

Subsidized Employment and Social Enterprise: Findings from Recent RCTs

Subsidized Employment Background

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- Using public funds to create or support jobs
- Different goals at different times
 - ▣ Provide work-based income support
 - ▣ Improve employability
 - ▣ Meet public needs
- Social enterprise is a unique form of subsidized employment

Recent evidence from RCTs

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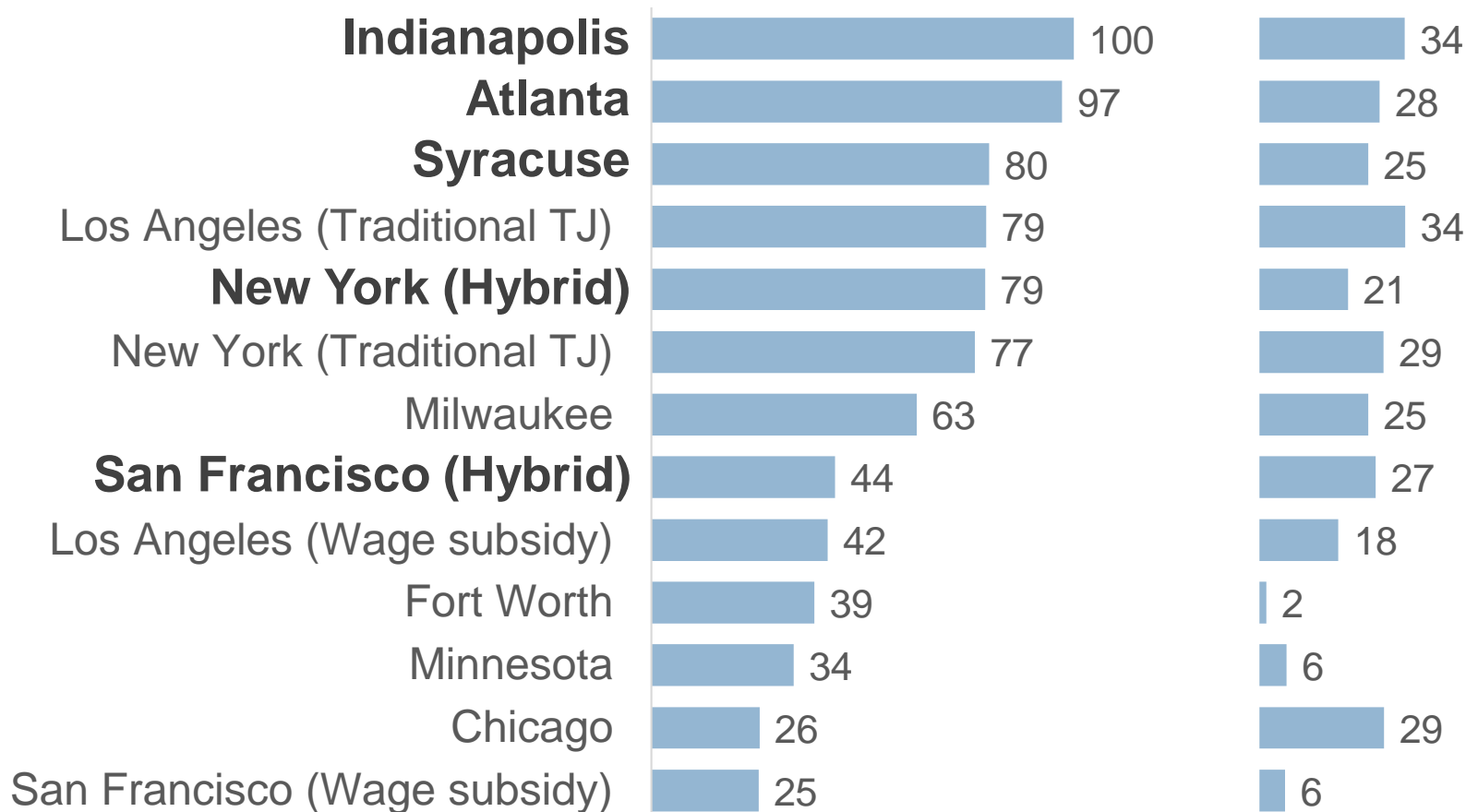
- RCTs of 13 subsidized employment programs via two large federal projects
 - ▣ Enhanced Transitional Jobs Demonstration (DOL)
 - ▣ Subsidized and Transitional Employment Demo (HHS)
- Several of the programs were full or partial social enterprises (definition can be fuzzy)
- Studies not designed to assess whether social enterprise “works better.”

One-year Program Group Subsidized Work Rates Compared with One-Year Impacts on Formal Employment

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Worked in a subsidized job, Year 1(%)

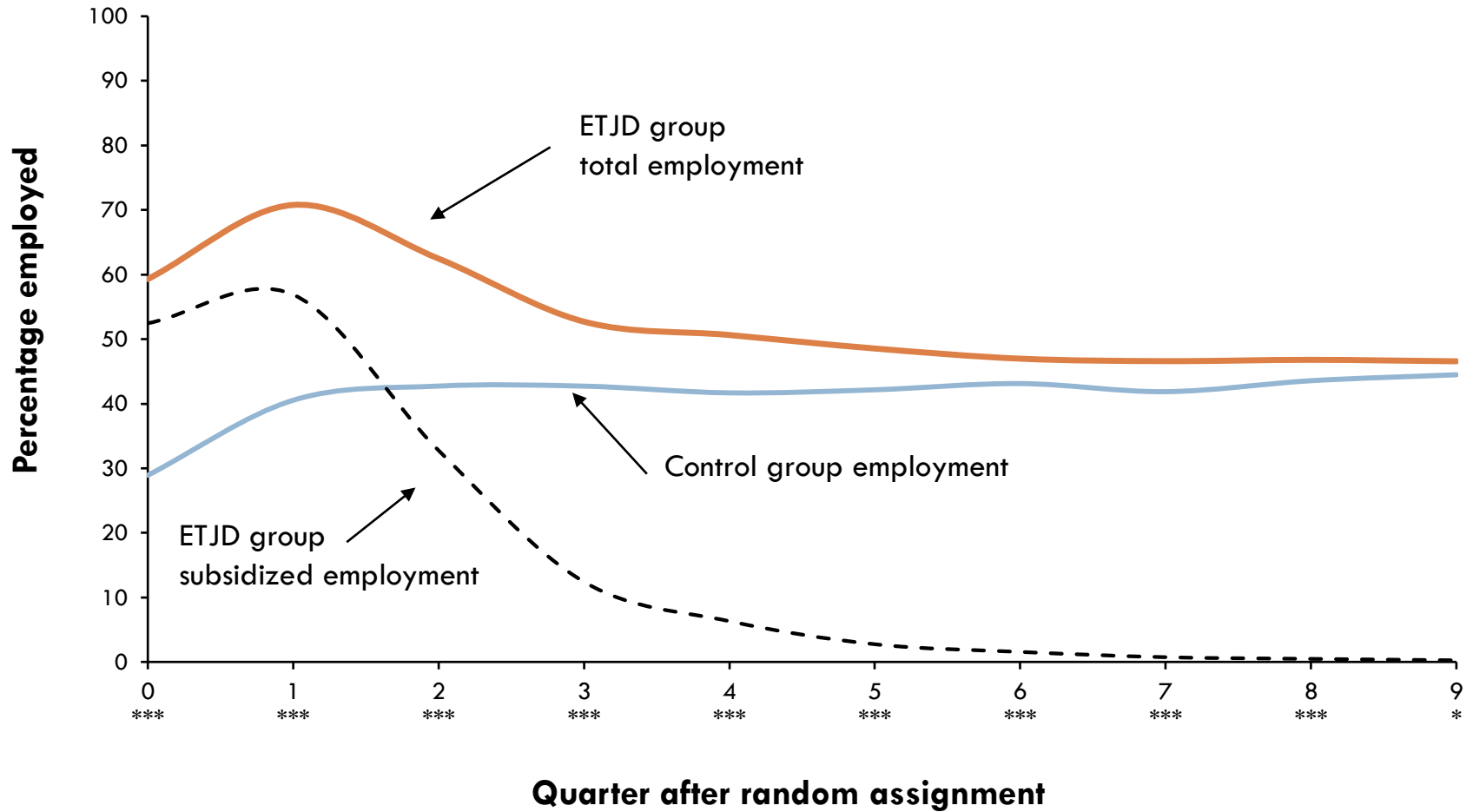
Year 1 employment impact (percentage point)



Employment rates over time

All sites pooled

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Employment and earnings impacts

All sites pooled

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Outcome	Program	Control	Difference
Earnings in last year of follow-up (\$)	8,298	7,597	701***
Employed in last year, admin records (%)	64.4	60.4	4.0***
Employed in last year, survey (%)	77.9	72.9	5.0***
Employed at time of 30-month survey (%)	55.9	50.9	5.0***
• Earning more than \$10/hour (%)	30.4	24.8	5.7***
• Working more than 34 hours/week (%)	39.6	33.7	5.9***
• Working in permanent job (%)	40.7	34.3	6.5***

Employment in last year of follow up

By site

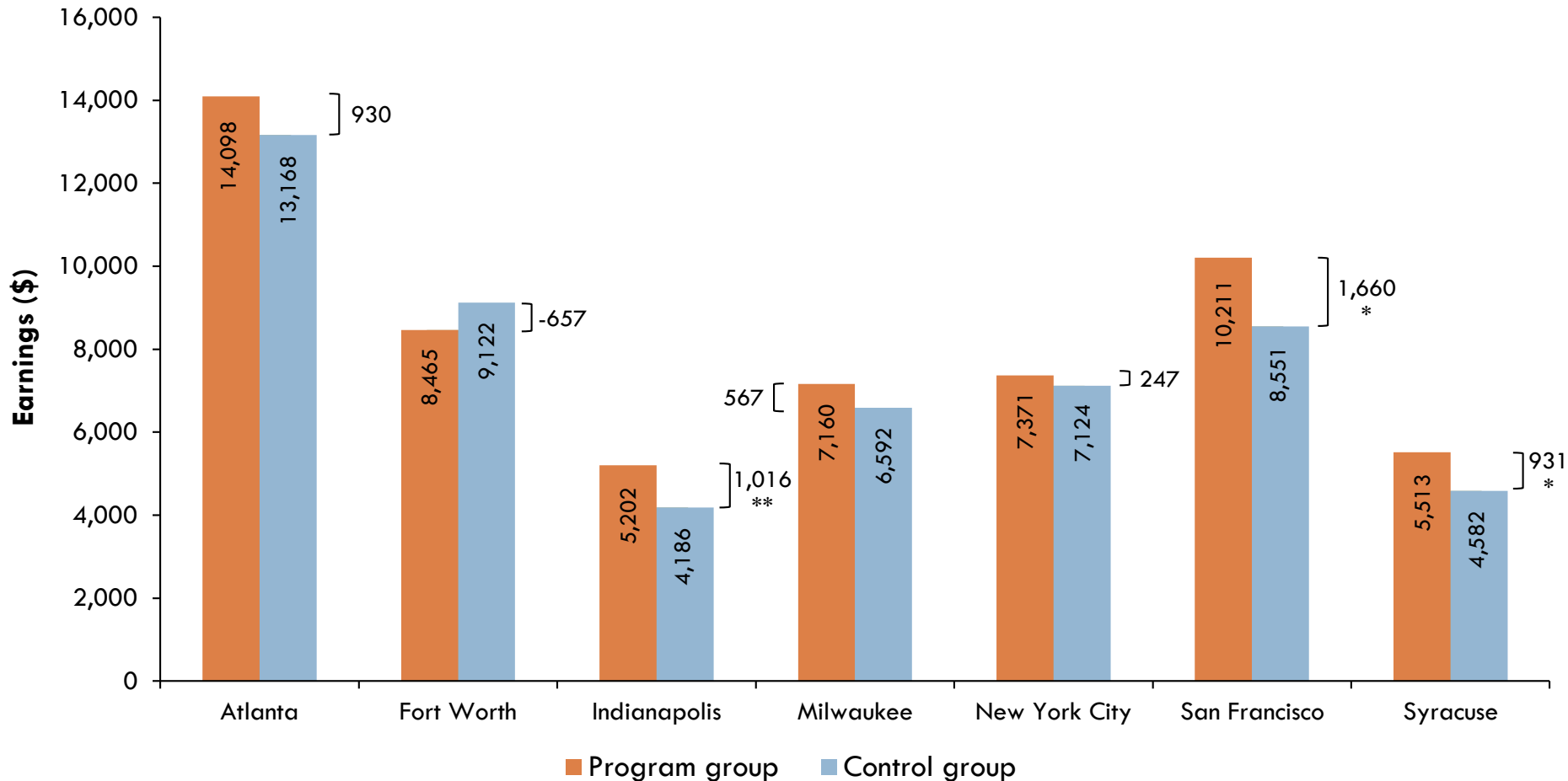
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Earnings in last year of follow-up

By site

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Recidivism impacts: Indiana

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Outcome	Program	Control	Difference
Ever arrested, convicted or incarcerated (%)	67.4	73.6	-6.2**
Arrested (%)	46.4	51.0	-4.6
Convicted of a crime (%)	36.2	40.4	-4.2
Convicted of a felony (%)	20.3	25.2	-4.9
Convicted of a violent crime (%)	7.5	6.7	0.8
Incarcerated (%)	66.1	72.5	-6.4**
Incarcerated in prison (%)	31.3	39.9	-8.6***
Days in prison	90	121	-31***

Creating Jobs: The Role of Social Enterprise in Subsidized Employment Programs

Evidence for Employment Social Enterprises

Nan Maxwell

July 30, 2019

Employment social enterprises

Merges social mission into a business

- Generates revenue
- Employs people facing challenges

Benefits participants

1. Gain work experience
2. Receive training
3. Receive support services
4. Have supportive supervisors
5. Receive employment services



Studied 8 employment social enterprises

Multidimensional, mixed method evaluation

Competitive grant process

- Transitional job model
- Social and business missions
- Located in California

Populations were vulnerable



Enterprises in study differed

Business line(s)	Participants served (annual)	Target population
Cafes Janitorial	18 23	People with mental health disabilities
Street cleaning	108	Parolees
Retail	36	People with low income, mental illness or homelessness Parolees Young adults aged 16-25, not in school or labor market
Construction	12	Young adults aged 16-25, not in school or labor market
Staffing Street cleaning	500 (total)	Formerly incarcerated, homeless
Pest control	10	Homeless
Lobby services	55	Homeless
Maintenance services	30	Homeless

Employment increased



EMPLOYMENT

	Percentage point increase after one year
Employed	36
Employed outside social enterprise	17

Employment impacts found: Case study



Employment rate growth from 36 to 58 percent

Impact of 21 percentage points

Impact of -7 percentage points for employment outside enterprise

Net present value of a job varies



Group	Net present value
Society	12,496
Participant	-165
Business	-314

Low-skill job requirements and size facilitate success



	Financial and employment success	No success
Median number of skills required in job	3.0	15.5
Focus of skill development	Soft skills	Technical and soft skills
Median total workers	108	12
Median social mission cost per employee	\$1,080	\$7,177

Skill requirements and size can help overcome challenges

Benefit to participant	Challenge
Realistic work experience	Participants may lack hard and soft skills
Training	Participants may need more training than other employees
Support services	Participants need support services to stabilize life
Work site supervisor/coach	Finding individuals with industry knowledge and knowledge of population
Transition to employment outside enterprise (if transitional model)	Turnover costs



Implications

Employment social enterprises might be effective but

- Businesses might not have incentive to develop
- Individuals might not have incentive to participate

Potential for success best when

- Large scale
- Relatively low-skilled jobs
- Supervisors have knowledge of industry and capacity to support participants
- Participants supported

Rigorous causal research needed

NextGen Project



Innovative interventions for people with complex employment challenges

Special interest in social enterprises

Rigorous impact evaluations, descriptive and cost studies



For more information

Project webpage

- <https://www.mathematica-mpr.com/our-pulications-and-findings/projects/redf-social-enterprises-evaluation>

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*A cleaner environment.
A stronger workforce.*



RecycleForce is a 501(c) 3 social enterprise delivering comprehensive recycling service to businesses in order to provide **life-changing employment opportunities** to formerly incarcerated individuals.

We use grants and the revenue we generate from recycling to **help men and women rebuild their lives** with job training, gainful employment and comprehensive social services. We do this by **PAYING A WAGE.**



**Changing the
Environment,
Changing Lives**

Solutions for Business

RecycleForce is an R2 and RIOS certified recycler providing environmentally sound solutions for managing **end-of-life electronics, equipment, retail returns and IT assets.**

RecycleForce works with **businesses** and global organizations who are **invested in sustainability and committed to reducing waste.**

In addition to delivering environmentally sound recycling, RecycleForce provides businesses **the opportunity to diversify and enhance their corporate social responsibility portfolios.**

Businesses aligned with RecycleForce support one of the largest and **most successful re-entry programs in the country.**

RecycleForce customers value our customer service, accurate and timely documentation, cost efficiency, and agility.



Workforce Development

Basic Training

OSHA Warehouse Safety

Advanced Training

Forklift, Certified Logistics, HAZWOPER 40, RCRA, EPA 608

Social Services

Professional & Peer Mentoring, High School Equivalency & Literacy Training, Housing Resource Assistance, Driver's License Reinstatement, Substance Abuse & Mental Health Counseling, Child Support Set-Up, Financial Literacy Training, Tax Preparation Assistance





RecycleForce is providing a pathway for hundreds of formerly incarcerated men and women to successfully re-integrate into the workforce and become responsible, tax-paying, productive community members and citizens by providing comprehensive, environmentally sound, and secure end-of-life electronics processing.

In the present state of things, the people who do the most harm are the people who try and do the most good.

- Oscar Wilde

Are We Doing The Right Thing?

I play in a game where if you fail 70% of the time you are pretty good. If you only fail 60% of the time you are the greatest player to ever play this game.

- Pete Rose

The first step is to admit we fail a lot.

Without deviation from the norm
progress is not possible

- Frank Zappa

THE RESEARCH SCIENTIST ROCKS

“We believe that work is therapy and the best way to approach public safety is through gainful **WAGE PAYING** employment.”

- Gregg Keesling, Founder

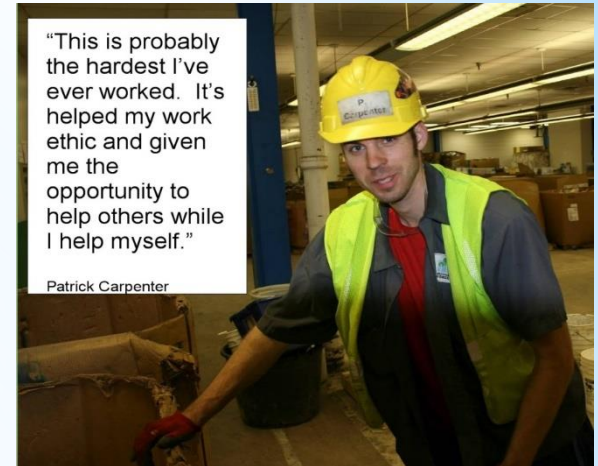
RecycleForce



To learn more about our business solutions or social mission:

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