The Enhanced Transitional Jobs Demonstration

New Perspectives on Creating Jobs

Final Impacts of the Next Generation of Subsidized Employment Programs

Executive Summary

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May 2018

EMPLOYMENT AND TRAINING ADMINISTRATION
UNITED STATES DEPARTMENT OF LABOR

The work in this publication was performed under Contract No. GS-10F-0245N awarded by the U.S. Department of Labor (DOL). For the Atlanta and San Francisco sites, research was performed under Contract No. HHSP23320100029YC, awarded by the U.S. Department of Health and Human Services (HHS).

Overview

Some adults have great difficulty finding and holding jobs even when overall economic conditions are good. These individuals typically have low levels of formal education and skills and other characteristics such as criminal records that place them at the back of the queue for job openings. Many programs have been developed to assist hard-to-employ job seekers, but few have demonstrated sustained success. One such model, "transitional jobs," offers temporary jobs, subsidized with public funds, that aim to teach participants basic work skills or help them get a foot in the door with an employer. Several transitional jobs programs have been evaluated, with mixed results.

The Enhanced Transitional Jobs Demonstration (ETJD), funded by the Employment and Training Administration of the U.S. Department of Labor, tested seven transitional jobs programs that targeted people recently released from prison or low-income parents who had fallen behind in child support payments. The ETJD programs were "enhanced" in various ways relative to programs studied in the past. MDRC, a nonprofit, nonpartisan research organization, led the project along with two partners: Abt Associates and MEF Associates. The Office of Planning, Research, and Evaluation in the U.S. Department of Health and Human Services' Administration for Children and Families also supported the evaluation.

The evaluation used a random assignment research design. Program group members were given access to the ETJD programs and control group members had access to other services in the community. This report presents the final impact results from the study 30 months after enrollment and information about the costs of the ETJD programs. Most measures presented in the report focus on the final year of the follow-up period, when nearly all program group members had left transitional jobs. The results therefore reflect longer-term effects of the programs after the subsidized positions ended.

- **The ETJD programs increased participants' earnings and employment rates in the final year of the study period.** The program group earned about $700 more than the control group in that year. Sixty-four percent of the program group worked in that year, compared with 60 percent of the control group.

- **The three ETJD programs targeting people returning from prison reduced incarceration in prison among those at higher risk of reoffending.** Although there was no statistically significant impact on a broad measure of recidivism (the rate at which people commit new crimes or are reincarcerated), there were some encouraging patterns on other measures of recidivism. In addition, among higher-risk participants across the three locations, there was a statistically significant reduction in incarceration in prison (of 12 percentage points) in the 30 months following study enrollment. The impacts on recidivism largely reflect the program in Indianapolis, which targeted a very disadvantaged and high-risk population.

- **The ETJD programs targeting noncustodial parents did not increase the amount of child support paid in the last year of the follow-up period.** However, they did increase the proportion of parents who paid at least some support during this period by 6 percentage points.

- **Results varied somewhat among the programs.** Some of the ETJD programs produced statistically significant effects on notable outcome measures. However, it is unclear whether patterns in results reflect differences in models, in the implementation of the models, in contextual factors, or in the characteristics of the ETJD sample members served in each location.

- **ETJD program costs ranged from about $7,000 to $11,100 per program group member.** The net costs of the ETJD programs (taking control group costs and non-ETJD costs into account) ranged from about $6,200 to $11,100 per person.

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Acknowledgments

The Enhanced Transitional Jobs Demonstration (ETJD) and this report would not be possible without the contributions of many people in the dozens of agencies and organizations participating in the project. We thank the funders at the U.S. Department of Labor (DOL) and the U.S. Department of Health and Human Services (HHS). In particular we thank Eileen Pederson, our DOL project officer, for her invaluable dedication and thoughtfulness throughout the project and for reviewing and providing comments on this report. We also thank Dan Ryan for his support and for reviewing and providing comments as well. We are grateful to Heidi Casta, Wayne Gordon, Jenn Smith, and Michelle Ennis for their contributions and commitment to the project. From HHS we thank Girley Wright, Erika Zielewski (who has since moved to the U.S. Office of Management and Budget), and Mark Fucello for their ongoing partnership and helpful collaboration on the project.

We are especially grateful to the hardworking and dedicated administrators and staff members in each of the seven ETJD programs who have given generously of their time throughout the project.

From Atlanta, Georgia: Jenny Taylor, Marylee Putnam, Cheryl Cornett-Earley, and Iana Kanazirska-Petkova.

From Fort Worth, Texas: Debby Kratky, John Torres, Christina Mason, Robert Sturgeon, and Jack Cummings.

From Indianapolis, Indiana: Gregg Keesling, Brent Matthews, Rhonda Shipley, Calvin Houston, Jannett Keesling, and Thomas Gray.

From Milwaukee, Wisconsin: Nyette Brown-Ellis, Reginald Riley, Marrika Rodgers, Robin Balfanz, and Jennifer de Montmollin.

From New York City, New York: Nadia Sadloski, Felipe Vargas, Valerie Westphal, Zachary Smith, Marion Kowalski, Angela Gerena, and Nathan Gunsch.

From San Francisco, California: at Goodwill, Megan Kenny, David Walker, and Elsie Wong; at the San Francisco Department of Child Support Services, Karen Roye, Christine Anderson, Sheryl Myers, and Freda Randolph Glenn; and at the Mayor's Office of Economic and Workforce Development, John Halpin, Monique Forester, and Lisa Estrada.

From Syracuse, New York: Michael Pasquale, Marsha Weissman, David Condliffe, Christine Abate, and Michael Irwin.

From DOL, we are also grateful to the Regional Federal Project Officers that provided contractual and programmatic technical assistance to the ETJD grantees: in *Atlanta, Georgia*, Sherrie Wilson; in *Fort Worth, Texas*, Amanda Denogean; in *Indianapolis, Indiana,* and *Milwaukee, Wisconsin*, Darren Kroenke;

in *New York City, New York*, Rochelle Layne; in *San Francisco, California*, Elina Mnatsakanova; and in *Syracuse, New York*, Michael Hotard.

We thank the many staff members from state and local criminal justice and child support agencies that facilitated our access to the administrative data used in this report: the California Department of Child Support Services, the Georgia Division of Child Support Services in the Department of Human Services, the Texas Department of Public Safety, the Texas Department of Criminal Justice, the Tarrant County Sheriff's Office, the Indiana State Police, the Indiana Department of Corrections, the Marion County Sheriff's Office, the New York Division of Criminal Justice Statistics, the New York State Department of Corrections and Community Supervision, the New York City Department of Corrections, the New York State Office of Temporary and Disability Assistance's Division of Child Support Enforcement, the Institute for Research on Poverty at the University of Wisconsin-Madison, and the Wisconsin Department of Children and Families. We also thank staff members from HHS and the Social Security Administration who worked to provide us with data from the National Directory of New Hires. The Center for Employment Opportunities graciously provided data to inform the analysis of the New York City program.

At MDRC, Jill Verrillo masterfully coordinated the report's production and the creation of the report's many exhibits with unwavering dedication, determination, and resourcefulness. Johanna Walter managed multiple aspects of data collection and processing and provided sound counsel on the analysis throughout the project. Beata Luczywek, Chloe Anderson, Danielle Cummings, Gary Reynolds, Melanie Skemer, and Sally Dai were part of the outstanding quantitative analysis team that skillfully processed the surveys and dozens of federal, state, and local administrative data sets for the analysis in this report. Nicole Morris and Lee Robeson led the survey management. Rick Hendra, Chuck Michalopoulos, and Gordon Berlin reviewed drafts of the report and offered insightful comments. Emily Brennan, Samuel Diaz, Molly Williams, Tejomay Gadgil, Abby Durgan, Vicky Ho, Zaina Rodney, and Justine Yu provided indispensable assistance in report production. Joshua Malbin expertly and efficiently edited and reviewed the report, and Carolyn Thomas and Ann Kottner prepared it for publication.

From MEF Associates, Claire Ma, Riley Webster, Kim Foley, and Emmi Obara were part of the stellar team that created and checked cost estimates and assisted with collection of cost data. From Abt Associates, Steve Bell reviewed multiple drafts of the report and provided thoughtful comments. From Abt Schulman, Ronca & Bucuvalas, Inc. (SRBI), Donna DeMarco, Jodi Walton, Ray Hildonen, and Ricki Jarmon led the survey administration effort. From Decision Information Resources, Inc., Jim Cooper, Lenin Williams, Monica Schneider, and Sylvia Epps led survey administration efforts.

Finally, we extend our deep appreciation to the thousands of men and women who participated in the study and gave generously of their time. They have contributed immeasurably to research that helps improve services and policy for noncustodial parents and formerly incarcerated individuals in the demonstration cities and beyond.

The Authors

Executive Summary

Across the United States, some adults have great difficulty finding and holding jobs even when overall economic conditions are good. These individuals typically have low levels of formal education and skills and other characteristics such as criminal records that place them at the back of the queue for job openings.[1]

Many programs have been developed to assist hard-to-employ job seekers, but few have demonstrated sustained success. One model that has been implemented and tested fairly extensively is called "transitional jobs." Some transitional jobs programs are designed primarily to provide work-based income support to jobless workers. Others offer temporary jobs, subsidized with public funds, that aim to teach participants basic work skills or help them get a foot in the door with an employer. Many of these programs also offer assistance with personal barriers that may hinder participants' success, and help participants find permanent jobs. Previous evaluations of transitional jobs programs have found that the programs dramatically increased employment initially — demonstrating that they successfully targeted people who were unlikely to find jobs on their own — but the impacts faded after participants left the transitional jobs. The programs did not improve participants' long-term employment outcomes. One program targeting people returning to the community from prison reduced recidivism (the rate at which former prisoners commit new crimes or are reincarcerated), but several other programs for the same population did not.[2]

This report presents the final results from the Enhanced Transitional Jobs Demonstration (ETJD), a large-scale research project sponsored by the Employment and Training Administration (ETA) in the U.S. Department of Labor and also supported by the Administration for Children and Families (ACF) in the U.S. Department of Health and Human Services. In 2011, ETA held a national competition and selected seven organizations to operate transitional jobs programs

[1]Devah Pager, "The Mark of a Criminal Record," *American Journal of Sociology* 108, 5 (2003): 937-975; Eleanor Krause and Isabel Sawhill, *What We Know and Don't Know about Declining Labor Force Participation: A Review* (Washington, DC: Brookings Institute, 2017); Harry J. Holzer, Steven Raphael, and Michael A. Stoll, "Employment Barriers Facing Ex-Offenders" (Washington, DC: Urban Institute, 2003); Martha Ross and Natalie Holmes, *Meet the Out-of-Work: Local Profiles of Jobless Adults and Strategies to Connect Them to Employment* (Washington, DC: Brookings Institute, 2017).

[2]Cindy Redcross, Megan Millenky, Timothy Rudd, and Valerie Levshin, *More Than a Job: Final Results of the Center for Employment Opportunities (CEO) Transitional Jobs Program* (New York: MDRC, 2012); David Butler, Julianna Alson, Dan Bloom, Victoria Deitch, Aaron Hill, JoAnn Hsueh, Erin Jacobs Valentine, Sue Kim, Reanin McRoberts, and Cindy Redcross, *What Strategies Work for the Hard-to-Employ? Final Results of the Hard-to-Employ Demonstration and Evaluation Project and Selected Sites from the Employment Retention and Advancement Project* (New York: MDRC, 2012); Erin Jacobs Valentine, *Returning to Work After Prison: Final Results from the Transitional Jobs Reentry Demonstration* (New York: MDRC, 2012).

targeting either low-income parents who did not live with one or more of their children (noncustodial parents) and who owed child support, or individuals returning to the community from prison. Applicants were required to describe how their program would be "enhanced" relative to earlier transitional jobs programs that had been tested. Each of the selected organizations received about $6 million to recruit 1,000 individuals into the study and serve 500 of them. ETA awarded a contract to MDRC and its partners, Abt Associates and MEF Associates, to conduct a multifaceted evaluation of the ETJD programs.[3] An earlier report described the implementation of the ETJD programs and their effects on participants' outcomes over 12 months.[4] This report presents final results from the evaluation after 30 months, including results from a cost-effectiveness analysis. The results are particularly timely because transitional jobs are identified as an allowable activity under the Workforce Innovation and Opportunity Act (WIOA), the law that governs the nation's public workforce system. Local WIOA programs may use up to 10 percent of their adult and dislocated worker funding to support transitional jobs for participants who are chronically unemployed or who have inconsistent work histories; individuals who have served time in prison are identified as a potential target group.[5]

Overall, the ETJD results are more encouraging than the earlier studies mentioned above. The programs increased both employment and earnings in the last year of the follow-up period, when nearly all program group members had left their transitional jobs. Results in the other two primary domains — criminal justice and child support — are more mixed, but in both there are positive results on some important outcome measures.

The ETJD Programs and Participants

As shown in Table ES.1, four of the ETJD programs targeted noncustodial parents and three targeted formerly incarcerated individuals. Most of the programs were operated by private nonprofit organizations, though they worked closely with local or state government agencies.

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[3]ETA awarded a contract to a separate organization, Coffey Consulting, to provide programmatic technical assistance to the grantees.

[4]Cindy Redcross, Bret Barden, Dan Bloom, Joseph Broadus, Jennifer Thompson, Sonya Williams, Sam Elkin, Randall Juras, Janae Bonsu, Ada Tso, Barbara Fink, Whitney Engstrom, Johanna Walter, Gary Reynolds, Mary Farrell, Karen Gardiner, Arielle Sherman, Melanie Skemer, Yana Kusayeva, and Sara Muller-Ravett, *Implementation and Early Impacts of the Next Generation of Subsidized Employment Programs* (New York: MDRC, 2016).

[5]U.S. Department of Labor, Employment and Training Administration, "Employment and Training Administration Advisory: Training and Employment Guidance Letter WIOA No. 3-15, Operating Guidance for the Workforce Innovation and Opportunity Act (Referred to as WIOA or the Opportunity Act)" (Website: https://wdr.doleta.gov/directives/attach/TEGL/TEGL_03-15.pdf, 2015).

Table ES.1

ETJD Individual Program Characteristics

Location, Program Operator, and Name	Target Group	Program Overview
Atlanta, GA Goodwill of North Georgia *Good Transitions*	Noncustodial parents	Participants worked at a Goodwill store for approximately one month, then moved into a less supported subsidized position with a private employer in the community for about three months. The program offered case management and short-term training.
Milwaukee, WI YWCA of Southeast Wisconsin *Supporting Families Through Work*	Noncustodial parents	Participants started in a three- to five-day job-readiness workshop. They were then placed in transitional jobs, mostly with private-sector employers. The program supplemented wages in unsubsidized employment to bring them up to $10 an hour for six months. The program also provided child support-related assistance.
San Francisco, CA Goodwill Industries, with San Francisco Dept. of Child Support Services *TransitionsSF*	Noncustodial parents	Participants began with an assessment followed by two weeks of job-readiness training. Then they were placed into one of three tiers of subsidized jobs depending on their job readiness: (1) nonprofit, private-sector jobs (mainly at Goodwill); (2) public-sector jobs; or (3) for-profit, private-sector jobs. They may have received modest financial incentives for participation milestones and child support assistance.
Syracuse, NY Center for Community Alternatives *Parent Success Initiative*	Noncustodial parents	Groups of 15-20 participants began the program together with a two-week job-readiness course. They were then placed in work crews with the local public housing authority, a business improvement district, or a nonprofit organization. The program offered family life-skills workshops, job-retention services, case management, civic restoration services, child support legal aid, and job-search and job-placement assistance.
Fort Worth, TX Workforce Solutions of Tarrant County *Next STEP*	Formerly incarcerated people	Participants began with a two-week "boot camp" that included assessments and job-readiness training. They were then placed in jobs with private employers. The program paid 100 percent of the wages for the first eight weeks and 50 percent for the following eight weeks. Employers were expected to retain participants who performed well. Other services included case management, group meetings, high school equivalency classes, and mental health services.
Indianapolis, IN RecycleForce, Inc. *RecycleForce*	Formerly incarcerated people	Participants were placed at one of three social enterprises, including an electronics recycling plant staffed by formerly incarcerated workers, who provided training and supervision to participants and served as their peer mentors. The program also offered occupational training, case management, job development, work-related financial support, and child support-related assistance. Participants may have been hired later as unsubsidized employees.
New York, NY The Doe Fund *Ready, Willing and Able* *Pathways2Work*	Formerly incarcerated people	After a one-week orientation, participants worked on the program's street-cleaning crews for six weeks, then moved into subsidized internships for eight weeks. If an internship did not transition to unsubsidized employment, the program paid the participant to search for jobs for up to nine weeks. Additional services included case management, job-readiness programs, opportunities for short-term training and certification, and parenting and computer classes.

The typical ETJD participant was a never-married black or Hispanic man between 30 and 40 years old, with a high school diploma or the equivalent but no postsecondary education. Almost all of the study participants had worked in the past, but most had little recent work experience. Studies have shown that African-American men, particularly those with criminal records, experience significant discrimination in the labor market.[6] About 42 percent of the participants in the programs targeting formerly incarcerated people were noncustodial parents. Conversely, 76 percent of participants in the noncustodial parent programs had been convicted of a crime and 40 percent had been in prison, though usually not recently.

The ETJD Evaluation

Subsidized employment programs have different goals. Some programs — typically those operated during economic downturns — are designed primarily to provide work-based income support to jobless workers. Such programs might be assessed based on their ability to grow quickly to a large scale and provide useful jobs. Other models also provide income, but primarily aim to use subsidized jobs as a tool to help hard-to-employ individuals "learn to work by working," in order to improve their ability to get and hold unsubsidized jobs. The ETJD programs fall into the second category and thus are assessed, in large part, based on how participants fare in the labor market after leaving the subsidized jobs. Because the ETJD programs targeted noncustodial parents and recently incarcerated individuals, they also aimed to increase payment of child support and reduce recidivism, outcomes that may be tied to employment. (The provision of employment services to noncustodial parents and people coming home from prison reflects broader trends in the child support and criminal justice systems.) In sum, ETJD set out to answer three broad research questions:

1. How were the ETJD programs designed and operated, and whom did they serve?

2. How did the ETJD programs affect participants' receipt of services and their outcomes in three primary domains: employment, child support, and criminal justice (that is, arrests, convictions, and incarceration)?

3. How did the programs' costs compare with any benefits they produced?[7]

[6]See, for example, Devah Pager (2003).

[7]This report presents results from a cost-effectiveness analysis. An upcoming companion report presents results from a full benefit-cost analysis for one ETJD program. See Kimberly Foley, Mary Farrell, Riley Webster, and Johanna Walter, *Reducing Recidivism and Increasing Opportunity: Benefits and Costs of the RecycleForce Enhanced Transitional Jobs Program* (New York: MDRC, forthcoming).

The first and third questions were addressed in the evaluation's implementation study and its cost study. The second question was addressed in the impact study, which used a rigorous random assignment research design. To facilitate the evaluation, between 2011 and 2013, each ETJD program recruited approximately 1,000 people who met the project's eligibility criteria and any additional criteria established by the program.[8] Using a web-based tool developed and managed by MDRC, eligible applicants who agreed to be in the study were assigned at random to the **program group**, whose members were invited to participate in the ETJD program, or to the **control group**, whose members were not offered ETJD services but could seek out other services in the community. The evaluation team followed both groups for 30 months using government administrative records and individual surveys (one at 12 months and another at 30 months) in order to see whether differences emerged between the groups in the three primary outcome domains, as well as in some secondary domains. If such differences (known as *impact estimates*) are found to be statistically significant, one can say with a high degree of confidence that they are attributable to the programs rather than to preexisting differences between the two groups' members.[9]

Results

Implementation and Cost Findings

As discussed in detail in the interim report, for the most part the ETJD programs were implemented as planned; however, in some programs, enhanced features did not operate as designed. Each of the seven programs succeeded in enrolling 1,000 people into the study, though recruitment was a challenge for several of them. The proportion of the program group that worked in a transitional job varied widely, from less than 40 percent in Fort Worth, where the program attempted to place participants into subsidized jobs with private employers, to 100 percent in Indianapolis, where participants were immediately placed into jobs with the program sponsor. The 12-month survey showed that the program group was more likely than the control group to have obtained employment services at all of the sites, though the difference was smallest in Milwaukee and New York City.[10] In addition, in New York City, control group members were much more likely than program group members to have enrolled in another large transitional employment program that operated at the same time as ETJD.

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[8]In general, a noncustodial parent needed to have a low income and to have a child support order in place (or agree to begin establishing one within 30 days). An individual returning from prison had to have been released within the previous 120 days; in addition, he or she could not have been convicted of a sex offense.

[9]Impact results presented throughout this report are regression-adjusted, controlling for pre-random assignment characteristics including age, gender, race, prior work experience, prior criminal history, whether an individual was a noncustodial parent at time of random assignment, and date of study entry.

[10]"Site" here and throughout the report is short for "experimental site," a term that encompasses the program, the program group, the control group, and the local environment.

The direct cost of the ETJD programs ranged from about $7,000 to $11,100 per program group member. The largest component of the cost was operations (staff salaries and fringe benefits, administrative costs, and overhead), which accounted for about 50 percent to 79 percent of the total. Costs for transitional job wages ranged from as little as 13 percent to as much as 44 percent of the total. When the cost of non-ETJD services (for example, education or training services that program group members obtained in the community) is factored in, the costs are between $8,200 and $12,700 per person. The net cost of the ETJD programs — calculated by subtracting the cost of services that the control group received in the community — ranged from about $6,200 to about $11,100 per person.

Impact Findings: Confirmatory Analysis

At the beginning of the study, the evaluation team and ETA agreed on a small number of "confirmatory" outcome measures that would be used to assess the overall success of the demonstration, as well as a complementary set of "exploratory" measures to provide insight into the causes of any impacts found (discussed below). Selecting only three confirmatory outcomes — one in each of the primary domains — reduced the odds that the study would find a positive result by chance. The three confirmatory outcomes shown in Table ES.2 were all calculated by pooling results from multiple ETJD programs, and all of them rely on administrative records rather than surveys. The earnings and child support outcomes focus on the last year of the follow-up period (roughly months 18 to 30 after random assignment) in order to examine impacts after individuals left the programs. The confirmatory analysis found that:

- **The overall results of the ETJD confirmatory analysis are mixed: The programs increased earnings in the last year of the follow-up period, but there were no statistically significant impacts on the amount of child support paid or on a broad measure of recidivism.**

As Table ES.2 shows, when all sites are combined, the ETJD program group earned about $700 (9 percent) more than the control group during the last year of the follow-up period.[11] This

[11]Earnings were measured with data from the National Directory of New Hires, which compiles quarterly earnings data from state unemployment insurance programs. Earnings for workers who are self-employed, who are classified as independent contractors, or who are working in the informal economy may not be captured in unemployment insurance records. In some programs (Indianapolis, Milwaukee, Syracuse, and, to some extent, San Francisco) the transitional jobs were reported to the unemployment insurance system. It is possible that small numbers of program group members were working in transitional jobs in the last year of the follow-up period, and that those jobs were recorded in the unemployment insurance data.

Table ES.2

Results of the Confirmatory Analysis

Outcome	Sites Included	Data Source	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval
Total earnings during the last year of the follow-up period[a] ($)	All 7 programs	National Directory of New Hires	8,298	7,597	701***	[262, 1,140]
Sample size			3,518	3,479		
Child support paid during that last year of the follow-up period ($)	4 programs targeting noncustodial parents	State child support records	1,309	1,266	43	[-121, 207]
Sample size			1,999	1,967		
Arrested, convicted, or admitted to jail or prison since random assignment (%)	3 programs targeting former prisoners	State criminal justice records	58.9	60.4	-1.5	[-4.3, 1.3]
Sample size			1,498	1,488		

SOURCES: MDRC calculations based on quarterly wage data from the National Directory of New Hires, child support agency data, and criminal justice data.

NOTES: Results in this table are regression-adjusted, controlling for pre-random assignment characteristics.
Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; * = 10 percent.
Rounding may cause slight discrepancies in calculating sums and differences.
[a]This measure of earnings during the final year of the follow-up period in the pooled group of all seven ETJD sites was prespecified as the confirmatory measure for the employment and earnings domain.

earnings impact is larger than the average long-term earnings impacts from several other recent studies of employment and training programs for hard-to-employ job seekers.[12] The bottom panel of Figure ES.1 shows that the programs increased earnings by as much as 73 percent in the early quarters of the study period, when many program group members were working in transitional jobs. The earnings impacts grew much smaller over time but remained statistically significant throughout the 30-month follow-up period. Exploratory analyses discussed below provide further evidence to support this confirmatory finding.

Table ES.2 also shows that at the four sites targeting noncustodial parents, there was no statistically significant difference in the amount of child support paid, on average, by members of the program and control groups in the last year of the follow-up period. The table also shows that at the three sites targeting people recently released from prison, a similar proportion of people in the program and control groups were arrested, convicted of a crime, or incarcerated during the 30-month follow-up period.

Impact Findings: Exploratory Analysis

The confirmatory analysis presented in the previous section is the most definitive evidence on the impact of ETJD. The evaluation team also conducted exploratory analyses of a somewhat larger group of outcome measures in the same three domains, in order to provide a more nuanced picture of the results and to identify possible strengths programs could build on and weaknesses to be corrected. The findings from the exploratory analysis are less definitive because a larger number of outcomes were examined, raising the odds that statistically significant impacts may have arisen by chance.[13] The team examined three broad topics in the exploratory analysis: (1) impacts on other measures in the three primary outcome domains; (2) impacts among subgroups of the ETJD population; and (3) impacts for the individual ETJD programs. Findings from the exploratory analysis include:

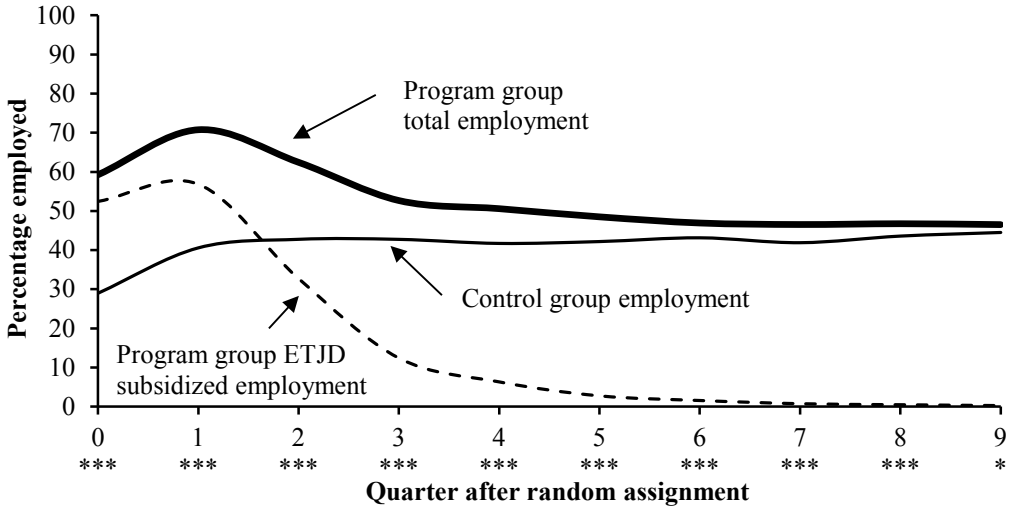
[12]In a recent literature review conducted for the U.S. Health and Human Services Office of Planning, Research, and Evaluation, only 3 of 23 studies published between 2010 and 2014 about employment and training programs targeting hard-to-employ job seekers demonstrated positive impacts on long-term earnings (defined as earnings more than 18 months after study entry). Studies of programs involving primarily conditional cash transfer, parenting, or health interventions were not included in this tally, nor were programs targeting already-employed individuals. See the Employment Strategies for Low-Income Adults Evidence Review, available at https://employmentstrategies.acf.hhs.gov.

[13]Increasing the number of impact estimates examined increases the likelihood that at least one estimate will be statistically significant by chance, even if the program had no true effect. If 10 independent outcomes are examined, for example, it is likely that one of them will show an effect that is statistically significant at the 10 percent level purely by chance, even if the program is truly ineffective.

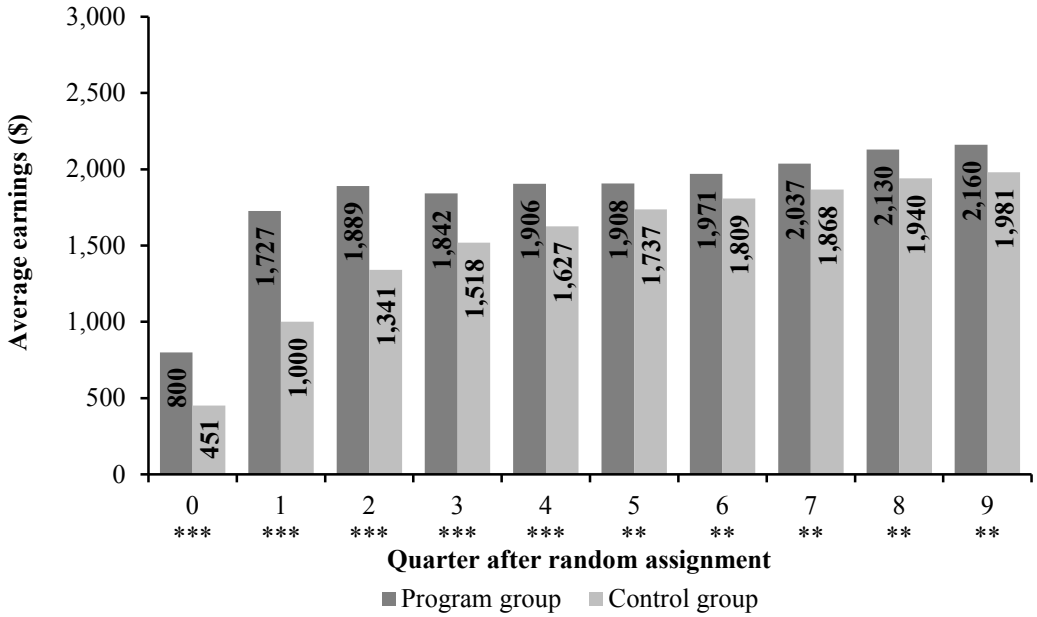
Figure ES.1

Employment and Earnings Over Time: All Sites

Employment



Earnings



(continued)

Figure ES.1 (continued)

SOURCES: MDRC calculations based on quarterly wage data from the National Directory of New Hires and program payroll records.

NOTES: Results in this table are regression-adjusted, controlling for pre-random assignment characteristics.

Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; * = 10 percent.

Employment rates and earnings in the quarter of random assignment through Quarter 5 after random assignment include both ETJD subsidized jobs and jobs covered by unemployment insurance and reported to the National Directory of New Hires. Employment rates and earnings in Quarters 6 through 9 after random assignment include only jobs covered by unemployment insurance and reported to the National Directory of New Hires.

- **In addition to having higher total earnings than the control group in the last year of the follow-up period, the program group was also somewhat more likely to be employed, and to be working in higher-quality jobs.**

Table ES.3 shows some of the important outcomes that were examined in the exploratory analysis in each of the primary domains. The top panel of the table shows that about 60 percent of the control group worked in a job covered by unemployment insurance in the last year of the follow-up period. The program group's employment rate was about 64 percent, and the 4 percentage point difference between the program and control group is statistically significant. Responses to the 30-month survey tell a similar story, though the survey found higher employment rates for both groups (probably because some respondents were working in jobs not covered by unemployment insurance). The survey also shows that after 30 months, the program group was more likely to be working in full-time jobs, jobs that paid more than $10 an hour, and jobs that were permanent rather than temporary. Another analysis (not shown) found that the program group was somewhat more likely to have employer-provided health insurance.

- **Although the ETJD programs targeting noncustodial parents did not significantly increase the amount of formal child support paid in the last year of the follow-up period, program group members at those sites were somewhat more likely to pay at least some formal support during the year.**

It may seem surprising that ETJD increased earnings without increasing the amount of child support paid, since child support is generally deducted from workers' paychecks. This pattern suggests that program group members paid a slightly lower percentage of their earnings for child support than control group members. As shown in the middle panel of Table ES.3, the

Table ES.3

Selected Results from the Exploratory Analysis

Outcome	Program Group	Control Group	Difference (Impact)	Ninety Percent Confidence Interval	Sample Size
Employment domain (%)					
Ever employed in the last year of the follow-up period					
According to administrative data[a]	64.4	60.4	4.0***	[2.2, 5.9]	6,997
According to responses to the 30-month survey	77.9	72.9	5.0***	[3.1, 7.0]	5,100
Employed at the time of the 30-month survey	55.9	50.9	5.0***	[2.8, 7.2]	5,183
Earning more than $10 per hour[b]	30.4	24.8	5.7***	[3.6, 7.7]	4,906
Working more than 34 hours per week[b]	39.6	33.7	5.9***	[3.7, 8.0]	5,143
Employed in a permanent job[b]	40.7	34.3	6.5***	[4.2, 8.7]	4,785
Child support domain (%)					
Paid any formal child support in the last year of the follow-up period[c]	61.9	55.6	6.3***	[3.9, 8.7]	3,966
Provided informal cash support or noncash support in the past month[b]	48.9	49.0	-0.1	[-3.0, 2.8]	2,892
Criminal justice domain[d]					
Arrested (%)	42.7	45.5	-2.8	[-5.7, 0.2]	2,763
Convicted of a crime (%)	33.0	35.8	-2.7	[-5.6, 0.1]	2,763
Convicted of a felony	15.9	18.4	-2.5*	[-4.8, -0.2]	2,763
Convicted of a violent crime	6.6	6.6	-0.1	[-1.6, 1.5]	2,763
Incarcerated (%)	54.7	55.4	-0.6	[-3.5, 2.2]	2,955
Incarcerated in prison	28.0	32.2	-4.2***	[-6.9, -1.6]	3,001
Total days incarcerated in prison	65	84	-19***	[-28, -10]	3,001

(continued)

Table ES.3 (continued)

SOURCES: MDRC calculations based on quarterly wage data from the National Directory of New Hires, child support agency data, criminal justice data, and responses to the ETJD 30-month survey.

NOTES: Results in this table are regression-adjusted, controlling for pre-random assignment characteristics. Analyses of survey-based outcomes incorporate weights that correct for survey nonresponse, which take into consideration information on the full sample's pre-random assignment characteristics. Unweighted analyses (not shown) yielded nearly identical results.

Statistical significance levels are indicated as: *** = 1 percent; ** = 5 percent; * = 10 percent.

Rounding may cause slight discrepancies in calculating sums and differences.

[a]Employment rates include only jobs covered by unemployment insurance and reported to the National Directory of New Hires.

[b]Measure created from responses to the ETJD 30-month survey.

[c]Measures of formal child support include all payments made through the state's child support collection and disbursement unit, including funds from employer withholding and other sources (for example, tax intercepts).

[d]All criminal justice measures are created from state criminal justice data sources.

program group was somewhat more likely to pay formal child support in the last year of the follow-up period, which is consistent with the impact on employment discussed in the previous section.[14] This finding means that program group members who paid support paid slightly less than control group payers. There may be lags in the child support system's ability to begin collecting support once an individual finds a job. In addition, in one of the programs, participants' child support orders were routinely lowered as an incentive to participate in ETJD; the orders may not have been immediately increased when participants got unsubsidized jobs.

- **While the ETJD programs targeting formerly incarcerated people did not significantly reduce the number of people who had at least one criminal justice "event" during the follow-up period, there is some evidence that the programs affected other measures of recidivism.**

The bottom panel of Table ES.3 shows that program group members in the three programs targeting recently released people were less likely to have been convicted of a felony or to have been incarcerated in prison during the follow-up period, and spent fewer days in prison overall than the control group. These impacts are generally small but statistically significant. As discussed further below, the impacts on recidivism outcomes overall mostly reflect the impacts in Indianapolis.

[14]The middle panel of Table ES.3 shows results for the four programs targeting noncustodial parents. In those programs, the program group earned about $1,000 more than the control group in the last year of the follow-up period, a statistically significant difference. Sixty-eight percent of the program group at those sites worked in the last year, compared with 63 percent of the control group, a difference that is also statistically significant.

While the majority of sample members had some contact with the criminal justice system during the follow-up period, few were convicted of a serious new crime (that is, a felony or a violent crime).

- **In general, the results do not vary much among subgroups of the ETJD population. A big exception is in the recidivism domain, where impacts were concentrated among sample members at the highest risk of recidivism.**

Research in the field of prisoner reentry has concluded that intensive resources should be directed toward those at the highest risk of recidivism.[15] The evaluation team estimated the risk of recidivism for formerly incarcerated people using baseline characteristics and criminal history data measured before study enrollment. Participants were then classified into lower-risk and higher-risk subgroups. Impacts on recidivism were significantly larger among the higher-risk subgroup. Notably, in the higher-risk group, program group members were 12 percentage points less likely to be incarcerated in prison and spent 41 fewer days in prison during the follow-up period than their control group counterparts; both estimates are statistically significant. The Indianapolis program — which was the only one to produce consistent, significant reductions in recidivism — served a higher-risk population than the other two programs targeting people returning from prison. Notably, however, impacts on recidivism were larger among higher-risk individuals in all three programs.

- **Four of the seven ETJD programs had statistically significant favorable effects on those outcome measures that were prespecified in the confirmatory analysis. It is difficult to draw firm conclusions about why some programs appeared to perform better than others.**

Table ES.4 summarizes the ETJD impacts by site. The table includes the three confirmatory measures (shown in bold), as well as one other important measure in each domain. A "✓" indicates a statistically significant favorable effect, while "(✓)" indicates a statistically significant unfavorable impact. The results should be viewed with caution because some of the differences in impacts across sites are not statistically significant. As the table shows, some programs produced significant impacts while others did not. However, it is unclear whether this pattern reflects differences in models, differences in the implementation of those models, differences in local contexts, or differences in the characteristics of the sample members at each location.

[15]See, for example, Joan Petersilia, "What Works for Prisoner Reentry? Reviewing and Questioning the Evidence," *Federal Probation* 68, 2 (2004): 4-8; Amy Solomon, Jesse Jannetta, Brian Elderbloom, Laura Winterfield, Jenny Osborne, Peggy Burke, Richard P. Stroker, Edward E. Rhine, and William D. Burrell, *Putting Public Safety First: 13 Strategies for Successful Supervision and Reentry* (Washington, DC: The Urban Institute, 2008).

Table ES.4

Selected Site-Specific Findings

Outcome	Atlanta	Milwaukee	Syracuse	San Francisco	Fort Worth	Indianapolis	New York City
Total earnings in the last year of the follow-up period ($)			✓	✓		✓	
Ever employed in that last year (%)	✓			✓		✓	
Amount of formal child support paid in that last year ($)	✓						
Paid any formal child support in that last year (%)		✓	✓	✓			
Arrested, convicted, or admitted to jail or prison (%) ††						✓	(✓)
Total days incarcerated in prison						✓	

SOURCE: MDRC summary based on calculations from administrative records.

NOTES: ✓ indicates a favorable statistically significant impact. (✓) indicates an unfavorable statistically significant impact.

Bolded measures are confirmatory outcomes in the pooled analysis.

When comparing impacts among sites, an H-statistic is generated. The H-statistic is used to assess whether the difference in impacts among the sites is statistically significant. Statistically significant differences across sites are indicated as: ††† = 1 percent; †† = 5 percent; † = 10 percent.

Major observations include:

- The **Indianapolis** program produced substantial impacts in both the employment and recidivism domains. Control group data indicate that the program served a very disadvantaged population with poor employment outcomes and high rates of recidivism. The program used an intensive, highly supportive model in which participants were often supervised by peers who were program graduates in an electronics recycling social enterprise (a business with a social purpose). A companion report describes the results of a full benefit-cost study focusing on this program.[16]

- The **San Francisco** program produced substantial impacts in both the employment and child support domains. This result is somewhat surprising, because the program's three-tiered transitional jobs model did not operate as planned and fewer than half of the program group members worked in subsidized jobs. However, there was strong collaboration with the local child support agency, which routinely lowered program group members' monthly child support orders to provide an incentive for participation.

- The **Atlanta** program produced modest impacts on employment and child support payments. Based on control group outcomes, the Atlanta program served the most employable population of any in the ETJD project. Its staged model was generally well implemented and the rate of participation in transitional jobs was close to 100 percent.

- The **Syracuse** program produced modest impacts in the employment and child support domains. Its transitional jobs model was fairly traditional, with only modest enhancements, and was generally well implemented. The program served a highly disadvantaged population.

- The **Milwaukee** program produced few significant impacts. The program experienced implementation challenges: there was staff turnover and an initial plan to place a large proportion of ETJD participants into occupational training was not implemented. The model included an innovative earnings supplement, but it did not apply to many people in practice. In addition, a large proportion of the control group reported receiving employment services, which may have made it more difficult for the program to achieve significant impacts.

[16]Foley, Farrell, Webster, and Walter (forthcoming).

- **Fort Worth** did not have significant impacts in either the employment or the recidivism domain. This program was the only one in the project that attempted to place almost all participants into transitional jobs with private employers. Perhaps as a result of this approach, fewer than 40 percent of participants worked in transitional jobs. Other programs that have attempted to place disadvantaged people into subsidized jobs in the private sector have seen very similar placement rates.[17]

- The **New York City** program did not produce favorable significant impacts. As noted earlier, a large proportion of the control group received employment services and, in addition, the research team was able to determine that a substantial proportion of the control group (about 36 percent) received transitional jobs through another large transitional jobs program in the city (while about 16 percent of the program group also received transitional jobs through that other program). The program's unfavorable impact on overall recidivism reflects increases in arrests and jail incarceration. These results are puzzling, particularly because the program significantly reduced felony convictions and admissions to prison for new crimes.

Conclusion

The ETJD project set out to test whether "enhanced" transitional jobs programs could produce larger impacts than earlier models after participants moved on. The answer is a qualified "yes." As a group, the ETJD programs produced a modest but statistically significant increase in earnings in the last year of the follow-up period, a result that was not found in most earlier studies.[18] Exploratory analyses suggest that the programs probably produced a number of other modest but positive effects on outcomes in all three primary domains. Thus, it seems clear that transitional jobs programs *can* produce effects in the employment, child support, and criminal justice domains after participants leave the program. That said, the impacts after participants left the programs were not large, and data that became available shortly before the report was completed show that impacts on earnings as measured using unemployment insurance records continued to diminish

[17]See, for example, Asaph Glosser, Bret Barden, and Sonya Williams, *Testing Two Subsidized Employment Approaches for Recipients of Temporary Assistance for Needy Families: Implementation and Early Impacts of the Los Angeles County Transitional Subsidized Employment Program*, OPRE Report 2016-77 (Washington, DC: Office of Planning, Research and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2016).

[18]It is important to note that the pooled ETJD sample (about 7,000) is substantially larger than the samples in most earlier evaluations of transitional jobs programs. It is not clear whether an impact on earnings of the size measured in ETJD (about $700 in the last year of the follow-up period) would have been statistically significant with a smaller sample.

after the report's follow-up period ended. Moreover, it is not clear whether transitional jobs are more cost-effective than other approaches with the same goal.

It is also difficult to draw firm conclusions about the factors that are associated with these longer-term positive earnings, child support, and criminal justice effects. The ETJD programs that appear to have been most effective served different populations, used different models, and had different levels of implementation success. And there does not appear to be a correlation between the extent of "enhancement" and the level of impact.

Finally, it is important to note that, despite the positive impacts, most sample members in both the program and control groups were still struggling in the labor market at the end of the study's follow-up period. For example, only about one-third of those who responded to the 30-month survey reported having full-time jobs (working more than 34 hours per week). Individuals in the ETJD target groups would probably need to develop substantially greater skills in order to obtain better-paying, more stable jobs. Recent studies have shown that certain kinds of occupational training programs can produce such gains, but it is not clear that ETJD participants could qualify for such programs or support themselves while participating.[19] It may be that models combining subsidized employment and skills training could achieve better results.

From a policy perspective, ETJD confirmed once again that transitional jobs programs, if properly targeted and executed, will produce very large short-term increases in employment and earnings. Some of the additional earnings of noncustodial parents will find their way to children. Other research (partly based on 12-month results from two ETJD sites) suggests that these gains can translate into parallel improvements in personal well-being.[20]

Policymakers will need to decide whether these nearly certain short-term effects — coupled with the *possibility* of longer-term impacts such as those found in ETJD — are sufficient to justify additional investment. The answer depends, in part, on how one views the goals of these programs. If the main objective is to find the most cost-effective strategy for improving long-term employment outcomes for disadvantaged workers, transitional jobs may not be superior to other approaches. On the other hand, if a major goal is to provide meaningful work and income to people

[19]See, for example, Richard Hendra, David H. Greenberg, Gayle Hamilton, Ari Oppenheim, Alexandra Pennington, Kelsey Schaberg, and Betsy L. Tessler, *Encouraging Evidence on a Sector-Focused Advancement Strategy: Two-Year Impacts from the WorkAdvance Demonstration* (New York: MDRC, 2016).

[20]Two of the ETJD sites (Atlanta and San Francisco) were also part of the parallel Subsidized and Transitional Employment Demonstration (STED), sponsored by the Administration for Children and Families in the U.S. Department of Health and Human Services. The STED project administered a brief survey to program and control group members just a few months after random assignment, when many program group members were working in transitional jobs, in order to measure some of the ancillary benefits of employment. See Sonya Williams and Richard Hendra, *The Effects of Subsidized and Transitional Employment Programs on Noneconomic Well-Being*, OPRE Report 2018-17 (Washington, DC: Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Resources, 2018).

who cannot find jobs in the regular labor market, transitional jobs and other types of subsidized employment may be seen as good investments; the possibility of longer-term gains and reductions in recidivism may be viewed as a bonus. Such programs are broadly applicable when overall economic conditions are poor, but subsidized employment programs targeting particular populations or geographic areas may make sense even when the overall unemployment rate is low.