Developing and Sustaining Employment Entry, Access, Retention and Advancement for TANF Participants and Low-Income Clients

TANF Regions V & VII Priority Update Meeting

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The National Transitional Jobs Network (NTJN) exists to ensure that policies account for the hard-to-employ, that programs are able to effectively serve as many individuals as possible, and that best practices and technical assistance are widely shared and implemented throughout the network. The NTJN offers

- Technical assistance
- State and federal advocacy
- Monthly newsletters – sign up at www.transitionaljobs.net
- National conference
Defining Transitional Jobs

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

- Stabilize individuals and families with earned income
- Learn the expectations of the workplace experientially
- Address barriers to work
- Build a work history and references
- Access incentives like the Earned Income Tax Credit
- Gain skills and experience to transition into unsubsidized employment

“I gained work experience and learned proper work effort in a workplace.”

JobStart Participant
Core Components of the TJ Model

- Orientation & Assessment
- Job Readiness/Life Skills Classes
- Case Management Support
- *Transitional Job - Real Work Experience*
- Unsubsidized Job Placement & Retention
- Linkages to Education and Training
Wage-paid, real work experience is key

- Unpaid work experience has little if any impact on employment or earnings, and is not associated with lower welfare receipt or payments.

- Transitional Jobs programming is associated with higher earnings, lower TANF payments and reduced TANF receipt.

- A random-assignment study of the Transitional Work Corporation found increased earnings, reduced TANF receipt and lower TANF payments among long-term TANF recipients compared with a control group and a group receiving job search assistance alone.
Lessons from the TANF Emergency Fund Experience
Lessons learned from TANF ECF subsidized employment expansion

- SE and TJ programs served a range of low-income, unemployed populations
  - TANF recipients, UI recipients, non custodial parents, youth, low-income families

- States identified subsidized employment programs as a new way to “engage” clients

- States demonstrated ability to **scale-up and implement cost-effective programs** quickly
Subsidized employment programs positively impacted individuals, communities and employers

- Stabilized individuals and families through earned income & increased total family earnings
- “Stimulus” effects in local communities
- Increased payment of federal and state income, Medicare and Social Security taxes
- Employers reported improved financial health, increased quality of work, and increased productivity

“Our business was able to service more clients, do more outreach, marketing and capacity building.”

Chicago TJ Employer
The TANF ECF flexibility led to a myriad of design innovations

- **Structure variations**
  - Partners - intermediaries, WIBs
  - Direct placement with private employers
  - Tiers based on skills and readiness
  - Length of time

- **Wage subsidy varied**
  - 100% capped subsidy
  - Step down subsidies
  - Prevailing wage
  - Length of time
Employer engagement and feedback
Strategies Used to Recruit Employers

- **Media and Marketing**
  - Led by Governors and Mayors
  - Dedicated websites
  - Catchy names
  - Self-marketing by participants
  - Word of mouth

- **Use of Intermediaries**
  - Staffing firms
  - One stops
  - Non-profits
Employer Recruitment Strategies, cont.

- **Business Outreach**
  - Departments of Commerce
  - Chambers of Commerce
  - Partnerships with WIBS

- **Job Development**
  - Cold calling
  - Want ad responses
  - Meetings with prospective employers
Employer Recruitment Strategies, cont.

• **Strategic Targeting**
  - Smaller employers
  - Track record of hiring people with criminal records
  - Non-profits for more barriered job seekers
Picture of Employers Participating in TANF ECF Illinois Subsidized Employment Program (PITW)

- Majority for-profit or nonprofit
- Majority small
- 62% never participated in subsidized jobs program
Reasons Why Employers Participated: Illinois Subsidized Employment Program (PITW)

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Help struggling community and neighbors with jobs</td>
<td>60%</td>
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<tr>
<td>Create an opportunity for somebody who wants to upgrade skills/get trained</td>
<td>58%</td>
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<td>Opportunity to &quot;test&quot; new workers without risk but with potential to hire later</td>
<td>53%</td>
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<tr>
<td>Opportunity to have subsidized labor for a few months</td>
<td>45%</td>
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<tr>
<td>Help struggling business</td>
<td>25%</td>
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<tr>
<td>Test partnership with a social service agency for another program</td>
<td>14%</td>
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- Top two reasons: altruistic?
- Significant portion testing employees for potential permanent hire
Employer Feedback: As a result of PITW…

• **74%**: productivity increased
• **69%**: current workforce’s satisfaction with workload improved
• **67%**: able to serve more customers
• **61%**: quality of work improved
• **58%**: saw customer satisfaction improve
• **58%**: financial health was better or somewhat better
  ▫ **47%** attributed at least half of that improvement directly to participation in PITW
PITW Employer Satisfaction Feedback

- 88% indicate they would participate in PITW or a similar program if it were offered again.
- If the wage subsidy were cut in half, 40% of employers report they would participate, and 43% might participate.
- 67% would give an employment reference for more than half or all of their transitional workers.
- 52% of employers would permanently hire half to all of their Transitional workers if they were financially able to do so.
- Half of all employers stated that they are more willing now to hire low-income parents and young adults than before PITW.
Employer Survey Feedback: Chicago TANF ECF Transitional Jobs Program (JobStart)

What was the most important impact of JobStart on your business?

- Other: 17.5%
- Increased productivity: 15.9%
- Additional workforce: 14.3%
- Helping our community: 14.3%
- More effectively met customer needs: 12.7%
- Build skill set of participant: 9.5%
- Test new staff: 6.3%
- Operational expansion/growth: 4.8%
- Reduced workload for other employees: 3.2%
- Supervisory impact (more work): 1.6%
Employer Survey Feedback: Chicago TANF ECF Transitional Jobs Program (JobStart)

Considering your experience with JobStart, would you participate in it or a similar program if it were offered again in the future?

85% of employers who participated in the Chicago Neighborhood JobStart program said they would participate in this program or a similar program again.
Lessons for Employer Engagement

- Subsidy – bottom line impact, “rebate”, internship like
- Employer friendly program – simple paperwork, time reimbursements
- Program staff offer key supports
- Ensure good matches – needs, skills, interests
- Opportunity to try out employees
- Appeal to economic return as well as to altruism
Other best and promising practices
Best practices and innovations

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

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