

The Subsidized and Transition Employment Demonstration

Testing Three Subsidized Employment Approaches for TANF Recipients in California: Implementation and Impact Findings

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STED Overview

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- Evaluation funded by the U.S. Department of Health and Human Services
 - MDRC with partners MEF, Branch, and DIR
 - Random assignment design in 8 sites
 - Target populations include TANF recipients, disconnected youth, non-custodial parents, and youth involved with the justice system

Subsidized Employment

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- Temporary employment with some/all wages paid by public funds
- Goals: income support, employability, well-being, TANF receipt
 - Short term vs. long term

STED Los Angeles and San Francisco

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Los Angeles

Transitional Subsidized Employment (TSE)

Paid Work Experience (PWE)

On the Job Training (OJT)

Control group

- Countywide partnership between TANF (LA Dept. of Public Social Services) and WorkSource (including South Bay WIB)

San Francisco

STEP Forward

STEP Forward

Control group

- Overseen by the Human Services Agency (HSA) of San Francisco

Program Characteristics

	Los Angeles		San Francisco
	PWE	OJT	STEP Forward
Target population	TANF recipients who did not find unsubsidized jobs during 4-week job club		TANF recipients, UI exhaustees, SNAP recipients, and other low-income groups
Welfare-to-Work mandatory?	Yes	Yes	No
Employer type	Public or non-profit	Private For-profit	Private Mostly for-profit
Placement length and subsidy amount	6 mon / 100%	2 mon / 100% → 4 mon / up to \$550 monthly	5 mon / up to \$1,000 monthly
Employer of record	Workforce Investment Board (WIB)	WIB → Employer	Employer

Connections to Subsidized Jobs

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Los Angeles

- Worksource Centers (n=21) recruited employers and placed participants
- Ready to be placed upon enrollment
- Light interview process
- Other welfare-to-work services

San Francisco

- Weekly job fairs
- Additional screening: good match for specific employers
- Competitive interview process
- Other job services

Study Enrollment

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Los Angeles

San Francisco

Recruitment

Nov. 2012 – Nov. 2013

Nov. 2012 – Mar. 2015

Participants enrolled

Total **2,622**

PWE 874

OJT 877

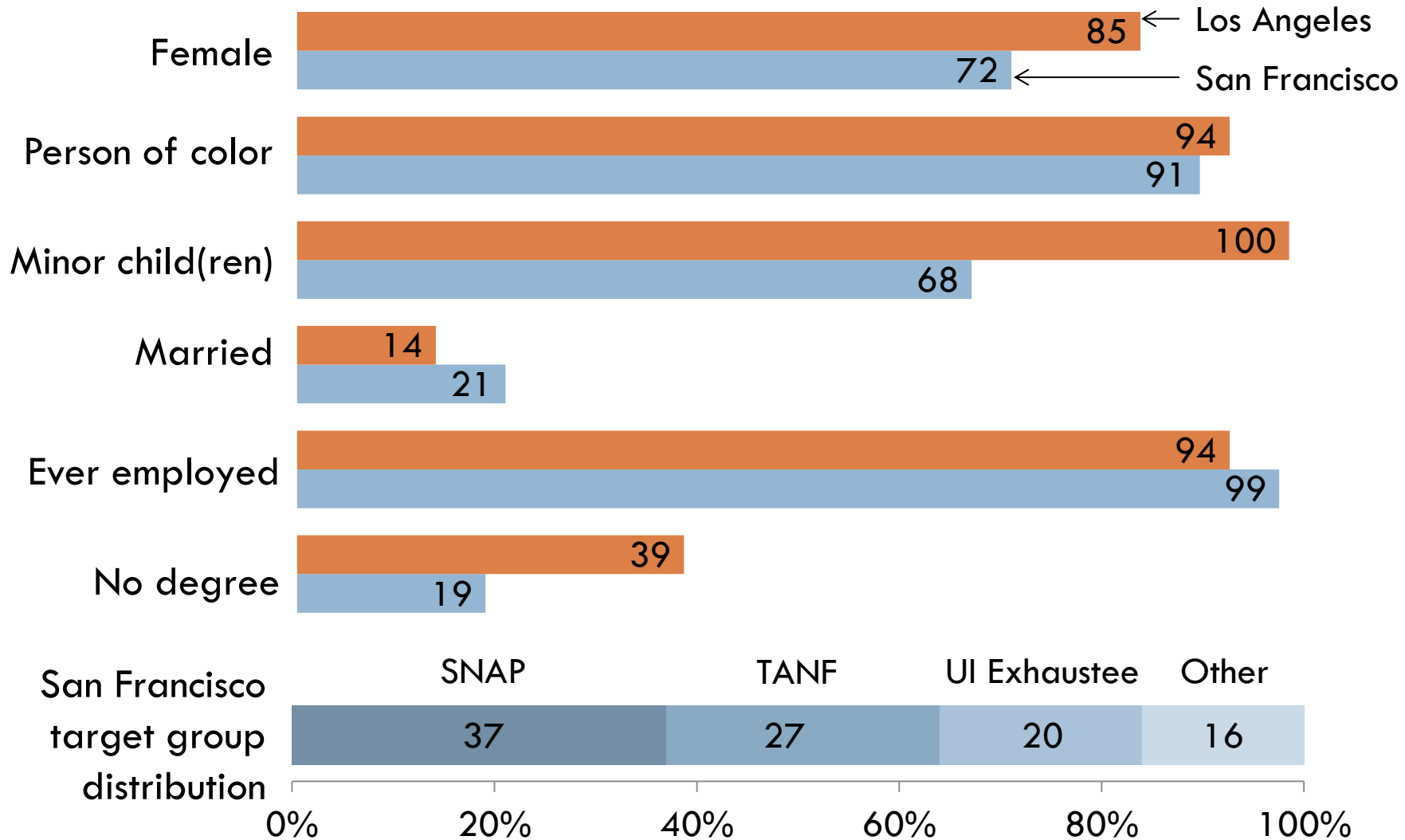
Control 871

Total **837**

Program 421

Control 416

Sample Characteristics



Implementation Summary

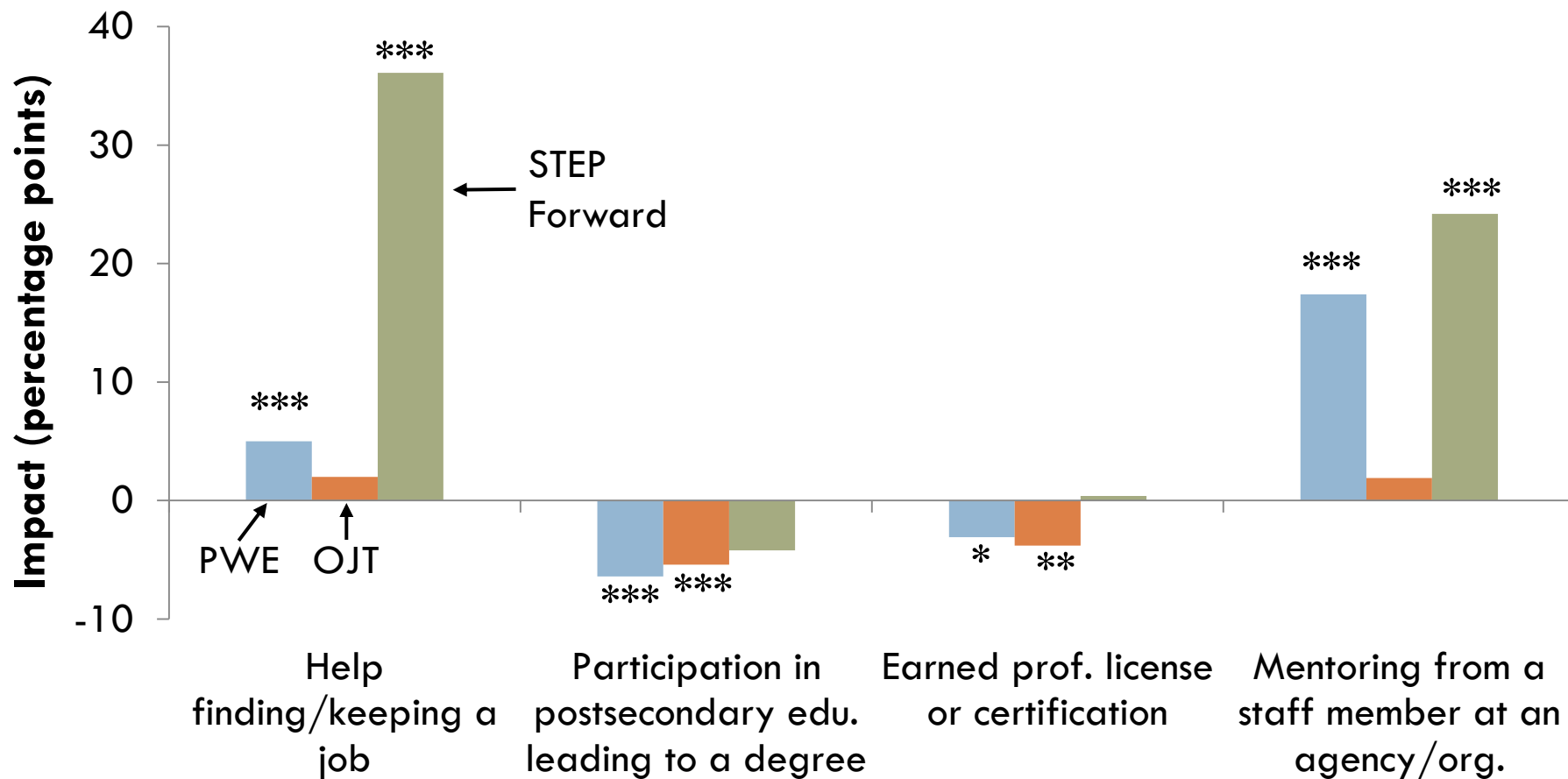
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	Los Angeles		San Francisco
	PWE	OJT	STEP Forward
Subsidized job placement rate	79%	42%	25%
Days from RA to subsidized job*	46	59	110
Length of subsidized job (months)	4.9	2.8	3.3
Maximum months	6	6	5

*LA: days from RA to first paycheck; SF: days from RA to first day at job

Impacts on Service Receipt

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Control mean

LA

91.6

18.0

13.1

32.7

SF

57.7

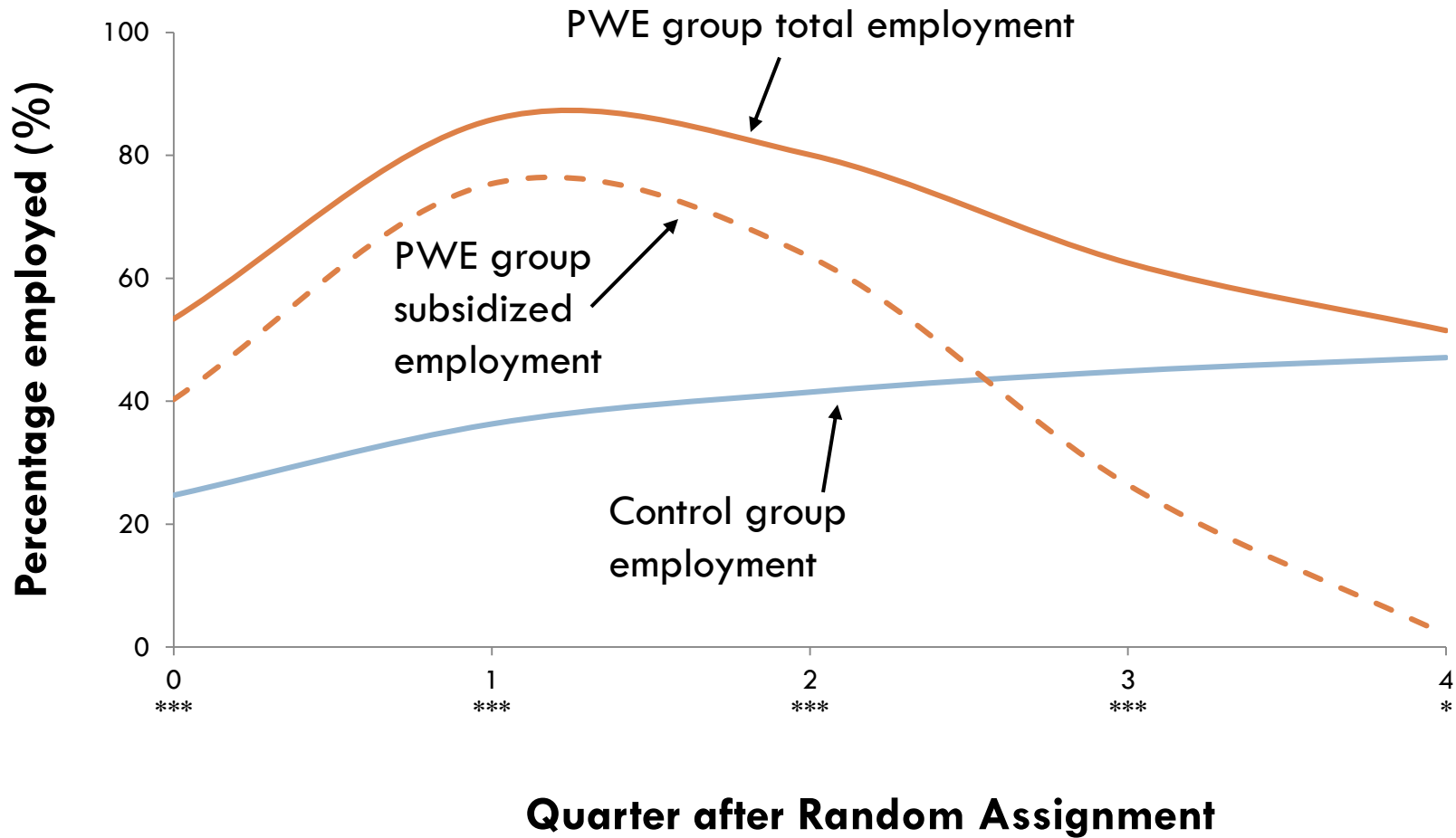
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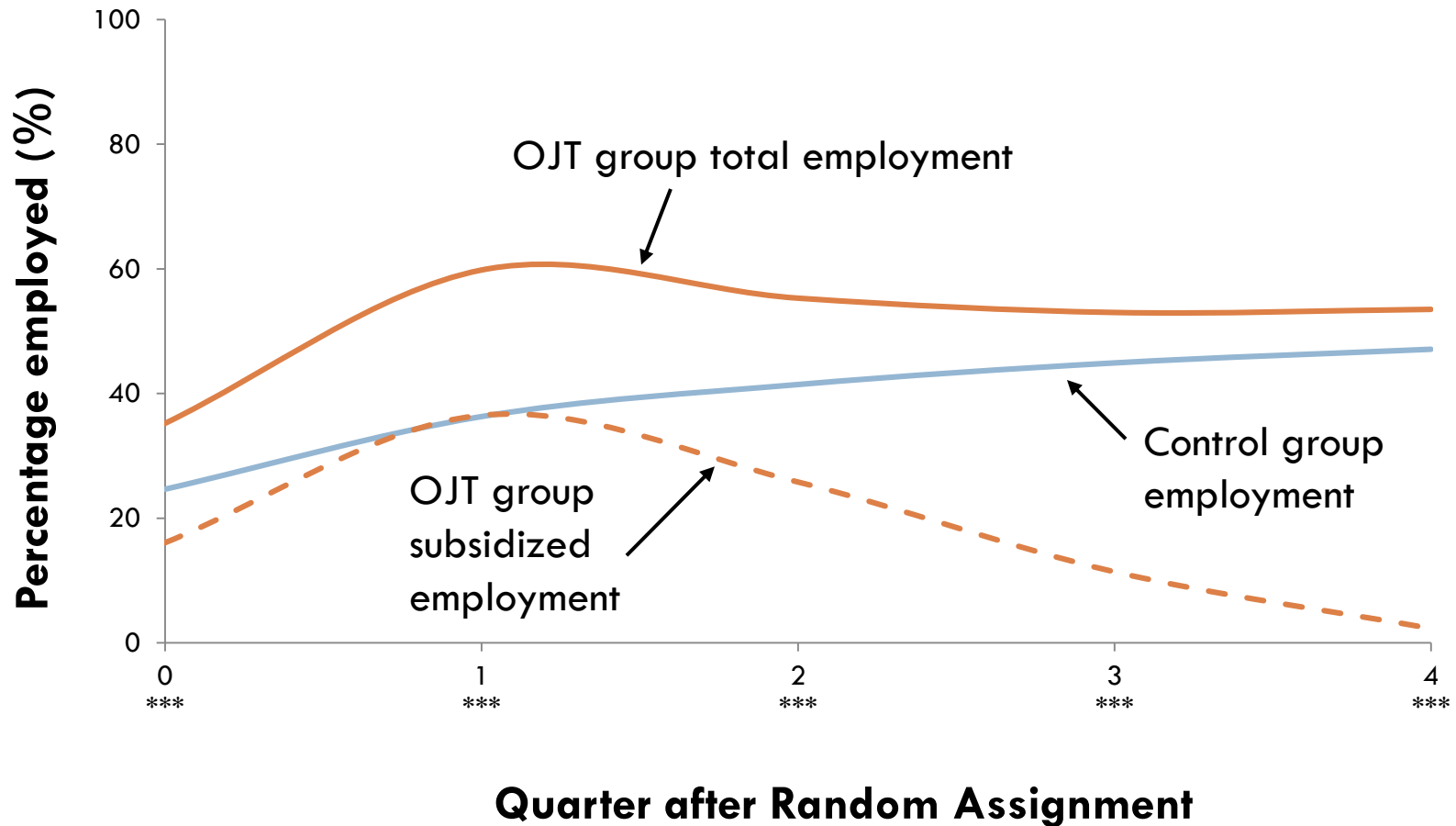
One Year Impacts on Employment: PWE (Los Angeles)

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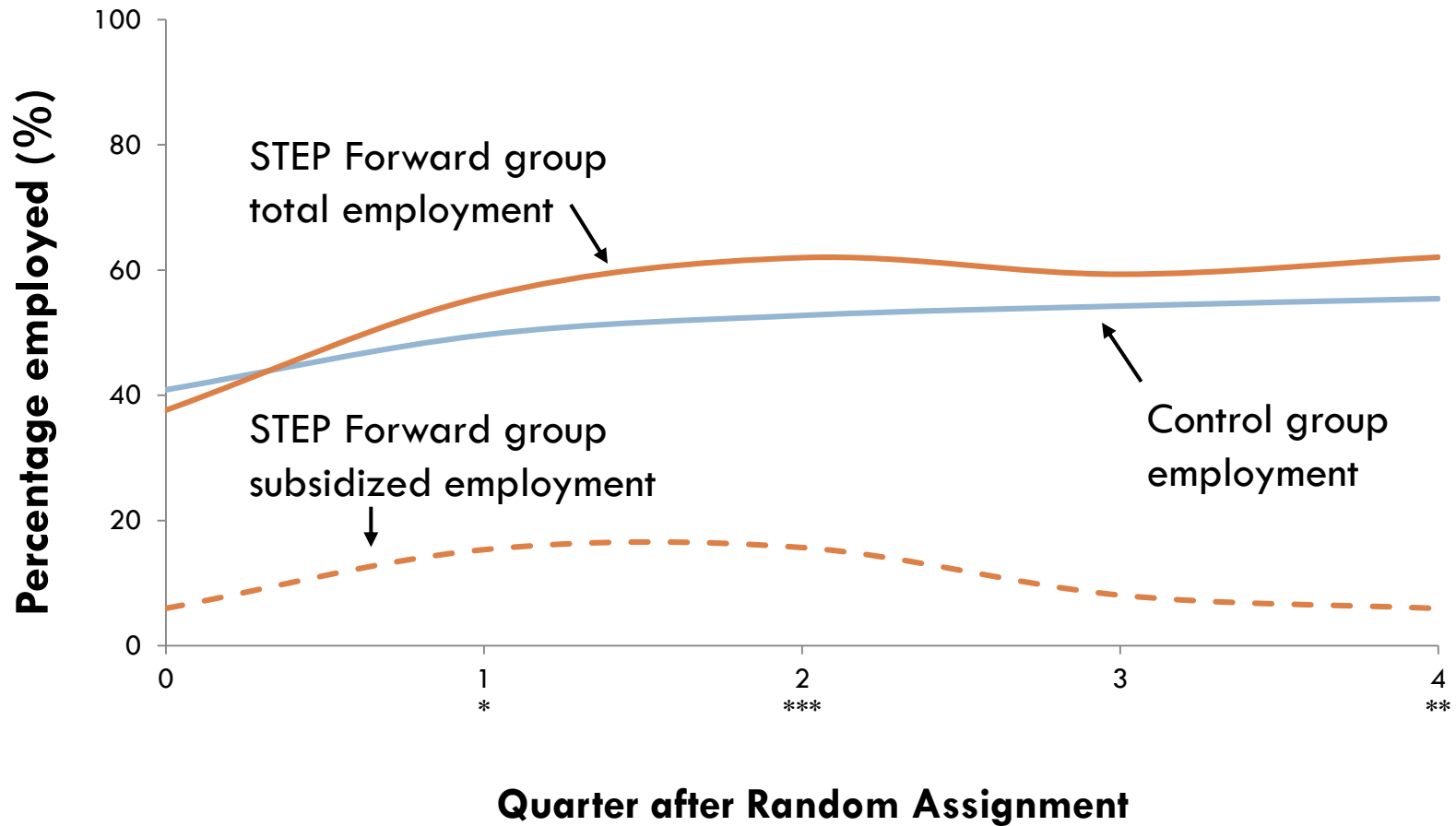
One Year Impacts on Employment: OJT (Los Angeles)

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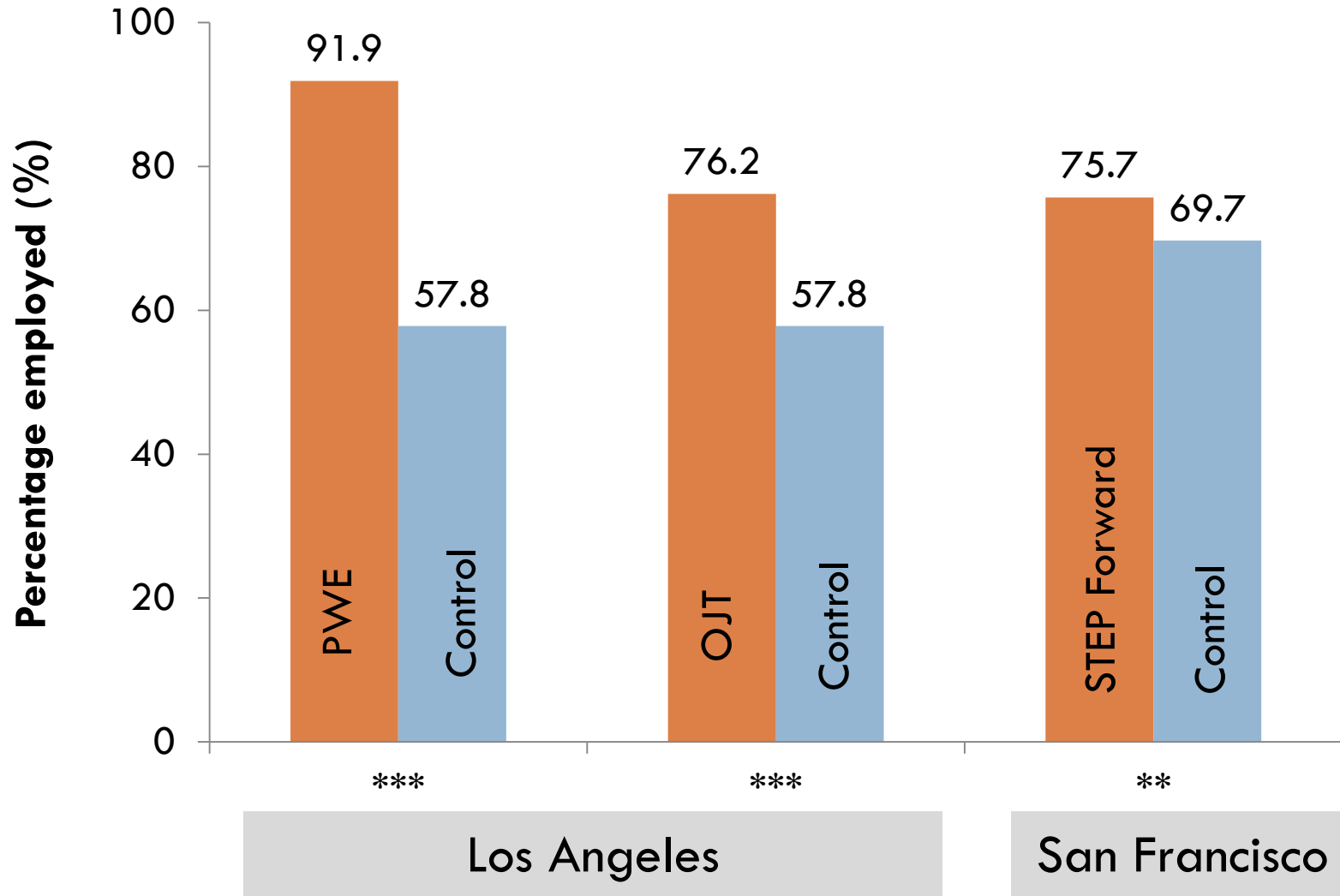
One Year Impacts on Employment: **STEP Forward** (San Francisco)

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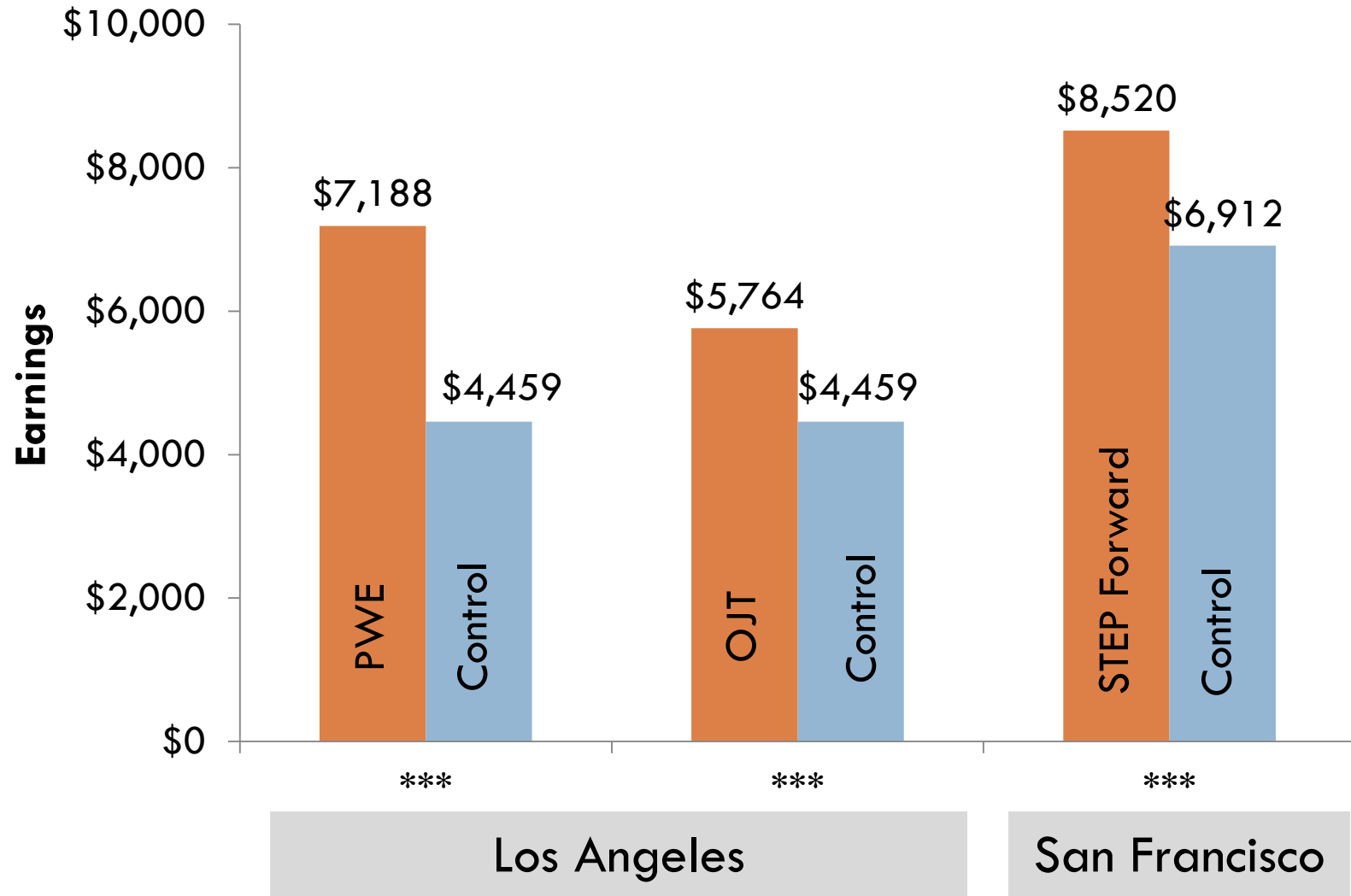
One Year Impacts on Employment

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One Year Impacts on Earnings

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Other Impacts

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- Positive impacts on employment and earnings for PWE and OJT were concentrated among those with little recent work experience
- Minor reductions in TANF payments for PWE and OJT; no meaningful impacts on TANF receipt rates
- All three programs had some indications of improved well-being while in the subsidized job

Conclusions

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- PWE (public-sector/non-profit model) had higher placement rate, got participants into subsidized jobs more quickly, and had longer-lasting placements → greater impacts on employment/earnings
- Differences between OJT and STEP Forward (private-sector models) may explain OJT's higher placement rate and quicker placement into subsidized jobs: voluntary/WTW mandatory; connections to subsidized jobs; sample composition; subsidy structure/employer of record; local economies
- Goals of subsidized employment
 - Short-term: employment/earnings, well-being, TANF work participation requirements
 - Long-term: 30-month report will examine

Questions?

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