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

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MDRC
AUGUST, 2014
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
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

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