare reform moves more parents who have not worked before into employment; therefore, it is also a strategy to keep in mind as an option for the harder-to-employ. (See Section 10.)

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111. One resource for strategies in this area is the Job Accommodation Network. See also Business Publishers, 1999.
IV.
Promoting Access to Better Jobs
The policies and practices described in Parts III and V may help low-income parents to work steadily at the low-wage jobs they typically find. There are at least three important reasons, however, to take additional steps aimed at improving the quality of those initial jobs:

- **Better initial jobs are linked to steady work and higher wages in the future, as described in Part II.** Helping parents find the best possible initial job in the time available, then, may be as important as any postemployment service is in increasing job retention and advancement.

- **Programs that help low-income parents find better jobs may reduce their need for future, publicly funded support and increase family income.** Among the 11 programs studied in the National Evaluation of Welfare-to-Work Strategies (NEWWS), the site that increased job quality the most — Portland, Oregon — also had the biggest impacts on self-reliance, increasing the percentage of families who were employed and off welfare at the end of two years. Portland also increased family income and reduced poverty by modest amounts.\(^1\)

- **Helping parents find better jobs may lessen competition for low-skill jobs and minimize displacement of existing workers and/or depression of wages.**\(^2\) In some communities — particularly large urban areas — research suggests that there are typically many low-skilled job-seekers for each available low-skill job. Helping some welfare recipients and other low-wage workers to move up to better jobs could potentially lessen this competition.

There are, of course, limits to how far states and localities can go in helping low-income parents find better jobs, and despite new policies and services, most will continue to work in low-skill, low-wage jobs. Nevertheless, increasing access to better jobs for even a minority of low-income parents is critical. Currently more than one-third of women who work full-time, year-round, still fail to earn enough to escape poverty.\(^3\) Promoting better jobs does not replace but rather complements policies and services that support steady work.

This part of the guide is divided into four sections: Section 9 lays out key issues that states and localities should consider in designing strategies to promote access to better jobs. Section 10 describes what is known about effective approaches to upgrading the skills of unemployed parents. Section 11 presents lessons learned about upgrading the skills of employed parents, both on and off the worksite. Section 12 discusses ways to connect people to better jobs through career counseling, information about job opportunities, and public-private partnerships to improve job quality.

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Research on how people advance in the workforce suggests that there are three key factors: basic reading and math skills, education or training credentials beyond high school, and informal networks that help workers and employers connect. States and localities are likely to find that a combination of strategies responding to all three of these factors is needed to help low-income parents move into better jobs.

9. Issues to Consider in Promoting Access to Better Jobs

As state and community policymakers consider strategies to promote workforce advancement for low-income parents, they should bear in mind several key issues that may affect the choice of approach as well as the success of an initiative. This section provides guidance to policymakers and program administrators in the following areas:

- Understanding what employers want
- Pursuing sectoral strategies
- Individualizing job advancement strategies
- Restructuring workforce development systems
- The role of postsecondary education institutions

Understanding What Employers Want

Understanding the needs of employers is crucial to successfully placing low-income parents in better jobs. Yet research on both welfare reform and job training programs has found that this critical ingredient is frequently missing from current efforts. For most entry-level jobs, employers say that they are primarily interested in reliable employees with positive attitudes. However, better jobs typically come with somewhat higher employer demands. For example, a recent study of hiring practices at several manufacturing and financial services companies found that in order to be hired into an entry-level job, candidates had to be able to:

- read at the ninth-grade level or higher;
- do math at the ninth-grade level or higher;
- solve semi-structured problems in which hypotheses must be formed and tested;

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work in groups with persons of various backgrounds;
communicate effectively, both orally and in writing; and
use computers to carry out simple tasks like word-processing.

In a given locality, the bar for better jobs may be set differently than in this study. What is most critical for welfare reform and workforce development programs is that they put in place effective, multiple mechanisms for understanding the skill requirements for the better jobs in their communities. These should extend beyond labor market data and employer advisory groups and could include, for example, collaborating with employers on curricula development and hiring instructors from industry.

Often employers themselves may not have a concrete sense of which basic skills particular jobs require and may rely instead on using some general credentials, such as a high school diploma or GED, to screen prospective employees. Employment programs can sometimes help low-income parents gain access to better jobs simply by documenting the actual skills needed for a job and matching those with an individual's skills as a way to persuade an employer to hire someone who lacks more formal credentials.

### Pursuing Sectoral Strategies

A number of recent initiatives to promote access to better jobs have taken a sectoral approach, focusing on a cluster of employers in one part of the local labor market. Sectoral approaches allow states and localities to respond to common workforce needs across a number of employers, rather than developing narrow, customized training programs for one just employer. For employers, too, the economies of scale in sharing training costs make training more affordable; they may also see joint training endeavors as less risky than individual efforts, because their competitors will share the investment. Some sectoral projects involve intermediary organizations, which may be associations of employers, like the Washington Aerospace Alliance; or associations of workers, like Cooperative Home Care Associates in the Bronx, New York.

Many entry-level job skills are common across large segments of employers. In Arizona, for example, training for low-income parents has been designed in cooperation with the electronics industry, the nursing home association, the restaurant association, and the retail employers association. Georgia's Department of Technical and Adult Education has created two sectoral training programs — the Certified Manufacturing Specialist program and the Certified Customer Service Specialist program — that result in credentials which are accepted statewide.

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7. See, for example, the Cleveland, Ohio, SCANS Employability Skills (SES) project, in Strawn, 1998b.
8. Much of this discussion draws on Dresser and Rogers, 1997.
Although sectoral approaches offer powerful advantages, there are some formidable barriers to carrying them out successfully. Competition among firms often prevents them from working together in a cooperative way. States and localities are likely to have to think opportunistically, pursuing a sectoral approach only when employers can be brought together in a constructive way and are willing to contribute staff time and financial resources to the project.

**Individualizing Job Advancement Strategies**

Low-income parents are a diverse group, even when they have similar education levels or similar work histories. Moreover, their characteristics vary widely from community to community and over time as the economy changes. Because of this diversity, programs will be able to make the best decisions when frontline staff understand local employers’ needs, education and training options, and each person’s skills and interests. Staff also need clear support from management about the importance of job advancement, and they must have the discretion to use a range of tools to help people.

Bearing in mind the need for an individualized approach, some broad generalizations may be made about possible strategies for different groups:

- **Low-income parents with a high school diploma or GED and solid basic skills (ninth grade or higher) may be able to enter better jobs directly, by means of career counseling, careful job placement, and help in resolving barriers to work.** With some postsecondary education and training, this group could advance even further. These parents can gain access to postsecondary opportunities on their own but are likely to need help juggling parenting, working, and learning — especially if they are single parents.

- **For those without a high school diploma or GED and moderately low basic skills (seventh to ninth grade), states and localities likely need to invest in skill upgrading to help them qualify for a better job.** This group is likely to be shut out of many existing occupational training opportunities within or outside the workplace. Investing in short-term training can bridge gaps in educational and job skills and prepare parents to enter other training programs.

- **For those who lack a high school diploma or GED and have very low basic skills (second to sixth grade or below), states and localities likely need to create or expand services specialized to their needs.** Although not everyone in this group can benefit from job advancement services, some can. For example, some programs teach job-specific skills and basic skills or English language skills concurrently and

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10. These parents are skilled enough that even if they lack a diploma or GED, they are likely to be able to pass the GED with minimal preparation.
are open to those with skills as low as third grade or those with little English proficiency. Those with learning disabilities may need accommodations to succeed, however. (See Section 8.)

**Barriers to Participation**

Many of the same factors that interfere with low-income parents’ ability to sustain employment can also prevent them from participating in program services. To be effective, job advancement strategies cannot rely on some other part of the social services or welfare systems to address these issues but rather must include tools to identify barriers and develop linkages to other service providers. Employment and training program staff should develop a web of relationships with other agencies to address such matters as vocational rehabilitation, developmental disabilities, substance abuse, and mental health.

Staff training is critical to identifying and resolving barriers to participation. Utah, for example, is creating a unified workforce delivery system. The state has found that it needs to invest heavily in training for frontline employment counselors and also to hire some highly trained resource staff to back up frontline staff when they encounter complex personal or family issues that are interfering with program participation and employment. (See Box 12.)

Skill upgrading can be done before employment or concurrently. States and localities may want to bear in mind, however, that programs offering skill upgrading in the evenings and weekends to employed, low-income parents have typically encountered low participation even when help with transportation and child care is available. Working with employers to offer upgrading services at the worksite may lessen the participation problem, particularly if the training is done during work hours as paid release time. States and localities may also find that participation increases when education and training courses are made more intensive and shorter so that they can be completed more quickly.

**Restructuring Workforce Development Systems**

The majority of low-income parents lack the mix of educational and technical skills needed to qualify for the better jobs. For them, the ability to move into better jobs will depend on access to effective skill upgrading services. In many communities, though, the infrastructure for providing these services is weak, which is especially problematic for those with low basic skills.

States and localities may find it difficult to focus on improving the overall quality and effectiveness of workforce development systems at the same time that they are grappling with fundamental changes in the welfare system and must also put into place the new infrastructure created by the Workforce Invest-

Box 12

Building a Unified System: Utah’s Experience*

Utah has integrated all its welfare-to-work and employment and training services into one Department of Workforce Services. Performance measures are set for the entire department, across funding streams, and funding sources are invisible to customers of the services. The vision for the new system includes the following elements:

- Workforce services will be compassionate, individualized, employment-focused, and provided in a professional environment, with zero waiting time for customers.
- All customers go to the same employment centers and are served primarily by generic employment counselors (though social workers are also on staff for those with the most serious barriers to employment).† Employment counselors provide assessment, career planning, job placement, follow-up, and job advancement services.
- Each counselor stays with an individual throughout the time he or she needs services, both before and after becoming employed, and whether or not the person is receiving other benefits, such as cash assistance.
- A wide array of services can be provided, including career counseling, job placement, classroom training, on-the-job training, postsecondary certificate or degree programs, adult basic education, supportive employment, life skills, and self-esteem courses. Customers fill out a single application for all services.
- Customers can also sign up for Food Stamps, Medicaid, and other benefits at the employment centers, where centralized eligibility staff determine eligibility for all benefit programs statewide.

The transition to the unified system has taken an enormous amount of time and effort. Because Utah’s Department of Workforce Services relies on staff discretion to individualize services, it invests heavily in training frontline staff in such areas as career counseling, job development, assessment, domestic violence, communication, and interviewing skills. Key challenges have included: overcoming fundamental differences in attitudes and expectations of staff from different agencies; providing needed supportive services, especially child care and transportation; determining appropriate caseload size, based on actual workload; creating a new supportive employment component, using worksite job coaching at private employers, for those with more serious barriers to work; and making services more accessible by doing home visits and worksite visits and keeping centers open on evenings and weekends.

*Based on materials from the Department of Workforce Services and an interview with Marie Christman, Department of Workforce Services, November 1998.
†The one exception is veterans, who must first see staff specializing in veterans’ services.
ment Act. There is a danger that staff will be overwhelmed with all the changes they are being asked to implement. (See Box 13.)

On the other hand, the redesign of multiple systems presents a unique opportunity to break with past practices and to implement improvements. In addi-

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**Box 13**

**The Workforce Investment Act***

Enacted in 1998, the Workforce Investment Act (WIA) made significant changes to federal employment, job training, and literacy programs for adults. Among these changes are:

- States and localities must establish business-majority, workforce investment boards to oversee programs for youth, adults, and dislocated workers.

- States may engage in unified planning for a range of federal programs, including youth and adult training, the Employment Service welfare reform, vocational education, vocational rehabilitation, and adult literacy. Funding, administration, and operation of the programs remain largely separate.

- There are three tiers of services — core, intensive, and training — and individuals must receive at least one core service and one intensive service before gaining access to training.† Core services include initial assessment, intake, referral, and job placement. Intensive services include in-depth assessment, career planning, work experience, and case management. Training includes classroom instruction, on-the-job training, and customized training.

- Core services must be universally available and delivered through one-stop centers. At least one center in each locality must have collocated services.

- Training must be provided through “individual training accounts,” similar to vouchers. Training can be provided through contracts only in certain instances, such as for on-the-job or customized training, in rural areas, or for populations with special needs. Providers must be certified by the state, based on performance information.

- States and localities will be held accountable for program performance, including employment retention and wage advancement. States face penalties for failing to meet performance standards and could receive incentive grants for exceeding these standards.

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*The act also makes important changes to youth employment programs. For detailed summaries of WIA, see the Web sites of Regional Technology Strategies, Inc., and the U.S. Department of Labor, Employment and Training Administration.

†For a complete list of core, intensive, and training services, see Savner, 1999.
tion, a more unified workforce development system could potentially address some of the difficult issues inherent in helping low-income parents and other low-wage workers upgrade their skills, such as equity in services and better articulation of basic education with training and training with longer degree programs. It is important to note, though, that better coordination or integration of services does not automatically mean higher quality. Improving the quality of adult education and job training services is an urgent and critical task for states and localities seeking to create an effective workforce development system. (See Sections 10 and 11.)

Research and program experience suggest the following best practices for improving workforce development systems:

✔ **Develop close ties to employers.** The success of a local workforce development system depends crucially on accurate, up-to-date information about jobs in demand in the local economy and the specific skills needed to carry them out. While formal labor market information can help, continuous interaction with local employers is key to hearing about job openings and understanding in detail which skills are required for which jobs. One effective way to approach employers, used by Wildcat Service Corporation in New York, is with a business plan for how the workforce development program can help meet their labor needs by supplying, for example, skilled, job-ready workers; by reducing turnover; and/or by helping to modernize the skills of their existing workforce.

✔ **Move beyond a “one-shot” approach.** One short-term intervention — whether career counseling, job readiness, job training, or some other service — is unlikely to put a low-income parent permanently on a path out of poverty. Effective programs typically have a long-term commitment to working with parents, with “open door” policies about coming back for further skill upgrading or career counseling or referrals to other services.

✔ **Avoid the “training fixes everything” trap.** While job training is a key component of helping low-income parents access better jobs, so are helping employers to improve operations; helping workers to navigate the labor market; and addressing personal, family, and logistical barriers to participation and steady work.

✔ **Integrate adult education and training.** It has been widely documented that low basic skills and limited English are common among low-wage parents and pose formidable challenges to helping them gain entry to training and move up to better jobs. Yet research has also repeatedly found that relying on traditional, stand-alone adult education services does not result in in-

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creased hourly earnings for low-income parents. Solving this dilemma will have to be a core mission of states and localities concerned with helping low-income parents move into better jobs.

✔ **Blend work and learning wherever possible.** Linking classroom education and training with hands-on application of the skills being taught has been shown to be more effective than classroom instruction alone. Despite this, few education and training programs incorporate paid or unpaid work experience. States may be able to build on the experience of their customized training agencies to expand work-based learning opportunities, especially now that WIA funds may be used to train existing workers as well as the unemployed.

✔ **Devise flexible ways to deliver training services.** Shorten existing certificate or degree programs whenever possible by making them more intensive, and/or break them down into a series of short segments. This allows people to complete segments whenever they can find the time, either while they are not working or by combining training with work for a short period. Employers may also be more willing to provide release time if the training can be done in short chunks rather than over a longer period of time.

✔ **Document skills acquired in the classroom or on the job, through higher education credentials, formal skill standards, or more informally developed credentials.** A key challenge for states and localities is to articulate training programs so that the workforce development system can provide ongoing opportunities to upgrade skills. Low-income parents need ways to document the progress they have made without having to start over when switching from one education and training provider or one employer to another.

✔ **Use flexibility in federal funding to tailor services to individual needs.** The most successful welfare-to-work programs to date have included a range of employment, education, and training services while maintaining a central focus on employment. Despite the “work first” focus of TANF and WIA, there is room in both programs to take an individualized approach.

### The Role of Postsecondary Education Institutions

Community colleges — and, in some cases, state universities — are frequently mentioned as having a crucial role to play in helping workers upgrade their skills and employers meet their workforce needs. There are clear advantages to involving colleges in these endeavors. In states where colleges provide most adult education and job training services, for example, it is likely to be easier to integrate those services and connect them to degree programs than in places

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17. Isbell et al., 1997; Pindus and Isbell, 1997.
where the services are divided among many different agencies and providers. And despite the current focus on welfare reform and the 1998 Workforce Investment Act, the majority of postsecondary job training in the country is supported by federal student aid.

Yet colleges face some key challenges in redesigning their services to better meet the needs of low-income workers and employers: 18

- Curriculum review and accreditation processes are frequently too slow for occupational training, which has to keep pace with rapidly changing workplace demands. Colleges respond by offering training through noncredit business or continuing education arms, which damages the ability of low-income workers to build on shorter-term training to acquire college degrees.

- Faculty union contract issues make it difficult in some cases to offer courses in the evening or on weekends or to compress courses into intensive schedules.

- Student financial aid policies do not support incremental approaches to low-income workers’ acquiring skills because students attending less than half time and those in noncredit programs cannot receive aid.

- Basic education and job training courses and the faculty who teach them are often marginalized in colleges. 19

10. Upgrading Skills While Unemployed

Whether someone is between jobs or has not yet entered the workforce, periods of unemployment can provide an opportunity for upgrading skills. The key to putting this time to productive use is to develop a menu of high-quality, shorter-term job training options — preferably ending in recognized occupational credentials — that will give individuals access to better jobs. If this training is then articulated with longer associate degree and bachelor degree programs, it can help low-income parents begin climbing a career ladder out of poverty.

A growing number of states and localities that emphasize rapid employment in their welfare-to-work and workforce development programs are finding that shorter-term skill upgrading for people who are unemployed can be an effective part of this approach. Indeed, rigorous evaluations have found that the most effective welfare-to-work programs have a central focus on employment but also offer a mix of job search, education, training, and other services. 20 And, contrary to common perceptions, states and localities have considerable flex-

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ibility under both TANF and the 1998 Workforce Investment Act to invest in up-front skill upgrading for the unemployed. (See Box 13 and Appendix A.)

In many communities, however, changes are needed in skill upgrading services to make them more effective and more responsive to the needs of low-income parents. In particular, there are four critical challenges:

- Job training should be more closely connected to employers to ensure that training meets employers' needs, that people are being trained for better jobs than they could get on their own, and that those jobs are in demand in the local economy. The most effective training occurs either on the job or in a job-like setting.\(^\text{21}\)

- Job training should be made more accessible to individuals with low skills or limited English proficiency by lowering arbitrarily high entry requirements, creating pretraining courses that "bridge" the gap between these individuals' skills and those needed in the training, and incorporating basic skills and English language instruction into training.

- Wherever possible without diminishing quality, services that now operate on a traditional academic schedule should be compressed into shorter, full-time programs that run year-round or broken into short modules that can be completed at different points in time.

- Short-term training should be articulated with longer-term education and training opportunities, either with employers or with higher education institutions, so that low-income parents have opportunities for future job advancement.

**What the Research Says**

Part II of this guide described research showing that job advancement for low-income parents is strongly tied to their basic skill levels and attainment of credentials — especially certificates or degrees beyond high school. In particular, low basic skills are a chronic problem for many of those in poverty and receiving welfare, and their low skills, in turn, typically bar them from obtaining occupational credentials.\(^\text{22}\) Research on welfare-to-work, job training, and adult education programs shows that it is possible to help low-income parents move into better jobs by upgrading their skills, yet only a handful of programs have actually done so. Key ingredients in helping low-income parents find higher-paying jobs appear to be strong leadership in making job quality a central objective of the program, reinforced with incentives for caseworkers (see Section 10), and access to high-quality job training as part of a comprehensive, employment-focused program.

\(^{21}\) Isbell et al., 1997.

Job search-focused programs have consistently helped low-income parents work more but have generally not changed the quality of the jobs they find. The NEWWS Evaluation of 11 welfare-to-work programs found that those focused primarily on job search activities produced larger gains in employment and earnings over a two-year follow-up period than adult education-focused programs. However, impacts in two of the three job search-focused programs grew smaller by the end of two years, suggesting that the impacts may not be sustained over the long run. Other studies have shown that, with some exceptions, impacts in job search-focused programs can fade entirely within a five-year period. Moreover, earnings gains from these programs generally resulted from welfare recipients' working more — not from helping them to find better jobs.

Education-focused programs have not done better. Despite the prevalence of low basic skills among welfare recipients, basic education-focused programs have not helped recipients find better jobs and have not been as consistently successful as job search in increasing employment and earnings. These programs also have not consistently increased basic skills test scores or attainment of the GED. However, programs that pay close attention to the quality of services can produce better results.

Some programs have succeeded in helping welfare recipients find better jobs. The Portland, Oregon, site in the NEWWS Evaluation produced large gains in employment and earnings and also helped welfare recipients find jobs that paid more and provided benefits. At the end of two years of follow-up, Portland increased employment rates by 43 percent; for those who were employed, it increased hourly wages by 13 percent.

23. Freedman et al., forthcoming 2000. See also Friedlander and Burtless, 1995; Bloom, 1997; and Strawn, 1998b.
24. Friedlander and Burtless, 1995. The exceptions are two counties in the study of California's GAIN program: Riverside and San Diego. Both programs focused on quick employment but used a mix of job search, education, and training services See Freedman et al., 1996.
25. In the NEWWS Evaluation, one job search-focused program in Riverside, California, did improve job quality in terms of access to full-time jobs with health benefits. The program did not increase hourly wages, however, and overall impacts on employment were small and declining at the end of year two.
27. Evaluations of welfare-to-work programs have found that the majority of welfare recipients who enrolled in basic education did not obtain a GED, and most programs studied did not raise welfare recipients' scores on a test of basic skills. Further, no clear relationship can be seen in this research between programs that raised test scores or increased GED receipt and those that raised earnings. This is consistent with research on adult education programs more generally. See Pauly and Di Meo, 1995; Beder, 1998.
28. Service quality appears important for educational outcomes. San Diego County — the only one of five California counties studied that raised recipients' test scores — had developed an entirely new system of learning centers just for welfare recipients, which featured computerized instruction, specially trained staff, off-campus locations, and more hours of instruction per week than regular adult education classes. See Martinson and Friedlander, 1994.
percent and increased the percentage who found jobs with health insurance by 19 percent. Portland also increased by 46 percent the proportion of parents earning more than $10,000 annually.\textsuperscript{29} Moreover, impacts were holding steady at the two-year point, suggesting that the program’s effects will remain strong into the third year.\textsuperscript{30}

\textbf{Successful programs include a mix of job search, life skills, work-focused basic education, and occupational training.} Although the Portland program stressed moving into the workforce quickly, it was not a strictly “work-first” program in that the first activity for each person varied depending on skills, work history, and other factors. The Portland program was unusually balanced between skill upgrading and job search, with correspondingly well-balanced outcomes. Among the 11 NEWWS sites, Portland increased employment and earnings by more than the three employment-focused programs and yet also increased receipt of occupational licenses or certificates and GEDs by as much as the seven education-focused sites.\textsuperscript{31}

\textbf{Portland’s results are consistent with earlier research on programs — such as Baltimore Options, San Jose’s Center for Employment Training, and the Alameda County and Butte County GAIN programs — that stressed better jobs and also used education and training in addition to job search activities.}\textsuperscript{32} Although smaller than the Portland program, the Baltimore Options program’s earnings impacts were substantial and still growing five years after participants entered the program. Similarly, the Alameda GAIN program, which focused on occupational training for high school graduates, resulted in the targeted welfare recipients’ finding better jobs. The Center for Employment Training, through occupational training integrated with basic education, increased employment and earnings among both high school graduates and dropouts, and it raised hourly wages for the former group.

\textbf{Portland’s results show that programs can help a range of welfare recipients find better jobs — not just the most educated recipients.} Portland increased hourly wages and employment stability both among recipients who entered the program without a high school diploma and among high school graduates. Over two years of follow-up, the program increased hourly wages for nongraduates who were employed by nearly 60 cents per hour and for graduates by almost 90 cents.

\textsuperscript{29} Freedman et al., forthcoming 2000.
\textsuperscript{30} Scrivener et al., 1998.
\textsuperscript{31} Freedman et al., forthcoming 2000.
\textsuperscript{32} Friedlander and Burtless, 1995; Riccio, Friedlander, and Freedman, 1994; Zambrowski and Gordon, 1993.
Typically, welfare-to-work programs help either one group or the other find better jobs, but not both.33

- **Access to occupational training for welfare recipients without a high school diploma or GED may be a key to helping them find better jobs.** The three NEWWS sites that most increased hourly pay for nongraduates — Columbus, Detroit, and Portland — also boosted participation in postsecondary education or occupational training. Only Portland, however, substantially increased receipt of occupational licenses or certificates; nongraduates in the Portland program were four times more likely to receive a trade license or certificate than those not in the program.

- **Another key may be to restructure education and training services to make them shorter, full time, and focused on real work and life tasks.** In Portland, an intensive six-week GED preparation class was created that may have made it easier for nongraduates with relatively solid basic skills to obtain a GED quickly and move on to job training. Job training certificate programs were also compressed, from one year to three or four months (and ultimately were made even shorter). In addition, for those with very low skills, Portland created a 10-week “employability class” designed to improve a broad range of workplace-related basic skills, life skills, computer skills, and soft skills.34

**Lessons for Policy and Practice**

While postsecondary education and job training have the potential to help low-income parents move into better jobs, the goal often has not been realized.35 The inconsistent results of training suggest that its quality matters a great deal for its effectiveness. For states and localities interested in improving the quality of training for low-income parents, some best practices can be derived from the work of highly regarded providers, such as Portland, Oregon’s Steps to Success, the Center for Employment Training (CET) in San Jose, the Chicago Commons Employment Training Center (ETC), and others.36

The lessons in this section are divided into three areas: improving the quality of job training, making training more accessible, and improving the effectiveness of work-related adult education.

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33. For example, in the NEWWS Evaluation, only one other of the 11 sites increased hourly pay significantly for both groups — the Atlanta employment-focused program — and its impacts were about half the size of Portland’s. Previously evaluated programs have typically been able to find better jobs for high school graduates but not for nongraduates. See Bloom, 1997; Friedlander and Burtless, 1995.

34. Strawn, 1998b.


36. There are several resources on best practices for training. See Barnow and King, 2000; Badway and Grubb, 1997; and the National Community College Workforce Development Database.
Improving the Quality of Job Training

✓ Start by targeting five to ten local employers who can offer jobs with higher than average wages, benefits, and potential for advancement. Market program services (screening, training, and postemployment follow-up) to them, and obtain their input on program design. Developing training for an entire sector rather than for one business can help ensure that the training does not narrowly benefit one firm. (See the discussion of sectoral strategies in Section 9.)

✓ Give participants an opportunity to learn about different career options before choosing a training program. This may be especially important for helping low-income people envision themselves in careers that few of their peers are pursuing. At San Jose’s Center for Employment Training, participants sample all of CET’s different training programs before choosing one. They can also go on plant tours arranged by CET.

✓ Assess students’ strengths, goals, and needs for supportive services to ensure a good fit between students and training and to arrange for necessary supports. CET is notable for not using any testing to determine admission to its training programs, but it does use testing after entry to determine a starting point for basic education services. Other programs, such as at El Paso Community College (EPCC) in Texas and Linn-Benton Community College in Oregon, use such testing to determine whether someone could benefit from a short, pretraining “bridge” class to fill critical gaps in basic and life skills. Some programs do up-front screening for personal and family issues; assessment should involve both formal pen-and-paper tests and informal tools, such as interactions over time with peers and program staff. (See Section 8.)

✓ Base curricula on mastering specific competencies (developed in partnership with employers) as well as broader skills. Involving both technical and personnel staff from employers is key to developing up-to-date training curricula and an in-depth understanding of hiring decisions. Hiring or borrowing frontline supervisors as training instructors is an effective way to ensure that training mirrors actual job tasks. For example, CET hires its instructors from industry. In Steps to Success, staff from an electronics manufacturer come to teach once a week. Competency-based curricula allow each participant to learn at his or her own pace.

Train on job content, soft skills, life skills, and basic education skills. Portland’s electronics manufacturing course includes training in electronics and semiconductors as well as industrial math, keyboarding, and workplace communication. Life skills are woven into these components; for example, the math teacher begins by having participants develop a family budget. ETC’s training includes job-specific classes, such as blueprint-reading or biology for health care, and broader classes, such as “Reading, Writing, and Role-Playing,” which teaches basic literacy skills while improving job-related interpersonal and communication skills.

Provide training in employers’ facilities or in a job-like setting, using a mix of instructional methods. If training is provided in a work-like setting, then a variety of issues that might later interfere with employment may, instead, surface during training. Treat participants as adults, and set high expectations for them. At CET, for example, people attend 35 hours per week and punch a time clock; those who do not show up are called or visited at their homes. Instructional methods should minimize lectures and workbooks and should include practice in real job tasks on actual equipment, work on group projects, and role-playing exercises.

Develop links to community partners for support services. Both CET and Steps to Success have community resource staff whose job is to find resources outside the program that their participants need. Chicago Commons ETC has many such partners on-site; training staff meet regularly with staff from other services so they can work as a team in helping individuals toward sustained employment.

Offer college credit whenever possible. To promote long-term advancement, training should end in a recognized credential (such as an occupational certificate or an industry skill standard), should offer transferable credits, and should be articulated with degree programs. CET is an accredited higher education institution whose programs end in an occupational certificate; its training is articulated with community college degree programs. Seattle’s Shoreline Community College has a continuum of short-term training connected to longer-term degree programs. Minnesota’s statewide Pathways initiative offers college credit for many of its courses.

Couple short-term training with long-term support and opportunities for further skill upgrading. Shorter-term training can be an important first step on a career ladder, but sustained employment and advancement will require longer-term support and access to further skill upgrading opportunities. CET makes home visits throughout training to support student participation, and it intensifies those home visits after job placement. Portland’s Steps to Success has created a range of postemployment skill upgrading opportunities at times that working parents can access them.
Integrate basic education into occupational training. An important strategy for making training accessible to those with low skills is to integrate basic skills and/or English language instruction into the occupational training curriculum. Doing this allows CET to have no entry requirements and to serve many people with low skills and/or little English; its training programs are full time, operate year-round, and last an average of six months. An alternative is to teach basic education in the context of real work and life tasks and to provide it concurrently with job training. For example, El Paso Community College provides concurrent instruction in employment-focused basic education, English as a Second Language instruction, and job-specific training; many of the programs are open to those with very low skills (fourth to sixth grade) and/or little English proficiency.

Making Training More Accessible

Create short-term “bridge” training to open up training opportunities. Bridge training can open the door to better jobs for high school nongraduates, especially those with skills less than the eighth-grade level, and for people with limited English proficiency. Chicago Commons ETC has developed bridge training for women with very low skills and, often, multiple barriers to employment. El Paso Community College also offers bridge programs that prepare students with very low skills to enter vocational training. Bridge training may also be needed to help women enter nontraditional occupations. Goodwill’s New Choices program in Atlanta provides pre-apprenticeship training for women to enter union apprenticeship programs in the skilled building trades. Just as important as mastering job and basic skills is the support provided to graduates from the network of skilled tradeswomen whom New Choices has trained. A similar pre-apprenticeship program has been created in 22 cities through the Resident Apprenticeship Program of the America Works Partnership.

Use bridge training also to help people gain access to employer in-house training. Portland’s Steps to Success, for example, offers Steptronics, six weeks of bridge training that prepares people to enter employer-sponsored training in the semiconductor industry and other electronics manufacturing. Arizona’s welfare-to-work program funds bridge training in electronic assembly and customer service. The training focuses on core job and basic skills needed for all electronics assembly; graduates are hired by such firms as Motorola and Intel and then are trained in that firm’s specific production techniques.

38. Rigorous evaluations of CET found that it was effective in increasing the employment and earnings both of minority women who were single parents and of disadvantaged youth. See Zambrowski and Gordon, 1993; Cave et al., 1993.

39. This discussion is drawn from the following sources: presentation by Dee Wallace, New Choices, November 5, 1998; interview with Delia Walters, Arizona Department of Economic Security, November 1998; and Strawn, 1998b.
Compress existing certificate and degree programs so parents can enter training year-round and complete it quickly. Compressing programs will help TANF recipients, who face time limits on aid and limitations

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<th>Box 14</th>
<th>Bridge Training: Lessons from Chicago Commons ETC*</th>
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<td>Parents with very low basic skills typically are barred from many occupational training programs, yet they seldom successfully complete traditional GED preparation classes. Chicago Commons Employment Training Center (ETC) addressed this issue by creating “Preparation for Training” programs that prepare women with very low skills (third- to sixth-grade reading levels) to enter local training opportunities that lead to better jobs. ETC believes that three core elements are needed to make this type of bridge training successful:</td>
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<td>Help women make better, more informed choices about training by exposing them to various career options and helping them to assess their strengths. At Chicago Commons ETC, the “Introduction to Training” course gives participants who lack a diploma or GED an overview of training programs and job paths available in the city, including visits to worksites and training programs.</td>
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<td>Help participants master the soft skills needed to succeed in any work environment. ETC does this both formally through its course curricula and informally through participation in program activities, such as role playing and group interaction with peers and staff.</td>
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<td>Based on the specific training program a participant chooses, preview in the bridge training both the specific job skills and the basic educational skills needed to succeed in that program. For example, for someone who wants to enter a manufacturing training program, the bridge training might include blueprint-reading. ETC bridge training prepares women to enter such diverse training as auto mechanics, woodworking, skilled industrial trades, and certified nurse assistant programs.</td>
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<td>Although no formal evaluation has been done of ETC, employment and earnings data on all participants who completed the initial life skills component show substantially better results — both higher employment and higher wages several years later — for those who went through bridge training. These outcomes could reflect differences (in terms of skills, motivation, or other characteristics) between those who participated in bridge training and those who did not. It is worth noting, however, that both groups tested at comparable levels on a basic reading test when starting the program.</td>
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*Presentation by Jenny Wittner, Chicago Commons ETC, November 5, 1998; and correspondence.
Divide skill upgrading programs into “chunks” that can be completed at different points in time. The Washington Aerospace Alliance and Shoreline Community College have developed training for Computerized Numerical Control machine operators. The entry-level training is a 10-week course that was shortened from an existing one-year program. The advanced-level training, which leads to an associate degree, is broken into eight modules which can be taken one at a time when the workers’ schedules allow. Vendors in Arizona are also beginning to break training into modules. Instead of attending four months of clerical training, for example, someone can take a one-week module on a particular software application and come back later for additional training.

Create incentives for welfare case managers to refer parents for skill upgrading. In some states, such as Minnesota and Washington, low numbers of referrals have hampered new customized training programs for welfare recipients. The lack of referrals arose in part from a failure to relay new job advancement goals effectively to frontline welfare staff. Washington State has addressed this problem by changing its performance targets for local welfare offices to include wage advancement and referrals to education and training.

Improving the Effectiveness of Work-Related Adult Education

Research on the economic benefits of adult education suggests that simply raising test scores and GED attainment is not enough if the goal is to help those with low skills qualify for better jobs. Instead, adult basic education services should be closely linked to opportunities for further education and job training. Integrating basic education and English as a Second Language classes into job training programs is the most efficient route to improve the job prospects of adults with low skills or limited English proficiency. Short of integration, adopting the following best practices for adult education may improve its effectiveness and capacity to help low-income parents advance to better jobs. (See Box 15.)

40. For examples, see Strawn, 1998b.
41. This discussion is drawn from: Boesel, Alsalam, and Smith, 1998; Henderson, 1998; Martinson and Friedlander, 1994; Mikulecky, 1997; Strawn, 1998b; Wrigley, 1998.
Assess students’ strengths, interests, and goals to ensure a good fit between each student and the services. Students in adult education are much more likely to complete a program if they have a clear, realistic goal in mind and if the program itself is highly focused on helping them achieve it. For students interested in training, this should include opportunities to learn firsthand about different occupations and training possibilities, especially those that do not require a diploma or GED.

Specify the skills to be mastered in each program, and teach skills in the context of life and work tasks. Services should be customized to meet specific student goals, such as immediate job entry, further education or training, or advancement in one’s current occupation. A program with the goal of immediate job entry, for example, could base the curriculum on skills commonly needed for entry-level jobs in particular sectors, could document students’ achievement of the skills, and could market that as a credential to employers. Cleveland’s SCANS Employability Skills (SES) project does this. The new “Equipped for the Future” content standards for adult education define specific skills needed in people’s roles as workers, family members, and citizens in order to guide adult education curricula and teaching methods.

For students who have very low skills (roughly sixth grade or below) and who lack a diploma or GED, develop bridge programs that can open the door to training (before employment or on-the-job training) in a short time frame. These students are unlikely to obtain a GED in the short run and yet are barred from most training programs. Adult education programs should survey their community for high-quality training opportunities that do not require a high school diploma or GED and should negotiate agreements with training providers to accept their students, provided that the students master a set of pretraining skills customized to a specific training course. (See Box 14.)

For students with somewhat higher skills (roughly seventh grade or above), offer GED classes that are intensive (at least 20 hours per week), teach GED topics in the context of work and life issues experienced by students, and cover other critical life and workplace skills. Most of those who pass the GED already have the skills needed; classes typically give them practice time and the confidence to take the test. Some do need to increase skills in certain areas, especially math, and still others need specialized services, such as diagnosis of a learning disability and help in obtaining an accommodation when they take the test. Obtaining a GED quickly is important if students are to continue on to further education and training — access to which is the primary economic benefit of the GED.

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42. See Strawn, 1998b.
Set high expectations for participation, backed up by close monitoring of attendance and quick follow-up on absences, and provide access to a wide range of supportive services. For many low-income parents, low skills and lack of a high school diploma are just one set of challenges they face. As with training services, adult education should be accompanied by screening for other needs and links to a wide range of other services. Peer mentoring, tutoring and support groups, and counseling by staff can help improve attendance and completion of adult education programs.

Professionalize instruction by hiring full-time, permanent teachers and investing in training for them. Adult education teachers are often part time and transitory, making it difficult to build a cadre of experienced, well-trained instructors. Experience and training are critical to high-quality instruction.

**Box 15**

**Funding Longer-Term Education and Training**

At its best, short-term skill upgrading can be an important first step, helping some parents to find employment who otherwise would not and helping others to qualify for better jobs. Over the long run, however, continued job advancement is likely to depend on further skill upgrading.

Alternatives to TANF income support are likely to be needed to enable low-income parents to pursue longer-term education and training full time. States and localities have a number of options for these funding alternatives.*

Use welfare savings to create or expand student financial aid for low-income parents, outside the TANF program. Such programs already exist in Maine and Wyoming and are under consideration in several other states. Final rules for TANF allow states to use federal block grant funds for educational expenses outside the TANF cash assistance program. State spending on student aid for low-income families — including living expenses — can count toward meeting federal maintenance-of-effort requirements under the TANF program. Further, both for federal block grant funds and for state maintenance-of-effort funds, eligibility standards for these families could be different from standards for TANF cash aid — for example, 150 percent of the poverty line rather than 75 percent. Finally, for parents who are given scholarships in this way, the aid would not count toward federal welfare time limits. (See Appendix A.)

Create additional work-study opportunities for low-income parents. Work-study jobs for low-income parents could be funded with federal Welfare-to-Work funds, WIA funds, federal TANF funds outside the TANF cash assistance program, or state funds, with that state spending...
Expand opportunities for high school completion as an alternative to the GED. Research shows that the economic prospects of GED-holders are closer to the prospects of nongraduates than to high school graduates. Charter schools may offer a new opportunity to develop more alternative high schools for youth. For example, in Philadelphia the Youthbuild program

Transfer TANF funds to the Child Care and Development block grant to provide child care assistance to low-income parents who are in school. In Kentucky, low-income parents may receive child care aid while they are in postsecondary education, regardless of whether they are working. Transferring TANF funds may make sense for parents who can piece together other resources for living expenses and tuition but cannot overcome the final hurdle of child care costs. After the funds have been transferred out of TANF, time limits and work requirements do not apply.

Examine how well student aid policies fit the needs of nontraditional students, such as low-income single parents. Historically, single parents have had the largest unmet financial aid need of any group assisted with federal student aid.\(^\dagger\) Welfare reform’s shift in the 1990s away from longer-term education and training adds to this existing problem. Although recent changes in the Higher Education Amendments of 1998 will help those on the margin, the move to a work-based welfare system warrants a more substantial overhaul of student aid policies toward low-income parents.

\(^*\) Students who work full time are much less likely to complete education or training. (See Section 11.) For a detailed discussion of these options, see Greenberg, Strawn, and Plimpton, 1999.

\(^\dagger\) See Greenberg and Savner, 1999a.

\(^\ddagger\) For more information, see C. Johnson and Kaggwa, 1998.

\(^\S\) Moran, 1986.
has become a charter school and is now able to offer its participants an actual high school diploma rather than a GED. In addition, some states have developed opportunities for adults to complete high school.45

✔ Combine adult education with work experience, and/or target it to those who have already acquired work experience. For students with little or no work history, coupling adult education with paid or unpaid work experience serves two purposes. First, it can help students understand better their strengths and interests so that they can set appropriate life and career goals. Second, it can mitigate the opportunity costs of participating in education and training — namely, the forgone work experience — that can undercut substantially the benefits of upgrading skills.

11. Upgrading Skills While Working

Many states are interested in ways to support skill upgrading for welfare recipients, former welfare recipients, and other low-income parents who are working. In addition, low-income parents may be more ready to focus on advancement after they have been engaged in the labor force for a while.

Key issues for designing and implementing skill upgrade programs for working parents include:

► Employer involvement. Employer involvement in postemployment skill upgrading is critical. Employers may be willing to provide input into the design of training, to allow training at the worksite, or to grant release time for training. Employers are more likely to be interested in partnering if the training directly relates to carrying out job responsibilities. Small employers are willing to grant release time in some cases if the training can be expanded to serve all their employees, not just low-income parents. The new authority under the Workforce Investment Act to fund training for low-income workers could help catalyze new activity in this area.

► Participation. States and localities are finding it difficult to engage busy working parents, even when skill upgrading services are scheduled in the evenings and on weekends. One essential ingredient is child care — both access to subsidies and availability during nonwork hours — though child care may not be the only or even the most important barrier.

► Program scale. Aid to individuals — through student aid and child care programs, for example — is administratively the easiest way to support skill upgrading for working parents on a large scale. Yet the states that assist low-income parents to pursue education and training on their own

45. California, Rhode Island, and Tennessee have adult high schools and self-paced high school completion courses. See Boesel, Alsalam, and Smith, 1998.
— such as Florida, Utah, and Washington — report that few avail themselves of this aid. Further available research casts doubt on the effectiveness of individual aid when it is not accompanied by career counseling and guidance about choosing appropriate programs. By contrast, workplace-based learning has been effective with welfare recipients, but such programs have always been very small in scale.

Finally, upgrading the skills of employed low-income parents presents the same challenges detailed in Section 10: improving the quality of job training, making training more accessible, and increasing the effectiveness of work-related adult education.

What the Research Says

► **On-the-job training produced significant increases in annual earnings for welfare recipients in 16 Job Training Partnership Act (JTPA) programs, as well as in welfare-to-work demonstrations in Maine and New Jersey.** The JTPA programs and both state demonstrations raised wages and hours of work. Evaluation of JTPA’s predecessor, the Comprehensive Employment and Training Act (CETA), also found on-the-job training to be the most effective activity for welfare recipients. On-the-job training has typically been reserved for the most employable welfare recipients, however, and has operated on a very small scale.46

► **Work-based training programs have also proved effective with more disadvantaged welfare recipients.** The AFDC Homemaker-Home Health Aide demonstration and the National Supported Work demonstration raised long-term employment and earnings, with some of the sites also raising hourly earnings. The AFDC Homemaker-Home Health Aide demonstration offered welfare recipients in seven states four to eight weeks of classroom and worksite training followed by up to a year of subsidized employment. Five of the states succeeded in raising overall earnings an average of $2,000 annually in the first and second years after the end of subsidized employment, and they raised hourly wages as well.47

► **Nonexperimental research suggests that state-funded, employer-focused training for existing workers can raise earnings and retention.** A study of California’s Employment Training Panel — the state’s customized training agency — found that participants had higher earnings and job security than nonparticipants.48

47. Bell, Burstein, and Orr, 1987. Program group members sustained these gains, earning $500 more annually than controls in the fourth and fifth years after the program. For a description of the National Supported Work Demonstration, see Section 8.
research on customized training in New Jersey also found higher wages, more promotions, and greater job retention among training participants than among similar workers not in the training. Until recently, however, these types of programs have rarely included low-income parents.

Nonexperimental research suggests that postsecondary education can increase the hourly wages of low-income individuals. Participation in programs at both community colleges and four-year institutions produces large hourly earnings gains, according to a nonexperimental study using nearly two decades of longitudinal data on the economic effects of postsecondary education. This research, which attempted to control for differences in ability and family background between those who go to college and those who do not, found that women who received an associate's degree earned hourly wages that were 19 to 23 percent higher than similar women without such a degree. Women who obtained a bachelor's degree earned 28 to 33 percent more than their peers. Earlier studies have found that each year of postsecondary education generates increased earnings of 6 to 12 percent, with even larger gains for individuals whose parents did not have any postsecondary education.

Undergraduates who work more hours are less likely to persist in educational programs than similar students who work fewer hours. Longitudinal research by the U.S. Department of Education found that students working 15 hours or less were much less likely to report that work limited their class choices, their class schedules, the number of classes they could take, or access to the library than students working more hours. Similar results were found for hours of work and students' academic performance. The study also found that those working full time were much less likely to attend classes for a full year. Given that just 14 percent of those in the study had dependents, the effects of full-time work on educational outcomes for single parents could well be even more negative.

Lessons for Policy and Practice

Given the low participation in postemployment services, more experimentation is needed with a variety of models for engaging low-income working parents. The lessons provided here are categorized into three areas: redesigning existing services for working parents, creating employer-focused training, and supporting advancement efforts of low-income parents.

Redesigning Existing Services for Working Parents

States and localities are increasingly recognizing that traditional education and training services may not fit the needs of working low-income parents and are creating more specialized programs for these nontraditional students. Washington State, for example, set aside over $4 million of TANF savings in 1998 to design shorter programs, increase weekend and evening offerings, hire career advisors, and develop business and agency partnerships. Early insights from new programs suggest that the following elements may be key to engaging working parents in advancement services during their nonwork hours.

✔ **Recruit by involving frontline welfare staff.** Welfare agency staff who see working families regularly for TANF, Food Stamps, and Medicaid benefits could be an important source of referrals to postemployment training programs, but they need training and incentives to address advancement issues. For example, Washington State’s new college tuition assistance program for working low-income parents was not able to meet its enrollment targets for TANF recipients initially, in part because of the low number of referrals from local welfare and employment service offices. The state has responded by setting performance targets for these agencies that include enrollment of TANF recipients in training. In addition, the colleges believe that some initial wage-advancement planning at the welfare office might encourage greater participation in training.

✔ **Target past participants in preemployment services.** Another strategy being tried in Washington State is to have the colleges recruit recipients directly from past participants in their preemployment services. Steps to Success in Portland, Oregon, has also recently decided to target past participants in its preemployment program for its postemployment services. Such parents, they reason, already have a positive relationship with the program and may be more likely to return for further help than parents without that bond.

✔ **Offer flexible scheduling, with evening and weekend courses offered year-round.** Steps to Success, for example, offers advancement services from 5:30 to 8:30 P.M. on two weekdays and from 9 A.M. to 3 P.M. on Saturdays. ASAP, an advancement initiative in New York City for graduates of STRIVE, has training that is typically offered from 6 to 9 P.M. twice a week and from 9 A.M. to 1 P.M. on Saturdays. Distance learning may also be an option. Many education and training providers are now offering programs on-line, including job training, GED instruction, and even career counseling or mentoring. For example, Milwaukee Area Technical College has a GED course on-line, and Portland Community College offers an associate’s degree on-line.

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52. This discussion is drawn from interviews and correspondence with Eric Arroyo, ASAP/STRIVE; Kim Freeman, Step to Success; and Nan Poppe, Portland Community College.
distance learning by itself may not offer enough support and guidance to parents, on-line services can supplement and extend the material covered in the classroom. Some programs are exploring ways to lend work stations to low-income parents. In addition, home computers may become more accessible as prices continue to fall.

✔ Set a reasonable time frame for training. Instead of making busy parents commit to completing an entire certificate or degree course at one time, the training can be broken into short modules of perhaps 35 to 40 hours each. A single module can then be completed in one week by parents who are able to take time off, or in six Saturday sessions of six hours each. Parents complete modules as they find the time, and ultimately they receive a training certificate or degree when all modules are completed. (See also Section 10.) ASAP has evening and weekend occupational training that can be completed in 10 to 24 weeks, depending on the program.

✔ Remove as many logistical barriers as possible. This might include providing free on-site child care and food for the entire family, especially if it is a weekday night, so parents do not have to take everyone home for dinner before coming to class. In Washington State, lack of on-site child care emerged as a major issue for parents attending newly created evening and weekend services; of the 28 community and technical colleges that offered on-site child care, just two had evening and weekend child care available.

✔ Focus on the whole family, and barter creatively for services. Confronted with low participation, Portland’s Steps to Success program recently shifted its postemployment focus from parents to the entire family. Steps to Success has found that other programs, such as Head Start, were willing to offer services to Steps to Success participants if the latter program provided job development and advancement services to its own customers. As a result, evening and Saturday workshops in Steps to Success now include much broader services: free child care and meals, science and computer activities for children, adult education and English as a Second Language classes, vocational rehabilitation services, career planning, computer training, job placement, and 12-step activities for the parents. Steps to Success has found that this approach makes busy parents much more willing to participate. (See Figure 2.)

✔ Encourage participation by offering incentives and by conducting training for cohorts, who then become an informal peer support group. Steps to Success has found that coupons for free movies, haircuts, the zoo, or similarly inexpensive items can motivate families to continue participating in services. In addition, if parents are enrolled in cohort groups that stay together throughout the duration of training, they often become a close-knit group that encourages each other to succeed. ASAP also finds that its
Figure 2

Steps to Success Flyer Promoting Family Services

HOW DO I GET A BETTER JOB?

Come to the Thompson Center On Saturdays!
On April 17th......

"HOW TO GET A BETTER JOB"
Looking for Work? Looking for a Better Job?
Come and see our Placement Specialists!
• Learn about hot job leads!
• Plan your career!
• Get tips on today's Labor Market!
Saturdays at the Thompson Center 10:00-12:00

MONEY MANAGEMENT
• Establish a Budget
• Establish a Savings Plan
• Understand Insurance, Estate Planning
  And Investments
Saturdays 1:00 - 3:00

WORKPLACE ESL
1:00 - 3:00
• Learn English for your job
• Improve speaking and listening, reading
  and writing skills
• Keep your job and move up to a better job

RED CROSS
ADULT CPR
CERTIFICATION
9:00 - 1:30
Must Reserve Space
Call Kelly
256-0432, ext 241

REMEMBER TO BRING THE KIDS!!
• Adventures in Learning!!! "Chem-Mystery" Make your own Soda Pop!!! 10:00-1:00
• Movie and Popcorn 1:00 - 3:00
• Head Start Child Care 9:00 - 3:00

REMEMBER THAT PARENTS MUST BE ON-SITE AT ALL TIMES!!!!!!
STEPS TO SUCCESS THOMPSON CENTER 10430 NE SACRAMENTO
FOR INFORMATION CALL KELLY AT 256-0432, EXT 241
participants function as a peer network for each other, both for personal supports and for job leads.

**Offer work-site services, open to all employees.** This may be most appropriate where there are large employers that hire a significant number of low-income parents. Rhode Island has found employers receptive to on-site workshops on retention and advancement, if the sessions are open to all employees. Salem, Oregon’s Up With Wages program also conducts on-site advancement workshops. In addition to making it easier for low-income parents to attend, on-site workshops also provide opportunities to develop closer working relationships with employers.

**Incorporate best practices for training and adult education.** As described in Section 10, these practices include creating curricula that incorporate soft skills, basic skills, English language proficiency, and job-specific skills and that delineate specific competencies based directly on job requirements. This may mean adjusting offerings to better fit participants’ needs. For example, ASAP’s Telecommunications course required eleventh-grade math skills, making it appropriate for only a small number of participants. ASAP scaled the course back and developed a new Computer Assembly course, for those who are interested in technology, but who lack the math skills needed for the Telecommunications course.

**Creating Employer-Focused Training**

Public sector/employer partnerships offer the potential to overcome participation barriers by providing job advancement services at or near the worksite, during work hours. The key to creating effective public-private partnerships is understanding how to meet employers’ bottom-line needs while also ensuring that training benefits workers who would not likely obtain it otherwise. The lessons offered below are drawn from the substantial experience of state-customized training agencies and from newer initiatives specifically aimed at low-income parents. (See Box 16.)

**Partner with state-customized training agencies.** Given that low-income parents are most likely to find jobs that include little employer-funded training, state-customized training agencies could play a critical role in expanding training opportunities while ensuring that the training is closely tied to employers’ needs. In 1998, 47 states funded 60 customized training programs to help employers upgrade new or existing workers’ skills. The largest programs rely primarily on non-general revenue funding sources. These efforts tend to serve more experienced, better-skilled individuals than welfare reform or job training agencies, and they tend to be housed in economic develop-
Box 16

Three Employer-Focused Training Initiatives

- Minnesota’s Pathways is a state grant program administered by the Minnesota Job Skills Partnership (MJSP), the state’s customized training agency. At the local level, Pathways programs are joint efforts of businesses, educational institutions, and social service agencies to develop and deliver industry-specific training that enables welfare recipients to move into jobs with long-term career paths. State grants made to educational institutions are matched by participating firms; the educational organization and other entities involved also contribute funding. Each Pathways project can be awarded up to $400,000; through mid-1999, about $2.3 million in grants had been awarded to 15 Pathway projects, with an additional $6.2 million in matching funds from businesses. In addition, nearly all of Pathway’s welfare-to-work projects are co-funded by MJSP Partnership grants, a 15-year-old initiative for retraining existing workers. Half the businesses in the welfare-to-work projects provide health care or health care services; others are involved in manufacturing, printing, computers, retail, services, and frozen foods. Nearly 3,000 welfare recipients are projected to be served by the projects created to date, though enrollment has been slow.

- The California Employment Training Panel’s welfare-to-work initiative helps businesses that hire welfare recipients to train these new workers in the skills they need to succeed in their jobs and remain employed. ETP has contracts with employers or groups of employers, training providers, and Private Industry Councils. In the San Francisco Bay Area, ETP awarded a $3.2 million contract to the Committee on Jobs (COJ), 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 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. Training is provided during work hours and on or near the jobsite. To receive state funds, employers must commit to retain the trainees for 90 days after they complete training.

- Washington State has invested $1 million through its community and technical colleges to create worksite services for low-income workers with low skills and/or limited English proficiency. The Workplace Basics program provides customized basic skills and English as a Second Language services with a goal of increasing wages. About 800 workers were served in 1998-1999, the first year of the program. Employer demand is strong, especially for ESL services. The colleges also offer hospitality specialist training for people with severe learning disabilities or very limited English proficiency, using a learning-by-doing approach at the worksite. Workplace Basics plans to serve more welfare recipients in the future by linking its services to preemployment services.

ment agencies, with few linkages to those other services. With the 1998 Workforce Investment Act authorizing training for incumbent workers, this gap could well narrow in the future. Among the states already using customized training agencies to help low-income workers advance in the labor market are California, Iowa, Minnesota, New Jersey, and North Carolina.

✔ **Create career pathways through local partnerships of employers and training providers.** The local partnerships that receive grants from Minnesota's Job Skills Partnership (MJSP) develop long-term career and educational pathways for a particular industry sector. One goal of MJSP grants is to fill gaps in the training infrastructure in a way that permanently increases the capacity of training providers to partner with businesses to meet workforce development needs. Similarly, a partnership of 34 employers and six community colleges in the Seattle area, including Shoreline Community College, has formed the Tri-County Job Ladder Partnership Project to create career and educational pathways in four sectors: manufacturing, customer relations, information technology, and health services. Individualized career plans can then be developed using a database of job and training opportunities across participating employers and colleges. (See Figure 3 for a sample career and educational pathway.)

✔ **Fund training with grants or contracts, not with tax credits.** Focus groups with employers organized by the National Governor's Association revealed that employers viewed tax credits and subsidies as being less effective than direct grants for training because the subsidies and credits were too diffuse, helping the business' overall financial picture but not being directly applied to training costs. Another study, which surveyed likely employers of welfare recipients in Cleveland and Milwaukee, found that few employers had the resources or knowledge to develop their own in-house training programs. Two of the largest employer-focused training initiatives for low-income parents use grants and contracts: California's ETP uses performance-based contracts, and MJSP uses grants.

✔ **Leverage private resources — not only cash, but also staff time, release time for training, and use of employer facilities for training.** When employers lack the resources or knowledge to create in-house training opportunities, they are often willing to contribute to a public-private training partnership as long as it meets a specific business need. For example, MJSP grants require a 1:1 employer match; in fact, employers have made cash and in-kind contributions that nearly triple the size of the state's Pathways grants. Public resources can help organize firms with similar training needs and connect them with training providers.

Figure 3

Sample Career and Educational Pathway

Jane M. Smith Personal Career Plan

Employment

<table>
<thead>
<tr>
<th>Employment</th>
<th>Occupation</th>
<th>Employer</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assistant Controller</td>
<td>Eddie Bauer</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer Service Manager</td>
<td>Keane, Inc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technical Support Manager</td>
<td>Keane, Inc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technical Support Specialist</td>
<td>Keane, Inc.</td>
<td></td>
</tr>
</tbody>
</table>

Learning

| Program: Pre-Employment Training | Info. Tech., Certificate | College: Shoreline Comm. College | Contact: (206) 546-8927 |
| Program: Business Software Specialist | Certificate | Bellevue Comm. College | Contact: (425) 641-2311 |
| Program: Accounting Degree | College: Edmonds Comm. College | Contact: (425) 640-1682 |
| Program: Supervision, Certificate | College: Shoreline Comm. College | Contact: (206) 546-4666 |

Customize curricula, but only for skills transferable across employers within a particular sector. Job-specific training should be combined with work-focused basic skills and soft skills instruction. In general, customized training agencies often rely on traditional teaching methods and could benefit from adoption of some of the best practices within the training field. (See Section 10.)

Make training easily accessible. Provide training at the worksite (or if working with several employers, at a central location) and during work hours using paid release time, if possible. This ease of access is one of the key advantages of employer-focused training compared with other ways of delivering services to low-income workers.

Include upgrade training for the existing workforce. Minnesota combines customized preemployment training for welfare recipients with upgrade training for existing workers in the same workplaces. The state’s goal is to create career pathways that allow existing workers to advance, freeing up entry-level jobs so that unemployed parents can, in turn, advance. The initiative also includes supervisor training to promote further learning on the job. This pairing of entry-level and upgrade training — also a part of several California Employment Training Panel projects — gives employers an incentive to enter into partnerships, minimizes equity issues between new hires and existing workers, and helps businesses modernize their workforce.

Link customized training and postsecondary education. Develop stronger links between customized training efforts and state and federal aid for postsecondary education. Georgia is beginning to link its state HOPE scholarships for associate degrees to certified training developed by its technical institutes for specific industries or clusters of industries.

Supporting Advancement Efforts of Low-Income Parents

It is likely that only a small number of low-income parents possess the basic skills and other personal resources needed to succeed in traditional education programs on their own, in addition to working. State aid in covering the costs of educational and supportive services might make it more feasible for this group of parents to pursue postsecondary education.

Federal student financial aid may be an option for some low-income parents. In the past, federal student aid has been the most common form of aid to welfare recipients seeking to upgrade their skills: nearly half a million undergraduates nationally also received welfare in 1995-1996. It is not known how many were combining work and school, but individuals can obtain Pell

57. This discussion is drawn from Barnow, 1998; Burke, 1997; Miller, 1999b; Regional Technology Strategies, 1999; an interview with David Pistner, York County Individual Learning Account Pilot, November, 1998; materials from the Pennsylvania Governor’s Office; Plimpton and Greenberg, 1999; and 1998 data from the State Policy Documentation Project.
grants only if they are in certificate or degree programs offered by entities eligible to receive federal financial aid. In addition, individuals who are attending school or training less than half time generally cannot receive Pell grants.58 Yet women who leave welfare for work are typically working over 30 hours per week and thus may find it difficult to take more than one course per semester.

✔ Support skill upgrading through tuition assistance or waivers at state-supported schools. Georgia targets its HOPE scholarships toward working adults who can attend school only part time. The program is open to state residents who enroll in a degree or certificate/diploma program, covers basic skills remediation, and — for those attending state universities or branches of the Department of Technical and Adult Education — requires no minimum hours of enrollment. The flexibility of HOPE scholarships supports the state’s overall emphasis on credentialing incremental skill development. Washington State’s Tuition Assistance program covers the costs of tuition and books for low-income parents who are working and for other low-wage workers. Created in 1998 with welfare savings, this $4 million program is designed to help those who have not yet applied for Pell grants, are ineligible for Pell grants (because they lack a high school diploma or GED or have previously defaulted on federal student loans), cannot qualify for Pell grants because they are enrolled for fewer than 10 credits, or enter programs that are too short to qualify for Pell aid. As of June 1999, about 4,200 people had enrolled in this program — half of them current or former welfare recipients. Michigan and Ohio have recently created similar programs for low-income families not receiving TANF cash assistance. For some time, both Florida and Utah have offered two years of postemployment support for education and training, because they began the policy before TANF, through AFDC waiver demonstrations. However, few families appear to have used these benefits in either state.

✔ Use individual development accounts (IDAs). In addition to an individual’s savings, IDAs can also include state and employer matching contributions. The 1996 federal welfare law opened the door for broader use of IDAs for welfare recipients. Such accounts are intended to allow low-income parents to accumulate savings for specific purposes, including education and training. Twenty-six states currently allow IDAs for postsecondary education and training, with 11 providing matching contributions. In some states, such as Iowa and Minnesota, IDAs are available to other low-income workers, not just families. Outside of welfare reform, Pennsylvania is piloting Individual Learning Accounts, which involve state, worker, and employer contributions and which are portable when the individual switches jobs. However, Pennsylvania is finding little interest among employers in investing in this way in low-wage workers.

58. Individuals enrolled in education or training less than half time are technically eligible to receive Pell grants, but in practice they find it difficult to qualify.
Take advantage of the Workforce Investment Act’s flexibility to aid low-income workers. Under WIA, federal workforce development programs may provide training to employed low-income people, provided that they have first sought federal student financial aid. The act requires that training for adults generally be provided through individual vouchers rather than contracts with training providers; voucher amounts are set at the state or local levels. (See Box 13).

Accompany financial aid with counseling. Regardless of the funding source, aid to individuals for education and training may be more effective if accompanied by career counseling and help in choosing a provider. Although there has been little research on vouchers, Pell grants, or similar aid to low-income individuals for education or training, what evidence exists suggests that choice alone may not produce the desired results in terms of higher employment and earnings. In particular, people often lack good information about what jobs are in demand.

12. Connecting Low-Income Parents to Better Jobs

One of the most cost-effective strategies that states and localities can pursue for helping low-income parents advance in the workforce is to connect parents who already have work experience, solid basic skills, and/or a high school diploma with better-paying jobs that offer benefits and potential for advancement. To the extent that low-income parents are less likely to be part of informal networks that employers use to locate workers, such services may prove important. They may also help low-income parents keep up with a rapidly changing labor market.

Programs that serve the unemployed can use initial job placement as an opportunity to begin working with parents on career development issues, goal setting, resolution of personal and logistical challenges to sustaining employment, and placement in a job that fits into a longer-term plan. As described earlier, a parent’s initial position in the labor market is likely to affect future opportunities for advancement, so helping low-income parents to connect to better jobs initially may bring future as well as immediate benefits. For low-income working parents or other low-wage workers, postemployment services at the worksite or elsewhere in the community can provide similar opportunities for career development, goal setting, barrier resolution, and placement in a better job. However, service delivery is complicated by the competing work and parenting demands these parents face. Finally, public and private efforts may be needed to create job ladders where none exist or to improve job quality in labor markets with few better jobs.
What the Research Says

- Nationally, a significant percentage of low-income parents already possess the basic skills to enter jobs with better pay and career potential. A recent study found that about a third of parents receiving welfare in 1992 possessed the skills to enter jobs paying more than twice the minimum wage with potential for further training on the job. Seven percent had “advanced” skills comparable to college graduates in jobs averaging $32,000 in annual earnings. Another 25 percent had “competent” skills comparable to people with some postsecondary education who work in jobs averaging $23,000. The analysis concludes that careful job placement, even without skill upgrading, could help these parents get better jobs than they would find on their own. In addition, a small amount of postsecondary education or training — about one semester — could help those with competent skills move into the advanced skills range, increasing their annual earnings potential by about $10,000.

- Portland’s Steps to Success program shows that large-scale, public welfare-to-work programs can connect some low-income parents to better jobs without additional skill upgrading. At the end of two years, the program increased by almost $1 the hourly wages of parents who entered the program with a high school diploma or GED and also increased access to full-time jobs with health benefits. For those with recent work experience, the increase was even higher — $1.56 more than similar parents not in the program. Portland achieved this result without significantly increasing education and training for high school graduates beyond what they would have obtained on their own. About one-third of these parents did pursue postsecondary education or training, but this was also true for members of the control group, who did not experience similar wage gains.

- Initial job placement is likely to affect future opportunities for advancement. Employers often find new employees through informal referrals from their current workers. For low-income parents who are isolated in urban or rural communities with high unemployment and a very limited set of job opportunities, this can make it very difficult to connect with better jobs. In addition, there is wide variation among industries in entry-level workers’ opportunities for job advancement and in the credentials required to move up. For example, a study of wage

60. Freedman et al., forthcoming 2000. Hourly wage comparisons between program group members and the control group are not true experimental findings because they include only sample members who were employed.
61. See Dresser and Rogers, 1997.
mobility in the health care, child care, and hospitality industries found that hospitality offers the most opportunities for upward mobility, health care has fewer, and child care offers little room for advancement. In addition, of the three fields, hospitality is least likely to require formal education and prior work experience.62

Access to additional training on the job varies by occupation, with higher-skilled occupations generally offering more access to training for advancement. Women in highly skilled occupations receive more training on the job than women in low-skilled occupations. In addition, fewer jobs in some occupations require formal education credentials, such as a bachelor's degree, than others. The challenge for welfare and workforce development programs is to identify occupations that are open to low-income parents without college degrees and yet still provide some opportunities for acquiring new skills and advancing.63

Lessons for Policy and Practice

The best candidates for placement in better jobs, without additional education and training, are those with high school diplomas or GEDs, solid basic skills, and some work experience. Low-income parents who are graduates and have good basic skills but little work experience may still be able to enter better jobs directly with some brief activities in life skills, job readiness, and work experience. Even jobs that do not require specialized training frequently require general job skills, such as familiarity with computers and customer service skills.64

The lessons that follow are organized into three groups: helping parents start off in better jobs, helping working parents advance, and improving job quality.

Helping Parents Start Off in Better Jobs

Helping unemployed low-income parents to enter better jobs directly, without additional education and training, requires strong relationships with employers, incentives and training for staff, and a comprehensive set of work supports.

Establish performance measures, for welfare and workforce development agencies and their contractors, that emphasize job quality. Performance measures may have been a key factor in Portland's success in placing its Steps to Success participants in better jobs. (See Box 17.) The welfare district office and welfare-to-work contractors were jointly responsible for meeting performance standards set by the state. The standards included a target for average wages at placement and for clients returning to welfare (defined as the number receiving welfare at 18 months). Among the core performance measures established by Utah for all its workforce develop-

62. Pindus et al., 1997. See also Bartik, 1997; and Section 4.
64. See Danziger et al., 1999; Holzer, 1996.

Connecting Parents to Better Jobs

Communicate a clear vision that includes better jobs. Beyond specific performance measures, support for Portland’s efforts in the mid-1990s to find better jobs for parents came from the state’s unifying vision of making families better off. This vision, combined with an unusual culture of high performance and continuous improvement in Oregon’s welfare agency, encouraged local welfare staff and their partners and contractors to innovate while also holding them accountable for broad outcomes.

Help parents develop career plans. Career development is a critical element in any job advancement strategy. Career development typically includes opportunities for individuals to assess their own interests and skills and to explore various occupations by hearing employers talk about what they are looking for in workers, by visiting worksites, and through job-shadowing and internships. Salem, Oregon’s Up With Wages, Portland’s Steps to Success, and the state of Rhode Island all develop career advancement or income improvement plans with parents to help them think about their goals for their future and how to reach them. Postemployment services are then critical for revising and updating these plans as parents gain work experience and skills.

Train frontline staff on career development strategies and tools, so that they can craft individual paths to obtaining better jobs. Frontline staff need training on how to work with individuals to map out a career advancement plan. Staff training is also needed on using labor market information to make good matches between jobs and individuals’ skills, interests, and short- and long-term goals. In Utah, training for employment counselors includes career counseling, job development, assessment, employment plan development, and job connection resources; it also has a component on human behavior, communication, and interviewing skills. Training is guided by the overall goal of delivering services based on a holistic view of each person’s needs.

Develop assessment tools that promote good job matches. There is a lack of good assessment tools to match skills needed in particular jobs with the skills of low-income parents. While some do exist — such as Work Keys

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65. Materials from Utah Department of Workforce Services.
67. For resources on career development, contact the National Center for Research in Vocational Education and Cornell University’s eXploring Careers Project.
68. Materials from Utah Department of Workforce Services.
69. Work Keys is a work-related basic skills assessment system developed by ACT, Inc., a national non-profit organization.
— some practitioners say that existing assessments are problematic for those with limited English proficiency or for those with low skills. This forces programs to use a mix of imperfect formal assessments and more subjective, informal assessments of an individual’s skills. New assessments and credentials currently under development may ameliorate this problem. These include ones to certify mastery of work-related basic reading, writing, and math skills; soft skills, such as problem-solving, conflict resolution, and working in teams; and skills needed in specific occupations. Washington State’s community and technical college system, for example, has worked with industry to establish skill standards for 18 industry areas, such as information technology, secondary wood products, early childhood education, natural resource technologies, telecommunications, and retail.

70. These include the National Institute for Literacy’s “Equipped for the Future” adult education content standards; the Career Transcript System (CTS), an assessment and curriculum to help workers develop and credential soft skills; and efforts by the National Skill Standards Board to develop credentials for specific occupations and clusters of occupations.

Box 17

Connecting Low-Income Parents to Better Jobs: Lessons from Steps to Success*

Portland’s Steps to Success is offered by Mt. Hood Community College and Portland Community College and also involves a host of other partners to provide a wide range of services. The program began in 1984 and serves about 14,000 welfare recipients and applicants annually. As noted earlier, it has succeeded in placing high school graduates in better jobs than they would have found on their own, without increasing the use of education or training. At the time it was evaluated in the mid-nineties, Steps to Success emphasized rapid employment, but it balanced this against its goal of placing recipients in full-time jobs paying above minimum wage, with benefits and potential for advancement. The first activity for parents varied according to their basic skill levels, work history, and the presence of personal or family challenges to employment.

High school graduates with work experience typically first entered job club, which emphasized finding full-time jobs with benefits that paid above minimum wage. Those without work experience typically entered life skills, followed by education or training. About 10 percent were involved in unpaid work experience with private employers, and parents were carefully matched to placements that fit their skills and career interests. In addition, everyone who entered the program was assessed for job readiness, including basic skills, substance abuse, mental health, and domestic violence issues. Portland’s experience offers the following lessons:
Maintain close and continuous contact with local employers. Staff need to be in close communication with those who supervise workers in targeted jobs so that they have detailed, up-to-date information on skills needed in those jobs. Full-time job developers are one way to ensure ongoing interaction between programs and employers. Local Workforce Investment Boards could help coordinate these efforts across programs.

Get good, current information about the local labor market. More in-depth analyses of the potential for job advancement in different industries can help staff understand which industries to focus their efforts on and the kinds of skills and credentials needed for advancement. Such analyses can supplement anecdotal information from employers with systematic data on wage and employment trends and on the credentials needed to advance. Maryland matched administrative data on welfare receipt with wage data to understand which industries and which individual employers in the state had...

- The most critical element is well-trained staff working with parents on the initial job placement. Steps to Success had several full-time job developers, and other staff worked closely with the state employment department to connect parents with job leads.

- Staff need to understand in depth the local labor market, because the same type of job can vary from industry to industry. Formal labor market data can help to some extent, but staff also need to have strong ties to local employers.

- Career pathways for each and every client should be mapped out at the time of initial job placement. Staff must have a good grasp of career development strategies and must pass that information along to the parents. Programs should not assume that individuals will understand how to move forward in their careers.

- Important elements of a good job match include making sure that the job location fits well with transportation and child care needs and that the parent’s work style is well suited to the job itself. Working through these issues before job placement can help avoid job loss and minimize the need for postemployment services.

- Use local workforce investment boards to help tie supply (workers) and demand (employers) together. The boards could act as liaisons to small business associations and sectoral associations.

*Interview and correspondence with Nan Poppe, Portland Community College, December 1998; and Scrivener et al., 1998.
a track record of successful outcomes for former welfare recipients. By looking at earnings over time, staff can use such data to understand where in state or local labor markets the best opportunities for advancement lie. The study described above on wage mobility in health care, child care, and hospitality industries has been used to generate fact sheets for job counselors and for low-income parents to help guide their career decisions. Similarly, a detailed analysis of employment opportunities, entry-level requirements, and training programs in the health care industry in Chicago led to a guide for Chicago’s residents on job opportunities in health care and on choosing health career training in the city.

Help low-income parents identify up-front their potential logistical, personal, or family challenges. While the group of parents targeted for direct placement into better jobs may face fewer personal and family challenges than other low-income parents, identifying any such issues in advance may increase the chances of success as well as preserve credibility with employers. Work supports may be especially important when targeting better jobs with small employers who do not have a human resource department. The San Francisco Small Business Network worked with Juma Ventures, a nonprofit youth employment organization, to create the Job Network. Job Network provides six weeks of preemployment training, followed by development of short-term and long-term work goals for each individual, and job placement. The initiative seeks to place people in jobs that pay at least $8 per hour, that provide benefits, and that have opportunities for advancement. Benefits for employers include employee screening and training; help for new hires on workplace, logistical, or personal issues; and help with related paperwork, such as applications for tax credits.

Helping Working Parents Advance

Working low-income parents may need new mechanisms for obtaining help with job advancement, such as one-stop career centers under the Workforce Investment Act or other kinds of service brokers.

Help low-wage workers understand what career paths exist, what marketable skills they have, where advancement opportunities are, and how to connect with specific employers. The need for career development help does not end when low-income parents enter employment. Salem, Oregon’s Up With Wages (described in Box 6) has found a tremendous need for career guidance, with former recipients and other low-

71. Lane, Shi, and Stevens, 1998.
73. Job Network includes training in customer service and communication skills, basic work-related English, and math and computer skills; it also provides help in resolving child care, family violence, and other issues.
wage workers frequently having no better sense of what their next job will be than they did their initial one. Staff work with individuals to develop “income improvement plans,” which include thinking about their interests and skills and the steps required to move up to better jobs. In Washington State, the WPLEX postemployment telephone call center, which is managed by the state’s employment security agency, can assist in matching people with new jobs (see Section 7).

✔ **Be flexible, and set learning goals for each job.** STRIVE/Chicago Employment Service finds that career directions change frequently at first, so flexible goal-setting is important. STRIVE also believes that it is important — not only for advancement but also for initial job retention — for individuals to set specific learning goals and objectives for the current job as an intermediate step toward longer-term goals. In setting these learning goals, counselors help people focus on which aspects of their job are under their control and which skills they could acquire on the job that would help them move up in the future.75

✔ **Provide advice and encouragement to workers in qualifying for and asking for raises and promotions in their current jobs.** Salem’s Up With Wages helps workers understand how to be as effective as possible in their current position in order to win recognition for promotion. It also offers a workshop on interacting with supervisors, called “How to Manage Your Boss.” In Rhode Island, staff emphasize that job advancement does not necessarily mean changing employers or going back to school. Instead, advancement goals can include getting a raise, moving from part-time to full-time status, or being promoted.76

✔ **Help workers decide whether they need to upgrade their skills, what training opportunities are likely to fit their interests and abilities, and what types of training will pay off in the labor market.** A key partner in Salem’s Up With Wages initiative is the local community college’s training and economic development center, which has close ties to employers because of its customized training services. The county has expanded its job advancement services to working parents beyond TANF or former TANF recipients, starting with marketing its services to parents receiving federal or state child care subsidies and hoping ultimately to serve all Food Stamp recipients as well. Similarly, Washington State’s WPLEX asks those they call whether they are interested in training and, if so, refers them to local training providers. These initial WPLEX calls may not be sufficient, however; community colleges are finding that people are more likely to enroll if the colleges themselves follow up with those identified by WPLEX.

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75. Presentation by Steven Redfield, STRIVE/Chicago Employment Service, April 1999.
76. Presentation by June Allen, RiteWorks Employment and Retention Service Unit, Rhode Island, March 1999.
Work with employers to create job ladders that help workers move out of low-wage, entry-level jobs. This may be a viable strategy, if it helps meet employers' hiring needs. In Detroit, the Regional Chamber of Commerce is piloting the Detroit Job Ladder, which aims to encourage workers to stay in low-wage, entry-level jobs for nine months by creating formal advancement opportunities to better-paying entry-level jobs that do not require specialized training but do require a solid work history. (See Box 18.)

Similarly, Salem’s Up With Wages initiative is negotiating with two large low-wage employers in the area — a convenience store chain and a gas station chain — to give their workers eight hours of paid release time per month for access to Up With Wages retention and advancement services. As with the Detroit Job Ladder, the potential benefit to employers is reduced turnover. Turnover in some low-wage jobs is so high that retaining someone for even

**Box 18**

**The Detroit Job Ladder: A Low-Cost-Strategy for Increasing Retention and Advancement?**

The Detroit Job Ladder, sponsored by the Business Education/Training Alliance (BETA), has the following features:

- Workers who demonstrate solid work skills with a Tier I employer (such as fast-food employers) for nine months would have their names placed in a hiring pool for openings with Tier II employers.

- Because Tier I employers typically lose entry-level workers within three to six months, even keeping workers for nine months could reduce employers’ costs. Further, Tier I employers could choose to try to keep workers sought by Tier II employers by matching their job offers.

- Tier II employers are facing a shortage of workers who have general work experience but no technical skills. Such employers include medical centers, banks, and some manufacturers. Their jobs typically involve in-house training and some advancement potential.

- The roles of BETA as an intermediary are to recruit employers, to recruit sources of workers' referrals (such as welfare-to-work programs, community organizations, and churches), and to track workers through Tier I employment while maintaining a database of Tier II employment opportunities.

- BETA does not plan to do case management for workers involved in Detroit’s Job Ladder, though it does plan to collaborate closely with other entities that do offer social services.

*Information provided by Greg Handel, Detroit Regional Chamber of Commerce.*
six to nine months can be a major improvement. In Salem, for example, currently the typical new worker with the convenience store chain stays only 43 days.

It is too early to tell whether employers will be willing to stay with these initiatives or not. Job ladders like these are aimed at leveraging general work experience into placement in better jobs, unlike the Tri-County Job Ladder Partnership, which focuses on specific sectors and links advancement up the career ladder to completion of specialized training. A job ladder demonstration called WorkPlus, sponsored by Public/Private Ventures in Philadelphia, had similar aims but ultimately was not able to attract sufficient employer interest.77

**Improving Job Quality**

It may be possible to improve job quality directly by means of employer incentives, partnerships with employers and unions, or leveraging job improvements through market mechanisms.

✔ **Subsidize employers for upgrading jobs.** Wage subsidies have traditionally been used to encourage employers to hire or train workers, but Rhode Island is using them to directly upgrade the quality of jobs, especially with small businesses. For example, the state may use subsidies to offset the cost of benefits so that an employer can turn a part-time job into a full-time one or can increase the hourly wage of a job. Rhode Island’s Rite Works Employment and Retention Service Unit assists businesses with qualifying employees for the subsidies.78

✔ **Partner with employers, unions, and public agencies.** The San Francisco Hotels Partnership Project is a partnership between 12 hotels and two unions that seeks to promote job security, the competitiveness of the hotels, employee involvement, and career development. The hospitality industry is the largest private employer in San Francisco. The partnership’s 1993 start-up was funded by a federal grant, but ongoing operations are supported by employer contributions, with the state funding specific training initiatives. The partnership tries to improve the quality of jobs in the industry by using employee-management teams to examine various aspects of hotel work and to address particular needs of workers. It also operates a training program involving more than 1,600 employees in 10 hotels.79

✔ **Make use of your local market power.** Baltimore, Pasadena, and a number of other cities have used their market power as large purchasers of goods and services to improve job quality through “livable wage” initiatives. Any business

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78. Interview with June Allen, RiteWorks Employment and Retention Service Unit, Rhode Island, November 1998.
receiving a contract from the city must pay the employees who carry out the contracted services a certain wage. The strategy directly benefits the employees involved in the contract but also aims to influence the overall market for that service.  

Become an employer. Another market strategy is to become an employer in a particular sector. The Paraprofessional Healthcare Institute (PHI) coordinates a loose federation of employee-owned businesses in the South Bronx, Boston, and Philadelphia. Each 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 full-time Medicare-certified home health aides (these jobs are typically part time). Those who stay six months are offered full benefits and the option of becoming employee-owners. The cooperatives provide a supportive work environment that includes continued in-service training, personal and vocational counseling, careful supervision, and career upgrading programs. PHI also aims to improve jobs industry-wide by creating pressure for change. In New York, for example, Cooperative Home Care Associates, the Bronx cooperative, believes that its training and quality of care caused contractors to raise their standards for other subcontractors.  

V. Providing Support Services
MUCH ATTENTION HAS BEEN GIVEN BY POLICYMAKERS AND RESEARCHERS TO THE NEED FOR SUPPORT SERVICES — PARTICULARLY CHILD CARE, HEALTH INSURANCE, AND TRANSPORTATION ASSISTANCE — IF INDIVIDUALS ARE TO FIND AND KEEP JOBS. FOR EACH OF THESE CRITICAL SUPPORT SERVICES, THIS GUIDE FIRST REVIEWS RESEARCH THAT HAS IMPLICATIONS FOR STRATEGIES TO PROMOTE SUSTAINED EMPLOYMENT. IT THEN PROVIDES RECOMMENDATIONS, DERIVED FROM PROGRAM EXPERIENCE, TO HELP ENSURE THAT LOW-INCOME FAMILIES HAVE THE SUPPORT SERVICES THEY NEED TO MAINTAIN STEADY EMPLOYMENT. BECAUSE OUTREACH STRATEGIES ARE CRITICAL FOR INFORMING ELIGIBLE INDIVIDUALS ABOUT THE AVAILABILITY OF MANY TYPES OF SUPPORT SERVICES, SECTION 13 BEGINS WITH A DISCUSSION OF THIS ISSUE.

13. Outreach Strategies for Support Services

What the Research Says

Low-income working families are often eligible for assistance for various types of support services — particularly subsidized child care and health insurance coverage. However, research shows that many who are eligible for these services do not use them, because they do not know about the assistance.

- **Child care.** Individuals leaving welfare for work are generally eligible for child care assistance, including transitional child care or subsidies for low-income working families. However, studies have shown that many do not use these subsidies. For example, one study found that only 12 to 22 percent of employed welfare recipients and recent former welfare recipients who used child care were receiving any subsidy.¹ Roughly 75 percent of the families using paid child care were paying for the full cost of that care. This study found that the primary reason families did not use subsidies was they did not know about them.

- **Health insurance coverage.** Welfare recipients who find jobs may qualify for transitional Medicaid for up to 12 months, followed by coverage through Medicaid expansions or, in some states, separate state programs. In addition, because cash assistance and Medicaid are “delinked” under the new welfare law, families with earnings may qualify for Medicaid even if they do not qualify for cash assistance.² In addition, federal funds have been provided for the State Children’s Health Insurance Program (SCHIP), which expands health insurance coverage for low-income children.

Studies have found, however, that enrollment in Medicaid has been declining despite the expansions in coverage and the delinking of cash

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¹ Meyer and Heintze, 1998. See also Freedman et al., forthcoming 2000.
² This provision, known as Section 1931 eligibility, stipulates that a family member will qualify for Medicaid if he or she meets the income, resource, and family composition rules that applied to the state’s AFDC program on July 16, 1996 — regardless of whether or not the person qualifies for TANF.
assistance and Medicaid. One review of recent studies found that one-third or more of children and most adults were no longer receiving Medicaid after they left welfare — a level not explained by the availability of employer-provided health insurance.\(^3\) Even before welfare reform, studies have found that utilization rates for transitional Medicaid were as low as 20 to 30 percent.\(^4\) One study which looked at mothers who were on welfare in 1989 but off welfare in the three subsequent years found that while 52 percent of mothers were covered by Medicaid in the first year after they left welfare and 23 percent had employer-subsidized coverage, 25 percent were uninsured.\(^5\)

**Transportation.** Some states and localities provide transportation subsidies or public transportation passes to low-income working families. Although little information is available on the usage rates for these types of benefits, given the relatively low utilization rates for subsidized child care and health insurance coverage, it is likely that some families are not aware of the transportation assistance that may be available to them.

**Lessons for Policy and Practice**

The low utilization rates for programs providing assistance with support services indicate that multiple strategies may be needed to increase participation levels. Administrators should develop a range of approaches to ensure that individuals are informed about programs serving low-income working families. The following strategies can be used to help increase awareness and utilization of a range of programs including child care subsidies, health insurance coverage, transportation assistance, and such benefits as the Earned Income Credit (EIC).\(^6\)

**Communicate early and often.** Although benefits may not be available until an individual begins working, it is important that they be marketed from the very beginning of an individual’s tenure in a welfare-to-work program. This will ensure that individuals are knowledgeable about the programs even if they leave welfare for employment without contacting program staff. It may also influence their decision to take a job. Information can be included in the program’s orientation, or separate workshops explaining the full range of work supports can be developed. Repeat information about these services at staff/participant interactions and activities such as job search or job-readiness classes.

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6. Some lessons were drawn from an outreach campaign developed by the Southern Institute on Children and Families and conducted in conjunction with public agencies in 10 states. See Shuptrine, Grant, and McKenzie, 1998.
Create procedures to identify and enroll eligible families. The most critical point for connecting new workers with child care and other benefits is when they first enter employment. However, individuals may simply ask that their case be closed or may not show up for required appointments, and the welfare staff may not know that employment is the reason for the case closure. Procedures should be set up so that staff know when an individual has found work and can efficiently enroll that person in support services. Procedures developed by states include questioning individuals who request voluntary closure of their case to determine whether they have become employed and, if their earnings are verified, closing the case for earnings so that they qualify for transitional benefits. Other states use computer systems to automatically enroll individuals in postemployment benefits.

Train staff in marketing and administering benefits. A common problem of past welfare-to-work programs was that staff were unclear about who was eligible for benefits and what could be provided. This may be more of an issue now, given that the eligibility criteria for some programs have changed recently (for example, the delinking of welfare and Medicaid). Administrators should take steps to ensure that staff receive consistent and thorough training on what is available, who is eligible, and how and when individuals find out about these services. Training should educate staff about the benefits of the subsidies as well as how the program is administered. Training schedules should also take into account staff turnover, which can be substantial in some offices.

Make providing benefits a program priority. Programs that have been successful in providing transitional benefits have strong management systems that place a high priority on achieving this goal. Strong management is needed to ensure that all program systems and staffing efforts are coordinated to maximize participation in transitional services and to ensure that no families fall through the cracks.

Involves employers. Employers can be an effective way to provide information to former welfare recipients who no longer have any contact with the welfare agency. From an employer's perspective, assisting in outreach efforts may help attract good workers, improve employee moral, raise retention rates, and reduce the costs of absenteeism, recruiting, and retraining. The Southern Institute found that one-on-one sessions that emphasized the benefits to employers were critical to having this group participate in outreach efforts. In New Jersey, some employers have agreed to include child care subsidy information in paycheck envelopes. Employers can also be involved in general outreach efforts. For example, Safeway, the grocery store chain, is printing information about child health programs on grocery bags.

Involves community organizations. Localities have found that the marketing of benefits in the community is critical, given the limited impact that
welfare agencies have had in spreading the information in some areas. Materials can be distributed in any place that low-income workers may frequent, including health clinics, schools, laundromats, child care centers, places of worship, job training centers, and recreation centers. Massachusetts, Minnesota, and New York contract with or give grants to community-based organizations to publicize programs and enroll families. In other cases, the welfare department conducts sessions to provide information to these groups. The Southern Institute campaign found that it was effective to hold informational meetings and to provide brochures and other materials that community groups could distribute to their clientele.

✔ **Use a variety of communication methods.** Programs have found it important to use a range of different ways to communicate information about postemployment benefits. Information directly from caseworkers should supplement written materials. Other methods of communication include brochures, fliers and posters, public service announcements, and media campaigns. Programs have also established hotlines that individuals can call to find out more about benefits. The Southern Institute found that although it used brochures extensively, personal contact and follow-up with staff, community groups, and employers were essential to effective outreach.

✔ **Know your audience.** Outreach materials should be tailored to the specific audience you are trying to reach. The Southern Institute developed three versions of its outreach brochures, each targeted to a different audience: welfare recipients, low-income working families, and employers of low-wage families. It found that welfare recipients responded to a straightforward message with minimal details and a hotline number for more information. Low-income workers, because of stigma issues, were more responsive to materials that did not contain any references to the welfare department but instead emphasized what was available to working families. Finally, employers wanted information about how the programs worked and could benefit them in terms of retaining workers and about whether there would be employer costs.

### 14. Meeting Child Care Needs

**What the Research Says**

Research has shown that child care is a critical component of an effort to help individuals get and keep jobs. Studies have identified several important issues regarding the role of child care in sustaining employment.

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7. Interview with Sarah Shuptrine, Southern Institute, October 1998.
Child care problems contribute to unemployment and may limit advancement among low-income workers. State studies of unemployed former welfare recipients have found that between 5 and 30 percent of parents reported having either left a job or not working because of child care problems. Further, a recent Florida study found that child care problems affected employed parents, too, by limiting their ability to retain jobs and to accept better jobs and by causing them to miss work. In the Post-Employment Services Demonstration (PESD), child care was the most frequent barrier, outside the workplace, to keeping a job, with 34 percent of welfare recipients reporting it as a problem. Another study found that the quality of the child care arrangement affects employment decisions over time. A parent’s assessment of the safety of the arrangement and the trustworthiness of the provider was an important predictor of whether the parent was still active in employment or job preparation activities one year later.

Individuals who have formal child care arrangements retain jobs and work more over the long run than people who leave their children with relatives. Individuals who use formal or center-based care typically have longer employment spells than those who rely on relative care, perhaps because these arrangements generally offer higher quality and more reliable care. For example, in one study, the median length of employment for those with relative care was eight months, compared with 13 months for those using center-based care.

Former welfare recipients may have difficulty accessing formal child care arrangements. Despite the benefits of formal child care, a recent study of state child care programs found that individuals leaving welfare for work may have trouble accessing these options. Parental choice for welfare recipients is restricted by low provider payment rates and high copayment rates that make it difficult for low-income parents to access more expensive, regulated care.

The work schedules of many welfare recipients who enter the workforce make it difficult to find child care. Many low-income parents work on weekends, during the evening, and/or on a rotating or changing schedule. However, few child care centers and regulated family child care providers offer care during evenings and weekends, and many do not offer part-time attendance and payment options. This can limit low-income workers to less stable and reliable care.

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11. Rangarajan et al., 1998. See also Nightingale et al., 1991; Collins and Hofferth, 1996.
Lessons for Policy and Practice

States and localities are likely to encounter frequent problems with the reliability, availability, and cost of child care for low-income working parents. Program policies and practices can help ensure that these child care problems do not infringe on individuals’ ability to keep working. This section includes advice on the operation of child care subsidy programs, expanding the availability of subsidies, and increasing the available supply of child care slots.

Operation of Child Care Subsidy Programs

The design of child care subsidy programs can affect participation. As described below, efforts should be made to simplify the enrollment process, integrate different funding sources, and make eligibility rules consistent across categories. In addition, programs can promote sustained employment by helping families identify and access high-quality, reliable child care arrangements.

✔ Streamline the enrollment process across funding streams to facilitate access to child care benefits. The procedures required to receive child care subsidies can be particularly complex if there are different funding sources and rules for different types of subsidies. For example, individuals who move from a program providing transitional child care to one offering child care for low-income workers may find their payments disrupted because of differences in the providers authorized to receive payments, the amount of the payments, and the paperwork required to receive payment.

Delaware, North Carolina, Wisconsin, and other states have developed “seamless” systems that eliminate categories of eligibility so families do not have to reapply from one category to another. Florida and Maryland automatically search for another eligibility category when a family becomes ineligible, rather than requiring them to reapply. Missouri and Virginia have simplified the enrollment process by allowing families to apply by mail or telephone and having 12 months (rather than six) between eligibility redeterminations. In some past programs, individuals and providers have experienced delays in receiving child care subsidies because they did not fully understand the forms and procedures necessary to receive payment. Programs should make efforts to thoroughly explain paperwork and deadlines to ensure that this does not occur.

✔ Help parents locate stable and reliable child care arrangements. One way to minimize disruptions in child care is to help individuals who are leaving welfare for work to establish arrangements that are less likely to break down. If families have a range of choices available to them, they are more likely to find an arrangement that meets their needs over the long run. Part of this effort includes supplying information or references that will help parents make informed decisions. In addition, as discussed above, some studies have shown that formal child care arrangements lead to longer employment spells.
Although it is not appropriate to do so in all circumstances, staff should consider counseling individuals to arrange this type of care when feasible. Because formal care can be more expensive, access to subsidies may be key to increasing its use. Finally, efforts should be made to locate providers that mitigate transportation difficulties.

✔ Make sure families have contingency plans in place. To avoid disruptions in employment, it is critical that families learn about and use alternatives if their child care arrangements break down. Programs can help individuals identify back-up care and can provide contact information (such as hotlines, the child care resource and referral agency, or program staff) that families can use if problems arise.

✔ Establish reimbursement rates that allow access to high-quality care. Reimbursement rates for child care greatly affect families’ ability to choose reliable, high-quality child care. If the rates are set too low, individuals may not be able to locate providers who offer enough stability and reliability for the parents to maintain employment. Before the 1996 federal welfare law, states were required to pay the actual cost of care that allowed families to access at least 75 percent of the child care market — a standard that gives low-income families access to a range of providers. The requirement was eliminated by the 1996 law, and now more than half the states have reimbursement rates below this level.  


✔ Establish mechanisms to resolve ongoing child care issues quickly, even after individuals are working. Setting up subsidized child care when an individual becomes employed is only the beginning. The experience of the Post-Employment Services Demonstration and other programs indicates that mechanisms need to be set up so that working individuals receive subsidies on an ongoing basis, with minimal bureaucratic snags. Problems that arise include the need for back-up child care providers, payment problems, and changes in work schedules. PESD had a case manager for individuals to contact if these issues arose. Some states and localities have had success with hotlines that individuals can call during both business and nonstandard hours.

✔ Design staffing structures that promote the use of subsidies. While there is no one way to do this, the key appears to be having a well-trained staff person who views informing and enrolling welfare recipients in transitional benefits as an important and primary activity. Portland, Oregon, which had the highest utilization rates of transitional benefits in the NEWWS Evaluation, integrated income maintenance functions with employment-related case management. Because integrated workers are more likely to know when families become employed and can authorize child care payments, the process can be more efficient than if information has to be relayed from one
worker to another. Other programs have increased child care utilization rates by using the child care resource and referral agency. In New Jersey, the staff from the resource and referral agency are collocated at the welfare department and have the major responsibility for enrolling individuals in transitional child care and providing child care counseling and follow-up.

Set affordable child care sliding fee scales and copayments. If those moving from welfare to work are to keep working over the long term, they will need child care that is affordable. In general, researchers and others consider copayments below 10 percent of earned income for those above the poverty level, and nominal payments for those below it, as reasonable. Many programs establish sliding fee scales that require individuals to pay more for child care as income increases. Care should be taken that fee scales do not escalate too dramatically or phase out at a point when families may face other new costs triggered by a loss of Food Stamps or a reduction in EIC payments.

Expanding the Availability of Child Care Subsidies

Existing programs may not be adequate to allow low-income families to sustain employment over the long run. Transitional child care — the program welfare recipients typically access when they leave welfare for work — is short term by definition and, as described in Part II, former recipients typically earn low wages that do not increase substantially over time. Although states generally have child care subsidy programs for low-income working families, in many places these programs are underfunded and have long waiting lists. Expanding child care subsidies can help more working-poor families sustain employment. There are three primary ways to do this:15

Guarantee child care subsidies to those below specified income levels. From the perspective of sustaining employment, it is desirable to have a child care subsidy program based on income levels rather than length of time after leaving cash assistance. Some states — Rhode Island, Illinois, and Wisconsin — guarantee child care coverage for all families below a certain income level.16

Provide additional funding for existing programs. Low-income families often face long waiting lists for child care subsidies. Some states, such as Minnesota and Florida, have dedicated substantial new resources that have increased the number of low-income workers who are able to receive child care subsidies and have substantially reduced or eliminated their waiting lists.

15. In addition to state revenues, there are several sources of funding available for these expansions. The Child Care and Development Block Grant (CCDBG) is the major source of funding. TANF funds can be used for child care, as can the Social Services Block Grant (SSBG). The welfare law allows TANF funds to be transferred to the CCDBG or the SSBG, and these transferred funds can be used for child care without being restricted by TANF rules. See Kaplan, 1998a, and Greenberg, 1998a.

16. Rhode Island has established a legal entitlement to child care for all families who meet income eligibility criteria. Illinois and Wisconsin do not provide a legal entitlement, but they “guarantee” child care to all eligible families and have provided adequate resources to back up their commitment.
Extend transitional child care. Although it will not eliminate the problems that families face when transitional benefits end, extending these subsidies can help families through periods when they may be most vulnerable to job loss. Currently, almost half the states offer transitional benefits for longer than one year — generally for up to two years.

Increasing the Supply of Child Care

Maintaining an adequate supply of child care is critical, particularly if states and localities are effective in developing outreach strategies or if they expand the availability of child care subsidies. Strategies may be needed to develop the supply of child care — particularly care during nonstandard hours, sick-child care, and infant care. Program administrators can take several steps to increase child care capacity in their communities:

Create incentives for providers to establish care in short supply. Some states have had success with programs that give financial incentives to providers to establish nonstandard care. For example, Florida contracts with providers to care for children eligible for state subsidies and gives preference to those who provide services during nontraditional hours. Kansas pays providers higher rates for infant care. A number of states pay higher rates for higher-quality care, such as accredited or licensed child care programs. In Milwaukee, Wisconsin, 100 emergency sick-care slots were purchased directly from local child care providers exclusively for those using subsidized child care.

Work with employers to design programs to meet employees’ child care needs. Jobs requiring nontraditional hours are growing in the service industries, and some companies are beginning to come to grips with their employees’ child care dilemma. Employers who have participated in efforts to expand care during nonstandard hours have recognized the mutual benefits of investing in workers and their families, such as attracting good workers, improving employee morale, and raising retention rates. For example, Marriott International (partnering with the Hyatt and Omni hotel chains) has created a subsidized, full-service family center for low-income employees. Success also has been seen with consortiums of employers (organized by location or industry) who come together on this issue, to share knowledge, develop joint projects, or pool resources.

Build local child care capacity. Some communities have established programs to recruit and train new providers for infant care, school-age care, night-time and weekend care, and special-needs care. In Michigan, a program was developed to expand home-based family daycare in low-income areas, recruit individuals and relatives already caring for children to expand their

capacity, develop mentoring programs that pair established providers with new daycare providers, and extend child care hours. In New Jersey, an arrangement was made for family daycare homes to provide care to children enrolled in licensed child care centers when they were sick.

**Develop appropriate informal care options.** It is likely that many parents will need or prefer to use informal child care, such as friends that come into their home or relative care. In order to make these arrangements more likely to support sustained employment, efforts should be made to ensure that the care is reliable and meets minimum health and safety standards. In addition to background checks, efforts could be made to educate informal providers about safety standards, nutrition, and child development. For example, a resource and referral program in rural North Carolina regularly brings together informal providers to provide information and to give children a chance to interact in a more structured setting. It may also be possible to extend parent education programs to informal caregivers.18

### 15. Improving Access to Health Care

Providing low-income working families with health insurance coverage is an important element of promoting sustained employment. Health insurance may help families avoid bouts of illness that might cause the parents to miss work or, in more serious cases, to lose a job. Moreover, in cases of serious illness, parents without coverage may reduce their earnings or return to welfare in order to receive Medicaid.

**What the Research Says**

There is limited research on the link between health insurance coverage and sustained employment. However, the research has identified several issues that are relevant to developing health insurance options for low-income workers.

- **There is some evidence that employer-sponsored health insurance results in individuals’ staying employed for longer periods.** One study found that those welfare recipients who began working in jobs that offered health insurance worked 69 percent of the time over a five-year period, compared with 56 percent of the time for those without insurance.19

- **Publicly subsidized health insurance can increase employment levels among female-headed families.** In Minnesota, where the state provides relatively generous coverage to low-income families, researchers

found that the program reduced welfare caseloads by 10 percent by deterring families from applying for welfare and making it easier for them to leave and remain off welfare after they found jobs.20

- **Few welfare recipients obtain jobs that provide employer-based health insurance coverage.** Based on a number of studies, it appears that a minority of those who leave welfare find jobs that offer employersponsored health insurance. For example, in the PESD study, less than half of all welfare recipients got jobs that offered health insurance as a benefit.21 Even for low-income workers who can access employer-sponsored health insurance, the cost of this coverage can be prohibitive. One study found that it would cost a poverty-level family of four 32 percent of their pretax annual income to purchase insurance at employers’ rates.22

- **Lack of awareness and ineffective enrollment procedures appear to contribute to families’ not receiving Medicaid.** For example, the NEWWS Evaluation (which predates the 1996 welfare law) found that some programs that increased employment levels and decreased welfare receipt actually decreased reported rates of health insurance coverage.23 Another study found Medicaid to be the least understood benefit available to recipients when they left welfare for work (compared with child care, the EIC, and Food Stamps), with 76 percent of individuals not understanding this program.24

- **Families may need longer-term assistance than transitional benefits provide.** Another issue in sustaining employment for those leaving welfare for work is the temporary nature of transitional Medicaid. One study found significant declines in Medicaid coverage after the first year for women who left welfare. Three years after leaving welfare, a higher proportion of these families lacked insurance because more women had lost Medicaid coverage than had gained private insurance.25

**Lessons for Policy and Practice**

The following suggestions can help promote sustained employment by making sure that low-income families both have access to and are enrolled in health insurance.

**Enrollment Policies and Procedures**

Burdensome application procedures contribute to low participation in federal

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and state health insurance programs. These procedures often involve long forms and extensive documentation and generally do not accommodate parents who cannot leave work to apply at the Medicaid office. In addition, there may be a stigma associated with applying for these benefits from the welfare office. There are a number of steps states and localities can take to make sure parents are aware of these programs and to facilitate access to them.

- **Create aggressive outreach campaigns.** To help states finance these efforts, $500 million in additional federal Medicaid matching funds are available for outreach and enrollment activities for families affected by the delinking of welfare and Medicaid. Because these funds are available at an enhanced matching rate, states have access to an important resource for activities to inform potential beneficiaries about Medicaid coverage and to facilitate the enrollment of eligible individuals in the program.

- **Develop a single, coordinated system.** Every shift from one public health insurance program to another is a potential crack for individuals to fall through and lose coverage and subsidies. A single, coordinated system is the most comprehensive way to ensure that this does not occur. Key features of a coordinated system include the use of a single application and uniform eligibility process for Medicaid, SCHIP, and other state programs. For example, Maine has been successful in eliminating the distinction among programs that can make enrollment complex — by operating programs in the same agency, using the same application, and using the same health care providers across programs. When a single system is not possible, efforts should be made to make the shifts among programs automatic, to reduce multiple registration processes, and to minimize any disruption in coverage.

- **Develop automated enrollment procedures.** Because the TANF and Medicaid programs are sometimes operated in completely different systems, states sometimes have cumbersome multistep procedures that can create barriers to enrollment. Some states, however, have developed automated systems designed to link eligibility for Medicaid with other public assistance programs, such as TANF and Food Stamps. Through these systems, individuals can be automatically enrolled in transitional Medicaid when they qualify. Tennessee’s ACCENT, Ohio’s CRIS-E, and Nebraska’s N-FOCUS are examples of systems that have automated enrollment in Medicaid. At the same time, attention must be paid to ensure that families eligible for Medicaid but not for TANF do not automatically lose Medicaid when their TANF assistance is denied or terminated. Systems must be carefully developed to foster enrollment in multiple programs, when appropriate, but also allow for circumstances when an individual is eligible for one program but not another.

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Adopt presumptive eligibility. States have the option to allow health care providers and other entities to make a preliminary, or “presumptive,” determination that a child or pregnant women is eligible for Medicaid based on the family’s declaration that their income is below the state’s Medicaid or SCHIP eligibility guidelines. No verification of income is needed at the time this presumptive eligibility determination is made, and the individual(s) can be enrolled in Medicaid. Any additional information needed to complete the application must be submitted by the end of the following month. Nine states have instituted this option.  

Outstation staff to create multiple points of access at hours convenient to working families. States can maximize the opportunity for people to apply for Medicaid by outstationing eligibility workers in hospitals, clinics, one-stop career centers, and nontraditional sites. In addition to health care providers, WIC programs, Head Start programs, and child care agencies can make presumptive eligibility determinations. In Georgia, for example, the state has over 140 outreach workers located at health departments, clinics, hospitals, community agencies, and such nontraditional sites as supermarkets and shopping malls; staff often work evening and weekend hours.

Shorten application forms. By removing asset restrictions when determining Medicaid eligibility and taking others steps to shorten the form, a number of states have been able to greatly reduce the length and complexity of the Medicaid application form. This can make it more feasible for staff of community-based organizations, for example, to play a direct role in helping families enroll in Medicaid.

Allow applications by mail. Allowing applications for health care coverage to be mailed in is another strategy available to states for simplifying the eligibility process. Mail-in applications reduce transportation and other barriers that may restrict access to care. This option is particularly attractive for some working families who cannot go to Medicaid offices during regular work hours.

Allow 12 months of continuous eligibility. States are allowed to permit children to remain enrolled in Medicaid for a full year, regardless of fluctuations in family income. This minimizes the reporting burden on families. This option also helps minimize potential disruptions in coverage and promotes continuity of care.

Expanding Access to Coverage

While all states are required to provide one-year of transitional Medicaid to qualified families, many families will not have other health insurance when this cov-
verage ends. Moreover, although Medicaid and SCHIP provide coverage to many low-income children, they do not typically cover adults. While expanding health insurance coverage will require additional resources, matching funds are available to states through the SCHIP program, and the proceeds of the tobacco settlements offer another potential source of financing.

Expand Medicaid for low-income working adults. Under the 1996 welfare law, states have the ability to provide coverage to low-income adults who are typically not covered by Medicaid or SCHIP. A newly created category (known as Section 1931 eligibility) allows states to define what counts as income and resources when they determine eligibility for Medicaid. States can expand coverage to parents by increasing the level of income that is “disregarded,” or exempted, from determining whether a parent is eligible for Medicaid. Using this approach, Rhode Island and the District of Columbia cover parents up to 185 and 200 percent of the poverty line, respectively.28

Expand coverage for low-income working families. Under waiver demonstration projects, some states have established comprehensive health care coverage for low-income families that goes beyond the federal requirements. For example, Minnesota provides coverage to all low-income adults and their children up to 275 percent of the poverty line and to childless adults up to 135 percent of it, with premiums based on a sliding scale. Hawaii and Tennessee also provide comprehensive health insurance for low-income families. In addition, states can use Section 1931 eligibility to cover more low-income working families by applying income disregards to raise their effective income eligibility standards.

Extend transitional Medicaid. Another way to provide coverage to families is to extend transitional Medicaid. Through Medicaid waivers, some states have increased the duration of transitional Medicaid. For example, Vermont has increased the program to three years for families with incomes below 185 percent of the poverty line.29

Improve access to employer-sponsored health insurance. Some states have made it easier for individuals who have access to employer-sponsored health insurance to afford the coverage by helping them pay premiums and copayments. For example, in Massachusetts, families below 200 percent of the poverty line pay a $10 per child premium, and the state covers the difference. Out-of-pocket costs for premiums and copays are capped at 5 percent of annual family income. This option only applies to plans with a substantial employer contribution, and employers are required to continue to pay their share.

16. Developing Transportation Options

What the Research Says

Recent studies indicate that several factors make transportation an important issue to address for many entry-level workers.

- **There is an increasing geographic mismatch between the location of entry-level job growth — found largely in the suburbs — and the inner-city neighborhoods where most individuals who receive public assistance reside.** Several studies have documented the shift of jobs to the suburbs. As a result, joblessness remains higher in most central cities than in the suburbs.\(^{30}\) In addition, city residents have difficulty reaching suburban jobs because of inadequate public transportation systems. For example, a study of the Cleveland, Ohio, area found that, even with an 80-minute commute, city residents could reach fewer than 44 percent of job openings appropriate for their skills.\(^{31}\) In some metropolitan areas, fixed-route transit systems are not serving these suburban job sites; in others, trips by transit require multiple transfers, particularly for parents who must reach child care facilities as part of their work trip.

- **Low-income households typically lack reliable automobiles for commuting, leaving them to rely on public transportation.** Shortfalls in public transportation are particularly troubling for individuals moving from welfare to work because a significant portion have no other options for getting to work. A study of welfare recipients in an urban Michigan county found that 47 percent lacked a car and/or a driver’s license. These recipients were substantially less likely to be working 20 or more hours per week than recipients who had one or both (45 percent, compared with 68 percent).\(^{32}\) Similarly, a program in Milwaukee, Wisconsin, found that roughly 60 percent of the low-income families served by the program did not have access to a car.\(^{33}\) Public mass transit and other forms of specialized transportation services will be needed not only to reach jobs and but also to reach other needed support services such as child care, schools, and medical facilities.

- **Public transportation is often unavailable during evenings, nights, and weekends, when many low-wage workers must commute.** As discussed above, many entry-level workers must commute to jobs during nonstandard hours. Public transportation runs irregularly if at all during evenings, nights, and weekends.

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\(^{31}\) Federal Transit Administration, 1998.

\(^{32}\) Danziger et al., 1999.

\(^{33}\) Brock et al., 1997.
these off-peak hours. For many fixed-route transportation providers (in both urban and rural areas), service during these hours is too costly to operate. This can exacerbate the already difficult commuting problems already faced by many low-income individuals.

- **In rural areas, there are often few options for people to get to work.** Rural areas often face very difficult transportation problems. Only 40 percent of rural communities have access to public transportation, leaving individuals who live in these areas with few options. Individuals may have to rely on informal arrangements with family or friends in order to find jobs or get to work. These arrangements can be unstable and may fall through, resulting in job loss. Moreover, most major transportation initiatives are focused on urban rather than rural areas.

### Lessons for Policy and Practice

The nature of these transportation problems indicates that in many communities it is not enough to simply maintain existing services or to allocate subsidies to individuals to assist them in defraying the costs of needed transportation services. More innovative and far-reaching solutions may be needed, some of which are likely to require additional resources. (See Box 19.) Moreover, in order for transportation solutions to be effective in helping individuals sustain employment, they must focus on the needs of all low-income workers, not just former welfare recipients.

- **Assess the nature of local transportation needs.** Each community faces a different set of circumstances regarding its transportation needs and what types of solutions will be most effective. States and localities therefore need to develop a thorough understanding of the transportation issues in their area. This requires detailed information on where welfare recipients and low-income workers live; the locations of the jobs for which welfare recipients and low-income workers are qualified; and the types and schedules of transportation services already provided, including public transit, social service transportation, carpooling, and vanpooling. Agencies and partners can use this information to determine where service gaps exist and to identify existing systems on which to build.

  Some localities have used geographic information systems (GIS) software to develop customized maps showing transit routes, neighborhoods, and employment centers. This software has typically been used by metropolitan planning groups and transit authorities, but it is increasingly being used by welfare agencies to determine the nature of the service gaps in individual communities. For example, GIS was used in New Jersey to determine that a vast majority of employers and individuals lived within one-half mile of the

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Build partnerships to develop and fund transportation initiatives.
While transportation solutions may vary from place to place, a common ingredient of successful efforts is getting all stakeholders to discuss what will work best and how resources might be leveraged to produce the best result.

Box 19

Resources for Transportation Initiatives

- **TANF and Welfare-to-Work Funds.** TANF, state maintenance-of-effort, and Welfare-to-Work funds can be used for transportation initiatives for individuals who are on or moving off public assistance. TANF funds must be used for families who are eligible for TANF assistance, and this can count against a time limit in certain circumstances. Moreover, TANF funds can be used for services that also serve non-TANF individuals, as long as the TANF funds only pay for or subsidize services for the TANF group. Welfare-to-work funds must be spent on a specified segment of TANF recipients who otherwise would not have access to transportation services.

- **Job Access and Reverse Commute Grants Program.** This Department of Transportation program offers competitive grants to local governments and nonprofit organizations to develop transportation services that connect welfare recipients and low-income persons to employment and support services. The law also authorizes a reverse commute program for services from central cities to suburban employment centers. The funds can also finance projects subsidizing the purchase or lease of vehicles, promoting the use of transit during nonstandard work hours, and supporting employer-provided transportation.

- **Other Department of Transportation (DOT) Programs.** DOT funding is available for planning activities, including those addressing welfare-to-work. The Capital Program provides assistance for rail systems and for new and replacement buses and facilities. The Metropolitan Planning Grants Program provides formula funding for transportation planning activities in metropolitan areas. The Urbanized Area Formula Program provides funds to urban areas where...
Developing transportation options that will effectively meet the needs of low-income workers will require the involvement of many agencies. Stakeholders that should be involved in the development of transportation initiatives include social service and economic development agencies, businesses and community organizations, metropolitan planning organizations, and public transportation providers.

Some states have taken action to promote collaboration at the local level. For example, Ohio appropriated $5 million to be distributed among the counties that develop coordinated transportation proposals. Each county must have an interagency workgroup to oversee the development of a transportation plan, an inventory of existing providers, and a service plan. Other states — such as New Jersey and Pennsylvania — have offered competitive grants to communities to develop new approaches to transportation to support transit planning or operating expenses. Rural areas can receive such assistance from the Nonurbanized Area Formula Program and the Rural Transit Assistance Program.

- **Social Services Block Grant (SSBG) and Community Services Block Grant (CSBG).** Administered by the Department of Health and Human Services (DHSS), SSBG provides formula funds to state welfare agencies that can be used for a range of services to low-income families (up to 200 percent of the poverty line), including transportation. States can transfer up to 10 percent of their TANF funds to SSBG, and TANF restrictions do not apply to the transferred funds. Also administered by the DHHS, the CSBG is awarded to states on a formula basis for a broad range of social services for low-income individuals, including transportation.

- **Community Development Block Grant.** The Department of Housing and Urban Development allocates resources to community programs that provide housing and support services. Some communities have used these funds to assist in the construction of transportation facilities, to pay operating expenses, and to acquire vehicles for community transportation services.

- **Community Transportation Association of America (CTAA).** CTAA manages the Community Transportation Development Fund, through which loans are available to assist rural communities in improving or expanding local transit services, building facilities, or economic development. CTAA also manages the Rural Passenger Transportation Technical Assistance Project, a program of ongoing technical assistance to improve public transportation in rural areas.
problems and to reward those showing both collaboration and innovation. In Florida, the legislature formed a commission designed to generate transportation options for low-income residents. The commission oversees local community coordinators who work with other agencies to determine the most cost-effective ways to provide transportation options to the working poor.

**Filling Service Gaps in Existing Transit Systems**

Based on an inventory of their public transit systems, a number of communities — primarily in urban areas — have successfully developed public transit service options that more effectively meet the needs of low-income workers. States and localities have generally found that a combination of approaches is required. In Connecticut, interagency work groups conducted local assessments of transportation needs in Hartford, Bridgeport, and New Haven. They then enacted a range of options — including extending bus routes, adding feeder buses and vanpools, and extending evening, night, and weekend services — with each city using a different mix of options.

- **Feeder buses.** A problem in some communities is that public transit systems do not directly connect to employment centers. Some communities have developed feeder buses or vanpools to make this linkage. For example, in Detroit, an express bus service was designed to take people directly to jobs from the main bus route.

- **New routes.** Some localities have developed reverse commute routes to transport individuals from the cities to the suburbs. In Chicago, this was done using older buses and converted school buses. Louisville, Kentucky, also developed a reverse commute from several areas of high unemployment to suburban industrial parks. Other localities have added or expanded routes that serve major employment centers. In Baltimore, a van service was launched to link an economically depressed neighborhood in East Baltimore to a suburban industrial complex near the airport.

- **Expanding service during nonstandard hours.** A number of communities have responded to the needs of low-income workers by expanding services to accommodate workers during late-night and weekend shifts. For example, St. Louis extended the operating hours of its bus service to accommodate work shifts ending at 10 P.M.

**Alternatives That Do Not Involve Public Systems**

In some communities, particularly in rural areas, solutions based on expanding public transit systems are not possible, because these systems are very limited.

- **Car ownership programs.** Some states and localities have developed car ownership programs that allow welfare recipients to purchase donated cars. For example, an agency, sometimes in coordination with
nonprofit groups, may solicit vehicles from dealers or individuals in exchange for a tax credit. The agency or nonprofit usually retains a lien on the vehicle for a period of time so the vehicle cannot be resold. The individual is required to make repayments in cash or, in some programs, to stay employed or perform community service for the duration of the lien. Most programs offer assistance with license, title, and insurance costs. The Arizona legislature enacted a car donation and lease program in several counties using $2 million in TANF funds. In this program, the individual leases the car for a 12-month period, paying $20 per month (and also pays for insurance in the last six months). The individual owns the car after completing the 12-month lease. The Texas legislature also mandated a pilot car ownership program that has many of these elements.

- **Low-interest loans.** Some states, such as Michigan and Wisconsin, provide low-interest loans to qualifying individuals, who can use the funds to purchase their own vehicles or to conduct repairs. In some cases, the repaid money is made available to other welfare recipients to buy or lease cars. An added benefit is that these loans also help individuals establish a credit history.

- **Assistance with obtaining or renewing a driver’s license.** Common problems among welfare recipients are that they may not have a driver’s license or that the license may have expired or been suspended. Some states, such as Wisconsin, have added components to their job search or life skills curriculum that assist individuals in obtaining a driver’s license and identify steps they have to go through to reinstate a suspended license.

- **Contracts with transportation providers.** Some states and localities have contracted directly with transportation providers for needed services. Although most of these efforts have focused on serving welfare recipients, they could also be expanded to serve low-income working families more generally. For example, Kentucky has set up a statewide transportation network composed of 16 regions. Each region contracted (through a competitive bid process) with a single provider to furnish required transportation to TANF recipients. The selected provider is paid a flat rate of $3 per day for each welfare recipient who resides within the designated service area — regardless of whether or not the recipient uses the service. In return, providers guarantee service for all welfare recipients who need it. It is hoped that the cost of providing service to individuals who require more expensive transit options (such as those in rural areas) will be covered by the payments for individuals who do not use the transportation stipend.
Rural shuttles. Some rural communities have developed shuttle services to transport individuals to major employment sectors. In Talihina, Oklahoma, the welfare department and the regional transit system collaborated to develop a shuttle service to the closest major employer, a packing plant 60 miles away. The buses are operated by the transit authority in a nearby area and offer service for the graveyard shift so that regular service is not affected.

Volunteer drivers. Some communities have had success with volunteer drivers to provide transportation. In rural areas of Oregon, a database and dispatch system match individuals who need temporary or emergency rides with volunteer drivers. Homemakers, retirees, and others were recruited to participate through a local marketing campaign.

Partnerships with employers. Some employers have become involved in efforts to help their employees get to work. For example, in West Florida, hotels and restaurants were having difficulty filling jobs because of distance of the jobs from residential communities. In response, 35 employers are participating in a three-route vanpool service, with fees paid by the rider and matched by the employer. Some states also have used the federal Transit Benefit Program — which allows employers to claim a tax deduction if they provide employees with transportation assistance — to encourage employers to provide transportation for low-income workers. To qualify, employers must contribute up to $65 per month for transportation expenses. In exchange, employers can claim a tax deduction for each employee. Employers in several states participate in this program, although the program is largest in New York and Pennsylvania, where employers purchase transit passes or vouchers and distribute them to employees.

Utilizing existing nonpublic transit vehicles. Some states have begun to look to other transit systems already in place that serve senior citizens, people with disabilities, Head Start programs, and public schools. Senior citizens centers often have insured vans available during commuting times and during off-hours. Although it can be difficult to work out liability issues, some states such as North Carolina and Ohio have overcome these problems and are using school buses to provide transit services. Head Start buses, which take children to child care, can also be used to transport parents to a location where it may be easier for them to access public transportation.
Appendix A

Using TANF and Related State Funds to Support Steady Work and Better Jobs

Final regulations were issued in April 1999 for the Temporary Assistance for Needy Families (TANF) block grant. The regulations make clear that states have great flexibility in using federal TANF and state maintenance-of-effort (MOE) funds. In particular, TANF cash assistance to families is just one of many ways in which states can use the federal TANF and state MOE funds to help low-income families, even if they have never received welfare.

This flexibility creates many new opportunities for states and localities to adopt policies and services to support steady work and access to better jobs. The opportunities lie in two key areas:

- Use of federal TANF funds to help working or other low-income families outside the TANF cash assistance program
- Use of state MOE funds to help needy families outside TANF cash assistance

Use of Federal TANF Block Grant Funds Outside TANF Cash Assistance

Federal TANF funds may be used outside the TANF cash assistance program to help employed low-income families without having to apply to them the conditions of TANF cash assistance, such as time limits, work and participation requirements, and child support assignment requirements. The rules explicitly exclude from TANF conditions anything not considered “assistance” and list the following types of benefits and services as being excluded:

- Refundable earned income tax credits to working families

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1. This discussion is taken from The Final TANF Regulations: A Preliminary Analysis by Mark Greenberg and Steve Savner, Center for Law and Social Policy, May 1999. See also Greenberg, 1999.

2. In deciding when to use federal funds outside TANF, state policymakers need to think through the implications for TANF participation rates and child support collections. In addition, some complex administrative issues may arise for states because child care for employed families does not bring with it TANF cash assistance conditions but child care for unemployed families does (unless funds are transferred to the Child Care and Development Block Grant).
Appendix A

128

- Child care for working families
- Transportation for working families
- Wage subsidies (payments to employers or to third parties to cover the costs of wages, benefits, supervision, and training)
- Individual development accounts
- Nonrecurrent, short-term benefits that are designed to deal with a specific crisis or need, are not intended to meet ongoing needs, and will not extend beyond four months
- Services that do not provide basic income support (such as education, job training, and case management)

Moreover, states can set financial eligibility for non-TANF aid higher than eligibility levels for cash assistance. For example, a state in which families are eligible for TANF cash assistance up to 75 percent of the poverty line may choose to create supports for working low-income families — such as child care and transportation assistance, wage supplements or work expense allowances, career counseling, job training, or education — and may set eligibility for this aid at 150 or 200 percent of the poverty line.

Use of State Maintenance-of-Effort Funds Outside TANF Cash Assistance

Under TANF, states are required to maintain a certain level of state spending — known as maintenance-of-effort, or MOE — on cash assistance, services, or other aid to low-income families in order to receive their full TANF block grant. States are not required to use these state funds, however, within the TANF cash assistance program itself. The MOE obligation can be satisfied by spending state funds in a non-TANF program, referred to in TANF rules as a “separate state program.” A key feature of state spending on low-income families outside TANF is that while such spending can count toward TANF MOE requirements, it is not subject to TANF time limits, work participation requirements, or assignment of child support payments.

State MOE funds must be spent on low-income families, but, as with federal TANF funds, states may set financial eligibility for MOE-funded aid higher than eligibility for TANF cash assistance. And unlike nonassistance expenditures of federal block grant funds, states must collect data on individuals benefiting from MOE spending and report it to the federal government.
Using Federal Funds Outside TANF Versus Separate State Programs

Given that the TANF rules give states broad flexibility to spend federal funds outside TANF, when might states still want to consider creating separate state programs with MOE funds? Separate state programs will primarily be useful when a state wishes to provide benefits that would be considered “assistance” under TANF but when some or all the conditions for TANF assistance (time limits, work requirements, child support assignment, and data collection) would be inappropriate. Among policies and services to support steady work and access to better jobs, one example might be student aid for low-income parents. The Maine Parents as Scholars program, for example, is a separate state program of scholarships to cover living expenses for low-income parents enrolled in two- or four-year postsecondary degree programs.

Even for this purpose, though, different states might choose different ways of funding these benefits, depending on whether the state is concerned about its ability to meet work participation rates. Illinois, for example, stops the time-limit clock for TANF recipients who are full-time students in postsecondary education and allows their educational activity to satisfy their work requirement. The state is doing this within the TANF program, by using state funds to pay cash assistance benefits (which stops the time clock). The differences between this and Maine’s program are that Illinois must include these students in its federal work participation rate calculation (which may lower the state’s work rate somewhat) and that other TANF conditions such as child support assignment and data collection continue to apply. Given that most states appear likely to meet much of their federal work participation rate simply through caseload decline (because of the caseload reduction credit), the Illinois approach may be as feasible as Maine’s for a number of states.3

3. The caseload reduction credit allows states to credit toward their federal work participation rates the percentage points by which their caseload has fallen since 1995, net of any eligibility changes (either expansions or contractions). For a more detailed analysis, see Greenberg and Savner, 1999a.
Appendix B
Supplementary Figures and Tables

Figure B.1

Poverty Rate After AFDC Exit

<table>
<thead>
<tr>
<th>Year After Exit</th>
<th>Income =&gt;200% poverty line</th>
<th>Income = 150–199% poverty line</th>
<th>Income = 100–149% poverty line</th>
<th>Income =&lt;100% poverty line</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15%</td>
<td>18%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>2</td>
<td>11.8%</td>
<td>12.6%</td>
<td>12.5%</td>
<td>14.5%</td>
</tr>
<tr>
<td>3</td>
<td>18.1%</td>
<td>20.3%</td>
<td>16.8%</td>
<td>21.8%</td>
</tr>
<tr>
<td>4</td>
<td>55%</td>
<td>49%</td>
<td>48%</td>
<td>45%</td>
</tr>
<tr>
<td>5</td>
<td>41%</td>
<td>48%</td>
<td>45%</td>
<td>41%</td>
</tr>
</tbody>
</table>

SOURCE: Cancian et al., 1999a.
Figure B.2

Percentage Nonpoor in Year 5, by Occupation in Year 1

Table B.1

National Evaluation of Welfare-to-Work Strategies (NEWWS)
Employment and Earnings of Program Group Members in Four Employment-Focused Welfare-to-Work Programs

<table>
<thead>
<tr>
<th></th>
<th>Weighted Four-Site Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ever employed (%)</strong></td>
<td></td>
</tr>
<tr>
<td>Year 1 or 2</td>
<td>69.1</td>
</tr>
<tr>
<td>Year 1</td>
<td>56.3</td>
</tr>
<tr>
<td>Year 2</td>
<td>57.9</td>
</tr>
<tr>
<td>Quarter 9</td>
<td>41.8</td>
</tr>
<tr>
<td><strong>Average total earnings ($)</strong></td>
<td></td>
</tr>
<tr>
<td>Years 1 and 2</td>
<td>6,009</td>
</tr>
<tr>
<td>Year 1</td>
<td>2,453</td>
</tr>
<tr>
<td>Year 2</td>
<td>3,556</td>
</tr>
<tr>
<td>Quarter 9</td>
<td>953</td>
</tr>
<tr>
<td><strong>Average quarterly employment rate (%)</strong></td>
<td></td>
</tr>
<tr>
<td>Years 1 and 2</td>
<td>38.7</td>
</tr>
<tr>
<td>Year 1</td>
<td>36.5</td>
</tr>
<tr>
<td>Year 2</td>
<td>40.9</td>
</tr>
<tr>
<td><strong>Employment stability</strong></td>
<td></td>
</tr>
<tr>
<td>Average number of quarters employed in years 1 and 2</td>
<td>3.1</td>
</tr>
<tr>
<td>Employed all four quarters in year 2 (%)</td>
<td>24.1</td>
</tr>
<tr>
<td>Earned more than $10,000 (%)</td>
<td>13.1</td>
</tr>
</tbody>
</table>

SOURCE: MDRC calculations from Unemployment Insurance (UI) earnings records.
NOTE: This information represents the weighted average for program group members in the Atlanta Labor Force Attachment (LFA) program, Grand Rapids LFA, Riverside LFA, and Portland. Each site is weighted equally.
Table B.2

National Evaluation of Welfare-to-Work Strategies (NEWWS)
Attitudes and Opinions of Program Group Members Who Kept
Jobs, Lost Jobs, and Never Worked

<table>
<thead>
<tr>
<th>Attitude or Opinion</th>
<th>Never Employed in Year 1 or 2</th>
<th>Never Employed in Year 1</th>
<th>First Employment Spell Lasted Less Than 4 Quarters</th>
<th>First Employment Spell Lasted 4 Quarters or More</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Client-reported barriers to employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage who agreed or agreed a lot that they could not get a job right now for the following reasons:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Too many family problems for full- or part-time work</td>
<td>26.3</td>
<td>19.5</td>
<td>15.3</td>
<td>12.1</td>
</tr>
<tr>
<td>Prefers to take care of family full time at this time</td>
<td>35.3</td>
<td>27.5</td>
<td>20.7</td>
<td>21.4</td>
</tr>
<tr>
<td>No available trusted person to take care of children</td>
<td>22.5</td>
<td>20.2</td>
<td>17.0</td>
<td>16.3</td>
</tr>
<tr>
<td>Would miss children too much</td>
<td>17.2</td>
<td>13.1</td>
<td>10.7</td>
<td>9.2</td>
</tr>
<tr>
<td><strong>Client-reported expectations regarding employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage who agreed or agreed a lot that:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It will probably take them more than a year to get a full-time job and get off welfare</td>
<td>57.0</td>
<td>53.0</td>
<td>47.1</td>
<td>41.3</td>
</tr>
<tr>
<td>If they got a job, they could find someone they trusted to take care of their children</td>
<td>65.8</td>
<td>72.7</td>
<td>76.2</td>
<td>78.0</td>
</tr>
<tr>
<td>Percentage who would probably take a full-time job today if:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The job paid a little less than welfare</td>
<td>16.6</td>
<td>14.9</td>
<td>19.7</td>
<td>19.6</td>
</tr>
<tr>
<td>The job paid a little less than welfare but client would like the work</td>
<td>38.1</td>
<td>38.5</td>
<td>43.2</td>
<td>43.5</td>
</tr>
<tr>
<td>The job paid the same as welfare</td>
<td>32.6</td>
<td>32.9</td>
<td>36.8</td>
<td>38.7</td>
</tr>
<tr>
<td>The job paid a little more than welfare</td>
<td>76.5</td>
<td>79.6</td>
<td>81.6</td>
<td>82.2</td>
</tr>
<tr>
<td>The job paid a little more than welfare but client would not like the work</td>
<td>45.7</td>
<td>46.3</td>
<td>51.3</td>
<td>51.4</td>
</tr>
<tr>
<td>Percentage who, if they had a choice, would prefer to work at a:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-time job</td>
<td>34.6</td>
<td>27.6</td>
<td>22.4</td>
<td>20.8</td>
</tr>
<tr>
<td>Full-time job</td>
<td>65.4</td>
<td>72.4</td>
<td>77.6</td>
<td>79.2</td>
</tr>
</tbody>
</table>

**SOURCE:** MDRC calculations from Private Opinion Survey data.

**NOTES:** This information represents the weighted average for program group members in the Atlanta Labor Force Attachment (LFA) program, Grand Rapids LFA, Riverside LFA, and Portland. Each site is weighted equally.

In all item groupings except two, individuals could agree or agree a lot with more than one statement in the grouping. Multiple responses were not possible in the following item grouping: client-reported preference for full-time or part-time job.
### Table B.3

National Evaluation of Welfare-to-Work Strategies (NEWWS)

Selected Characteristics of Program Group Members Who Kept Jobs, Lost Jobs, and Never Worked

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Never Employed in Year 1 or 2</th>
<th>First Employment Spell Lasted Less Than 4 Quarters</th>
<th>First Employment Spell Lasted 4 Quarters or More</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Demographic characteristics</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>6.2</td>
<td>7.1</td>
<td>5.6</td>
</tr>
<tr>
<td>Female</td>
<td>93.8</td>
<td>92.9</td>
<td>94.4</td>
</tr>
<tr>
<td>Age (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 19</td>
<td>1.3</td>
<td>1.7</td>
<td>1.3</td>
</tr>
<tr>
<td>19-24</td>
<td>15.9</td>
<td>23.9</td>
<td>20.9</td>
</tr>
<tr>
<td>25-34</td>
<td>47.9</td>
<td>50.6</td>
<td>49.3</td>
</tr>
<tr>
<td>35-44</td>
<td>26.9</td>
<td>20.9</td>
<td>24.5</td>
</tr>
<tr>
<td>45 and over</td>
<td>8.0</td>
<td>2.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Average age (years)</td>
<td>32.3</td>
<td>29.7</td>
<td>30.7</td>
</tr>
<tr>
<td>Race/ethnicity (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>42.6</td>
<td>42.1</td>
<td>43.9</td>
</tr>
<tr>
<td>Hispanic</td>
<td>10.4</td>
<td>10.9</td>
<td>11.0</td>
</tr>
<tr>
<td>Black</td>
<td>43.4</td>
<td>43.9</td>
<td>41.8</td>
</tr>
<tr>
<td>Black Hispanic</td>
<td>0.1</td>
<td>0.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Native American/Alaskan Native</td>
<td>1.4</td>
<td>1.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Asian/Pacific Islander</td>
<td>1.7</td>
<td>0.9</td>
<td>1.3</td>
</tr>
<tr>
<td>Other</td>
<td>0.4</td>
<td>0.3</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Family status</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marital status (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Never married</td>
<td>47.6</td>
<td>52.0</td>
<td>46.4</td>
</tr>
<tr>
<td>Married, living with spouse</td>
<td>4.9</td>
<td>3.2</td>
<td>2.9</td>
</tr>
<tr>
<td>Separated</td>
<td>22.8</td>
<td>22.9</td>
<td>25.9</td>
</tr>
<tr>
<td>Divorced</td>
<td>22.7</td>
<td>21.0</td>
<td>24.1</td>
</tr>
<tr>
<td>Widowed</td>
<td>2.0</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Number of children</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One</td>
<td>38.5</td>
<td>44.0</td>
<td>41.6</td>
</tr>
<tr>
<td>Two</td>
<td>33.1</td>
<td>31.1</td>
<td>34.8</td>
</tr>
<tr>
<td>Three or more</td>
<td>28.4</td>
<td>25.0</td>
<td>23.6</td>
</tr>
<tr>
<td>Average number of children</td>
<td>2.0</td>
<td>1.9</td>
<td>1.9</td>
</tr>
<tr>
<td>Age of youngest child (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 and under</td>
<td>21.8</td>
<td>23.2</td>
<td>22.7</td>
</tr>
<tr>
<td>3-5</td>
<td>33.6</td>
<td>37.4</td>
<td>35.6</td>
</tr>
<tr>
<td>6 and over</td>
<td>44.6</td>
<td>39.4</td>
<td>41.7</td>
</tr>
</tbody>
</table>
### Education status

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Never Employed in Year 1 or 2</th>
<th>First Employment Spell Lasted Less Than 4 Quarters</th>
<th>First Employment Spell Lasted 4 Quarters or More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received high school diploma or GED degree (%)</td>
<td>52.7</td>
<td>60.9</td>
<td>70.0</td>
</tr>
<tr>
<td>Highest degree/diploma earned (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEDa</td>
<td>10.0</td>
<td>12.4</td>
<td>10.9</td>
</tr>
<tr>
<td>High school diploma</td>
<td>37.6</td>
<td>41.7</td>
<td>49.6</td>
</tr>
<tr>
<td>Technical/AA/2-year college degree</td>
<td>4.0</td>
<td>5.8</td>
<td>8.1</td>
</tr>
<tr>
<td>4-year (or more) college degree</td>
<td>1.3</td>
<td>1.2</td>
<td>1.8</td>
</tr>
<tr>
<td>None of the above</td>
<td>47.1</td>
<td>38.9</td>
<td>29.6</td>
</tr>
<tr>
<td>Highest grade completed in school (average)</td>
<td>10.9</td>
<td>11.3</td>
<td>11.5</td>
</tr>
<tr>
<td>Enrolled in education or training in past 12 months (%)</td>
<td>17.8</td>
<td>25.5</td>
<td>26.3</td>
</tr>
<tr>
<td>Currently enrolled in education or training (%)</td>
<td>13.5</td>
<td>17.0</td>
<td>20.2</td>
</tr>
</tbody>
</table>

### Public assistance status

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>None</th>
<th>Less than 1 year</th>
<th>1 year or more but less than 2 years</th>
<th>2 years or more but less than 5 years</th>
<th>5 years or more but less than 10 years</th>
<th>10 years or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total prior AFDC receipt (%)b</td>
<td>0.5</td>
<td>0.4</td>
<td>0.6</td>
<td>20.7</td>
<td>27.7</td>
<td>30.5</td>
</tr>
<tr>
<td>Raised as a child in a household receiving AFDC (%)</td>
<td>27.1</td>
<td>26.0</td>
<td>23.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First spell of AFDC receipt (%)c</td>
<td>15.5</td>
<td>17.3</td>
<td>19.5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SOURCE:** MDRC calculations from information routinely collected by welfare staff.

**NOTES:** This information represents the weighted average for program group members in the Atlanta Labor Force Attachment (LFA) program, Grand Rapids LFA, Riverside LFA, and Portland. Each site is weighted equally. It is based on program group members’ first employment spell in year 1 or 2. Distributions may not add to 100 percent because of rounding.

aThe GED credential is given to those who pass the GED test and is intended to signify knowledge of high school subjects.

bThis refers to the total number of months accumulated from one or more spells on an individual’s own or spouse’s AFDC case. It does not include AFDC receipt under a parent’s name.

cThis does not mean that such individuals are new to the AFDC rolls, only that this is their first spell on AFDC. This spell may have lasted several years.
Appendix C

Programs, Organizations, and Contact Information

The following contact information for many of the programs, organizations, and government agencies mentioned in the guide is intended to help readers learn more about the approaches discussed.

Access Support Advancement Partnership (ASAP): 240 East 123rd Street, New York, NY 10035-2038; (212) 987-2727; www.strivcentral.com

Aguirre International: Provides technical assistance on providing employment services to immigrants. 480 East 4th Avenue, San Mateo, CA 94401-3349; (650) 373-4923; www.aguirreinternational.com

America Works Partnership: Residence Apprenticeship Program, 1750 New York Avenue, NW, Suite 210, Washington, DC 20006; (202) 639-8811; www.awp.org

American Society for Training and Development: 1640 King Street, Box 1443, Alexandria, VA 22313-2043; (703) 683-8100; www.astd.org

California Employment Training Panel: 1100 J Street, Sacramento, CA 95814; (916) 327-5640; www.etp.ca.gov

Career Transcript System (CTS): SCANS 2000 Project, Johns Hopkins University, Institute for Policy Studies, Wyman Park Building, 5th Floor, 3400 North Charles Street, Baltimore, MD 21218; (410) 516-5190; www.scans.jhu.edu

Center on Budget and Policy Priorities (CBPP): 820 First Street, NE, Suite 510, Washington, DC 20002; (202) 408-1080; www.cbpp.org

Center for Employment Training (CET): 701 Vine Street, San Jose, CA 95110; (408) 534-5360; www.beStreetcom/~cft/main.htm

Center for Law and Social Policy (CLASP): 1616 P Street, NW, Washington, DC 20036; (202) 328-5140; www.clasp.org

Ceridian Performance Partners: 8100 34th Avenue South, Minneapolis, MN 55425; (800) 788-1949; www.ceridianperformance.com

Chicago Commons Employment Training Center (ETC): 1633 North Hamlin Avenue, Chicago, IL 60647; (773) 772-0900

Child Care Action Campaign: 330 Seventh Avenue, New York, NY 10001; (212) 239-0138; www.childcareaction.org
Community Transportation Association of America (CTAA): 1341 G Street, NW, Suite 600, Washington, DC 20005; (202) 628-1470; www.ctaa.org

Connecticut Council of Family Service Agencies: 1310 Silas Deane Highway, Wethersfield, CT 06109; (860) 571-0093; www.ctfsa.org; for information on the Situational Assessment Survey (SAS), contact Carol Huckaby or Judi Jordan

Connecticut Reach for Jobs First: Connecticut Department of Social Services, 25 Sigourney Street, Hartford, CT 06106; (800) 842-1508 or (860) 424-5346; www.dss.state.ct.us/contact.htm

Cooperative Home Care Associates: 349 East 149th Street, Bronx, NY 10451; (718) 993-7104

Cornell University, eXploring Careers Project: Education Department, Kennedy Hall, Cornell University, Ithaca, NY 14853; (607) 255-5834; www.explore.cornell.edu

Denver Workforce Initiative: The Piton Foundation, 370 17th Street, Suite 5300, Denver, CO 80220; (303) 825-6246; www.piton.org

Detroit Job Ladder: Detroit Regional Chamber of Commerce, 1 Woodward Avenue, Suite 1700, P.O. Box 33840, Detroit, MI 48232; (313) 596-0330; www.detroitchamber.com

Economic Policy Institute: 1660 L Street, NW, Suite 1200, Washington, DC 20036; (202) 775-8810; www.epinet.org

El Paso Community College: P.O. Box 20500, El Paso, TX 79998; (915) 831-2000; www.epcc.edu

Employee Assistance Professionals Association: 2101 Wilson Boulevard, Suite 500, Arlington, VA 22201; (703) 387-1000; www.eap-association.com

Florida WAGES Program: 102 West Whiting Street, Suite 502, Tampa, FL 33602; (813) 272-3802

Goodwill Industries: 9200 Rockville Pike, Bethesda, MD 20814; (301) 530-6500; www.goodwill.org

IAM Cares: International Association of Machinists and Aerospace Workers; for contact information, see www.iamaw.org/involvement/mission.html

Illinois Work Pays Initiative: Illinois Department of Human Services, 100 South Grand Avenue, East Springfield, IL 62762; (800) 843-6154; www.state.il.us/agency/dhs/TANF.htm

Iowa Family Investment Program (FIP): Iowa Department of Human Services, Division of Economic Assistance, Hoover State Office Building, Des Moines, IA 50319; (515) 281-3163; www.dss.state.ia.us/HomePages/DHS/fip.htm

Job Accommodation Network: West Virginia University, P.O. Box 6080, Morgantown, WV 26506-6080; (800) 232-9675; http://janweb.icdl.wvu.edu

Jobs for the Future: One Bowdoin Square, Boston, MA 02114; (617) 742-5995; www.jff.org

Joint Center for Political and Economic Studies (JCPE): 1090 Vermont Avenue, NW, Suite 1100, Washington, DC 20005-4961; (202) 789-3500; www.jointcenter.org
Juma Ventures: 116 New Montgomery Street, Suite 600, San Francisco, CA 94105; (415) 247-6580; www.jumaventures.org

Kandu Industries: 1373 South Lincoln, Holland, MI 49423; (800) 747-0718; www.kandu.org

Kansas Department of Social Rehabilitation Services: For information on Kansas Learning Disability Screening: 915 Harrison Street, Room 681W, Topeka, KS 66612; www.ink.org/public.srs/; contact Katie Evans at (785) 296-6756 or kxe@srsksansas.org

Learning Disabilities Association of Washington: 7819 159th Place, NE, Redmond, WA 98502; (425) 861-4642; LDAnofWA@aol.com

Linn-Benton Community College: 6500 Pacific Boulevard, SW, Albany, OR 97321-3755; (541) 917-4999; www.ibcc.cc.or.us

Los Angeles Jobs-First GAIN: County of Los Angeles, Department of Public Social Services, GAIN Division, 3220 Rosemead Boulevard, El Monte, CA 91731; (626) 927-5300; http://dpss.co.la.ca.us

Maricopa Center for Learning and Instruction: 2411 West 14th Street, Tempe, AZ 85281; (480) 731-8300; www.mcli.districtmaricopa.edu/plb

Marriot International, Pathways to Independence: Marriot Drive, Department 935.47, Washington, DC 20058; (301) 380-8583; www.marriot.com

Minnesota Department of Economic Security: 390 North Robert Street, St. Paul, MN 55101; (651) 296-2919; for copies of the manual, contact Steve Erbes at Serbes@ngwmail.des.state.mn.us

Minnesota Family Investment Program (MFIP): Minnesota Department of Human Services, 444 Lafayette Road, St. Paul, MN 55155; (651) 297-3933; www.dhs.state.mn.us

Minnesota Job Skills Partnership (MJSP): Department of Trade and Economic Development, 500 Metro Square Building, 121 7th Place East, St. Paul, MN 55101; (651) 296-0385

National Association of Manufacturers: 1331 Pennsylvania Avenue, NW, Washington, DC 20004; (202) 637-3000; www.nam.org

National Center on Poverty Law: 205 West Monroe Street, Chicago, IL 60606; (312) 263-3830; www.povertylaw.org

National Center for Research in Vocational Education: Graduate School of Education, University of California at Berkeley, 2030 Addison Street, Suite 500, Berkeley, CA 94720; (510) 642-4004; http://ncrve.berkeley.edu

National Community College Workforce Development Database: Designed by NETWORK in collaboration with the American Association of Community Colleges; www.ttrc.doleta.gov/network

National Governors’ Association: 444 North Capital Street, Suite 267, Washington, DC 20001; (202) 624-5300; www.nga.org

New Gateways for Collaboration: Mountain Valley Developmental Services, P.O. Box 338, Glenwood Springs, CO 81602; contact Bruce Christensen at (970) 945-2306 or bruce@mtnvalley.org

The New Hope Project: 2821 North 4th Street, Suite 516B, Milwaukee, WI 53212; (414) 267-6020; www.newhopeproject.org

Oregon Department of Human Resources: Adult and Family Services Division, 500 Summer Street, NE, Salem, OR 97310; (503) 945-5601; www.afs.hr.state.or.us

Paraprofessional Healthcare Institute (PHI): 349 East 149th Street, Suite 401, Bronx, NY 10451; (718) 402-7766

Project Match: Erikson Institute, 420 North Wabash Avenue, Chicago, IL 60611; (312) 755-2250, ext. 4001; www.pmatch.org

Public/Private Ventures (P/PV): One Commerce Place, 2005 Market Street, Suite 900, Philadelphia, PA 19103; (215) 557-4400; www.ppv.org

RIte Works Employment and Retention Service Unit: Rhode Island Department of Human Services, 600 New London Avenue, Cranston, RI 02920; (401) 462-5369; www.dhs.state.ri.us

Shoreline Community College: 16101 Greenwood Avenue North, Shoreline, WA 98133; (206) 546-4101; oscar.ctc.edu/shoreline

Southern Institute on Children and Families: 1821 Hampton Street, Columbia, SC 29201; (803) 779-2607; www.kidsouth.org

State Policy Documentation Project (SPDP): SPDP is a joint project of the Center for Law and Policy and the Center on Budget and Policy Priorities; www.spdp.org

Steps to Success: Mount Hood Community College, 14030 Northeast Sacramento Street, Portland, OR 97230; contact Kim Freeman, Regional Director, at (503) 256-0432 or freemank@mhcc.cc.or.us. Portland Community College, 5600 Northeast 42nd Avenue, Portland, OR 97211; contact Pamela Murray, Regional Director, at (503) 788-6287 or pmurray@pcc.edu

STRIVE: Chicago STRIVE, 4910 South King Drive, Chicago, IL 60615; (773) 624-9700; National STRIVE, 1820 Lexington Avenue, New York, NY 10029; (212) 360-1100; www.strivencentral.com

Urban Institute: 2100 M Street, NW, Washington, DC 20037; (202) 833-7200; www.urban.org


U.S. Department of Transportation: 400 7th Street, SW, Washington, DC 20590; (202) 366-4000; www.dot.gov

Utah Department of Workforce Services: P.O. Box 45249, Salt Lake City, UT 84145-0249; (801) 526-9675; www.dws.state.ut.us

Vermont Welfare Restructuring Project (WRP): Vermont Department of Social Welfare, 103 South Main Street, Waterbury, VT 05671-1201; (802) 241-2800; www.dsw.state.vt.us

Vocational Foundation Inc. (VFI): 902 Broadway, New York NY, 10010; (212) 777-0700

Washington State EIC Hotline: (800) 755-5317; press 1 to reach the hotline manager for more information

Washington WorkFirst: Includes information on WPLEX and on reinvestment skill upgrading initiatives. 200 Southwest Michigan, Suite 102, Seattle, WA 98106; (206) 766-7212; www.wa.gov/workfirst

Welfare Information Network (WIN): 131 G Street, NW, Suite 820, Washington, DC 20005; (202) 628-5790; www.welfareinfo.org

Wildcat Service Corporation: 161 Hudson Street, New York, NY 10013; (212) 635-3800; www.wildcat-at-work.org
References and Further Reading


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Guyer, Jocelyn, and Cindy Mann. 1998. Taking the Next Step: States Can Now Take Advantage of Federal Medicaid Matching Funds to Expand Health Care Coverage to...


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Policy Priorities and Corporation for Enterprise Development. Available on-line at

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on Budget and Policy Priorities.


References and Further Reading


References and Further Reading


Recent Publications on MDRC Projects

Reforming Welfare and Making Work Pay

ReWORKing Welfare: Technical Assistance for States and Localities
A multifaceted effort to assist states and localities in designing and implementing their welfare reform programs. The project includes a series of “how-to” guides, conferences, briefings, and customized, in-depth technical assistance.


Project on Devolution and Urban Change
A multi-year study in four major urban counties — Cuyahoga County, Ohio (which includes the city of Cleveland), Los Angeles, Miami-Dade, and Philadelphia — that examines how welfare reforms are being implemented and affect poor people, their neighborhoods, and the institutions that serve them.

Big Cities and Welfare Reform: Early Implementation and Ethnographic Findings from the Project on Devolution and Urban Change. 1999. Janet Quint, Kathryn Edin, Maria Buck, Barbara Fink, Yolanda Padilla, Olis Simmons-Hewitt, Mary Valmont.

Time Limits

Cross-State Study of Time-Limited Welfare
An examination of the implementation of some of the first state-initiated time-limited welfare programs.

Note: For works not published by MDRC, the publisher’s name is shown in parentheses. A complete publications list is available from MDRC and on its Web site (www.mdrc.org), which also contains copies of MDRC’s publications.
Recent Publications on MDRC Projects


Connecticut’s Jobs First Program

Florida’s Family Transition Program

Vermont’s Welfare Restructuring Project
Financial Incentives

Minnesota Family Investment Program
An evaluation of Minnesota’s welfare reform initiative, which aims to encourage work, alleviate poverty, and reduce welfare dependence.

New Hope Project
A test of a community-based, work-focused antipoverty program and welfare alternative operating in Milwaukee.

Canada’s Self-Sufficiency Project
A test of the effectiveness of a temporary earnings supplement on the employment and welfare receipt of public assistance recipients. Reports on the Self-Sufficiency Project are available from: Social Research and Demonstration Corporation (SRDC), 50 O’Connor Street, Suite 1400, Ottawa, Ontario K1P 6L2, Canada. Tel.: 613-237-4311; Fax: 613-237-5045. In the United States, the reports are also available from MDRC.


**Mandatory Welfare Employment Programs**

**National Evaluation of Welfare-to-Work Strategies**

Conceived and sponsored by the U.S. Department of Health and Human Services, with support from the U.S. Department of Education, this is the largest-scale evaluation ever conducted of different strategies for moving people from welfare to employment.


**Los Angeles’s Jobs-First GAIN Program**

An evaluation of Los Angeles’s refocused GAIN (welfare-to-work) program, which emphasizes rapid employment. This is the first in-depth study of a full-scale “work first” program in one of the nation’s largest urban areas.

Recent Publications on MDRC Projects


**Teen Parents on Welfare**

**Ohio’s LEAP Program**

An evaluation of Ohio’s Learning, Earning, and Parenting (LEAP) Program, which uses financial incentives to encourage teenage parents on welfare to stay in or return to school.


**New Chance Demonstration**

A test of a comprehensive program of services that seeks to improve the economic status and general well-being of a group of highly disadvantaged young women and their children.


Parenting Behavior in a Sample of Young Mothers in Poverty: Results of the New Chance Observational Study. 1998. Martha Zaslow, Carolyn Eldred, editors.

**Focusing on Fathers**

**Parents’ Fair Share Demonstration**

A demonstration for unemployed noncustodial parents (usually fathers) of children on welfare. PFS aims to improve the men’s employment and earnings, reduce child poverty by increasing child support payments, and assist the fathers in playing a broader constructive role in their children’s lives.


**Other**


Employment and Community Initiatives

Jobs-Plus Initiative
A multi-site effort to greatly increase employment among public housing residents.


Section 3 Public Housing Study
An examination of the effectiveness of Section 3 of the 1968 Housing and Urban Development Act in affording employment opportunities for public housing residents.


Connections to Work Project
A study of local efforts to increase competition in the choice of providers of employment services for welfare recipients and other low-income populations. The project also provides assistance to cutting-edge local initiatives aimed at helping such people access and secure jobs.


Canada’s Earnings Supplement Project
A test of an innovative financial incentive intended to expedite the reemployment of displaced workers and encourage full-year work by seasonal or part-year workers, thereby also reducing receipt of Unemployment Insurance.


**Education Reform**

**Career Academies**

The largest and most comprehensive evaluation of a school-to-work initiative, this nine-site study examines a promising approach to high school restructuring and the school-to-work transition.


**School-to-Work Project**

A study of innovative programs that help students make the transition from school to work or careers.


**Project Transition**

A demonstration program that tested a combination of school-based strategies to facilitate students’ transition from middle school to high school.


**Equity 2000**

Equity 2000 is a nationwide initiative sponsored by the College Board to improve low-income students’ access to college. The MDRC paper examines the implementation of Equity 2000 in Milwaukee Public Schools.


**MDRC Working Papers on Research Methodology**

A new series of papers that explore alternative methods of examining the implementation and impacts of programs and policies.


The Manpower Demonstration Research Corporation (MDRC) is a nonprofit, nonpartisan social policy research organization. We are dedicated to learning what works to improve the well-being of low-income people. Through our research and the active communication of our findings, we seek to enhance the effectiveness of social policies and programs. MDRC was founded in 1974 and is located in New York City and San Francisco.

MDRC’s current projects focus on welfare and economic security, education, and employment and community initiatives. Complementing our evaluations of a wide range of welfare reforms are new studies of supports for the working poor and emerging analyses of how programs affect children’s development and their families’ well-being. In the field of education, we are testing reforms aimed at improving the performance of public schools, especially in urban areas. Finally, our community projects are using innovative approaches to increase employment in low-income neighborhoods.

Our projects are a mix of demonstrations — field tests of promising program models — and evaluations of government and community initiatives, and we employ a wide range of methods such as large-scale studies to determine a program’s effects, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work — including best practices for program operators — with a broad audience within the policy and practitioner community, as well as the general public and the media.

Over the past quarter century, MDRC has worked in almost every state, all of the nation’s largest cities, and Canada. We conduct our projects in partnership with state and local governments, the federal government, public school systems, community organizations, and numerous private philanthropies.