

SUBSIDIZED AND TRANSITIONAL EMPLOYMENT AND ENHANCED TRANSITIONAL JOBS DEMONSTRATIONS: OVERVIEW OF CURRENT MODELS AND ONGOING RESEARCH

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Presentation Outline



- Prior research on subsidized employment
- Overview of the Subsidized and Transitional Employment Demonstration (STED) and the Enhanced Transitional Jobs Demonstration (ETJD)
- Early data and observations from the projects

Subsidized Employment

- Many different subsidized employment models implemented or tested since the 1930s
 - ▣ Transitional jobs, paid work experience, community service jobs, supported work, etc.
- Varying goals:
 - ▣ Work-based income support during economic downturns
 - ▣ Improve employability of “hard to employ” groups
- Other goals:
 - ▣ Improve public facilities
 - ▣ Reduce criminal recidivism
 - ▣ Reduce public assistance receipt
 - ▣ Increase child support and family engagement

Subsidized employment: Rigorous evaluations

- 1970s National Supported Work Demonstration
 - Large initial increases in employment but sustained gains for only 1 of 4 target groups (long-term AFDC recipients)
- 1980s studies of OJT programs
 - Modest, sustained increases in earnings, mostly for women
 - Programs were generally small and selective
- 1980s study of AFDC Homemaker/Home Health Aid demo
 - Classroom training followed by subsidized jobs in field
 - Increases in earnings in most sites
- More recent studies of transitional jobs programs targeting former prisoners and TANF recipients
 - Large gains in employment during in-program period
 - Few impacts post-program
 - One program (targeting former prisoners) reduced recidivism

Current SE Models: Continuum

- On one end:
 - ▣ Highly supportive models with “sheltered” work experience
 - ▣ Many TJ programs look like this
 - ▣ Advantage: Can serve almost anyone
 - ▣ Challenge: Transitions to unsubsidized employment
- On the other end:
 - ▣ Direct subsidies to private employers for permanent jobs; few special supports
 - ▣ Some of the large TANF-EF programs looked like this
 - ▣ Advantage: Addresses transition issue
 - ▣ Challenge: Serving people who could not get hired without subsidies

STED and ETJD

- HHS's STED project is testing 7 programs for a range of disadvantaged populations:
 - ▣ TANF recipients (2)
 - ▣ Noncustodial parents (2)
 - ▣ Youth/Young Adults (2)
 - ▣ Various low-income adults (1)
- ETJD project testing 7 programs that received \$6 million grants from DOL. Targeting:
 - ▣ Noncustodial parents (4, including 2 shared with STED)
 - ▣ Ex-offenders (3)
- MDRC leading both projects
 - ▣ Partners include MEF Associates, Abt Associates, DIR, Branch Associates

STED/ETJD: Further information

- Both projects using random assignment designs
- Follow-up data from surveys and administrative records (CJ, child support, TANF, earnings, etc.)
- Projects were developed separately but now closely coordinated
 - ▣ Two “shared” sites
 - ▣ Same surveys at 12 and 30-months
- STED includes “in-program” survey to study non-financial impacts of employment
- Site-specific analyses (sample sizes 1,000 to 2,600)

How might STED and ETJD programs affect participants' outcomes?

- Employment and earnings
 - ▣ Increase participants' employability and/or motivation
 - ▣ Connect participants with jobs they would not otherwise get
 - ▣ Change employers' hiring decisions
- Other outcomes (public assistance, recidivism, child support, well-being)
 - ▣ Indirectly, via employment gains
 - ▣ Directly, through other components that change attitudes or motivation

Clusters of STED and ETJD Models

- Enhanced Transitional Job Model (5)
- Wage Subsidy Model (3)
- Mixed Model (5)

Enhanced Transitional Job Model

- Participants placed in temporary jobs with program operator or partner organization.
- Participants gain employability skills and references through work experience. Relationships with staff and peers will build motivation and confidence
 - ▣ NYC Young Adult Internship Program (STED)
 - ▣ LA Paid Work Experience (STED)
 - ▣ Indianapolis Social Enterprise (ETJD)
 - ▣ Syracuse Work Crews (ETJD)
 - ▣ Milwaukee Scattered Site (ETJD)

Wage Subsidy Models

- Wage subsidy provided directly to private employers
- Subsidies will encourage employers to hire (and possibly train) program participants who would not have been hired otherwise. Expectation of rollover.
 - ▣ Los Angeles (STED)
 - ▣ San Francisco (STED)
 - ▣ Fort Worth (ETJD)

Mixed Models

- Include both transitional jobs and subsidized private sector jobs. Can be designed as tiers, stages, or options
 - ▣ San Francisco (STED/ETJD)
 - ▣ Atlanta (STED/ETJD)
 - ▣ Chicago (STED)
 - ▣ New York City (ETJD)
 - ▣ Minnesota (STED)

Selected baseline characteristics

Characteristic	All ETJD sites	Los Angeles STED	NYC YAIP STED
Female (%)	6.4	85.5	50.9
Average age (yrs)	36.7	31.9	20.7
Race/ethnicity (%)			
White	10.2	6.5	1.9
Black/Af-American	75.8	31.8	58.3
Hispanic/Latino	10.8	54.7	36.1
Months employed in past 3 years (%)			
Less than 12	78.1	49.8	
13-24	11.2	26.0	
25-36	10.7	24.2	
Parent of minor child (%)	75.4	100	21.9
Ever arrested (%)			25.0
Even incarcerated (%)	63.8	5.7	

Program Participation

- Differences in rates of participation/placement in subsidized jobs based on model (expected)
 - 35%-40% Employer subsidy models
 - 80%-100% Enhanced TJ models
- Length of pre-employment activities
- Carrots/sticks provided by partner agency (e.g. child support)
- Program rules
 - ▣ Model (e.g. set phases with specific timelines)
 - ▣ Enforcement of time limits

Participant Impressions

- Support from staff/peers (program vs. private) (% agree strongly)
 - Supervisor provides advice about work situations (73%)
 - 54% Employer subsidy model
 - 82% Enhanced TJ model
 - Supervisor helps with personal issues affecting work (61%)
 - 28% Employer subsidy model
 - 70% Enhanced TJ model
 - Positive and supportive relationship with co-workers (83%)
 - 58% Employer subsidy model
 - 80% Enhanced TJ model
- Job Opportunities (high/low)
 - Likely to get permanent job when subsidy ends (46%)
 - 69% Employer subsidy model
 - 26% Staged model

Status and Timeframe for Findings

- ETJD and early STED sites completed enrollment in late 2013/early 2014
- 3 STED sites continuing enrollment until 2015
- Data collection and preliminary analysis ongoing
- Policy brief describing the projects later this year
- First results from ETJD and STED early sites in 2015/2016
 - ▣ One year of follow-up
 - ▣ Separate interim report for each site

Questions?

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